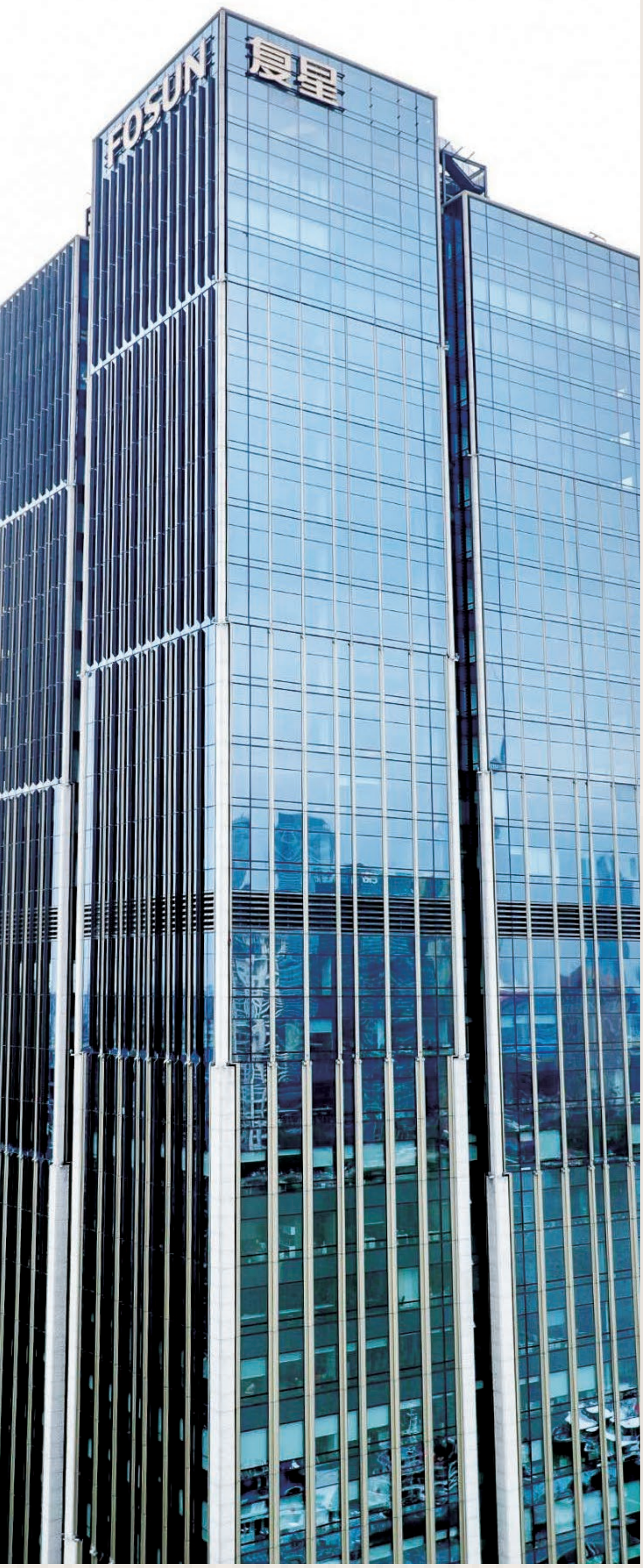
FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

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

破局立新 再啟新章
Breaking Through, Starting Anew

2025
ANNUAL REPORT



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Breaking Through, Starting Anew

FINANCIAL SUMMARY

In RMB million	For the year ended 31 December 2025	2024
Revenue	**173,425.3**	192,142.0
Health	**48,000.0**	46,552.9
Happiness	**64,748.4**	76,710.1
Wealth	**55,864.9**	55,114.1
Insurance	**44,816.7**	39,313.8
Asset Management	**11,048.2**	15,800.3
Intelligent Manufacturing	**7,741.4**	15,585.9
Eliminations	**(2,929.4)**	(1,821.0)
(Loss)/profit attributable to owners of the parent	**(23,395.8)**	(4,348.9)
Health	**1,434.9**	901.1
Happiness	**(9,066.6)**	(1,878.6)
Wealth	**(14,173.2)**	(2,656.2)
Insurance	**1,779.2**	1,716.1
Asset Management	**(15,952.4)**	(4,372.3)
Intelligent Manufacturing	**(1,546.2)**	(626.8)
Eliminations	**(44.7)**	(88.4)
Loss per share – basic *(in RMB)*	**(2.88)**	(0.53)
Loss per share – diluted *(in RMB)*	**(2.88)**	(0.53)
Dividend per share *(in HKD)*	**–**	0.02

Dear shareholders,

Today, I would like to have an open and honest conversation with our shareholders, reflecting on Fosun's journey in 2025, sharing our thoughts, and outlining where we are heading next.

In 2025, the Company recorded a loss attributable to owners of the parent of RMB23.4 billion. It should be noted that this loss does not reflect a deterioration in the Company's operating fundamentals. Instead, it was primarily attributable to the Board's prudent decision to recognize non-cash impairment provisions on certain projects arising from the Company's past development; it also involved impairment provisions on goodwill and intangible assets of certain non-core business segments. These provisions will not affect the Company's day-to-day operations, cash flow or business activities. Our core businesses such as pharmaceuticals and insurance continue to demonstrate steady growth.

A loss is never desirable. Such a result is also unprecedented in Fosun's more than thirty years of development. Although the loss is mainly non-cash items, we missed our profit expectations. As the Company's Chairman and Founder, I would like to express my sincere apologies to all shareholders and partners who care about Fosun's development. Over the years, Fosun has been bold in exploring and experimenting. We have had our share of successes and some missteps, each coming with valuable lessons learned. In recent years, China's real estate industry has undergone macro-structural adjustments. Although real estate accounts for a small portion of Fosun's business, it is natural for the market and investors to ask: Have Fosun's real estate projects not faced challenges and pressures, have all our past investments performed without setbacks? Of course, the answer is no. In hindsight, under the current market conditions, some of the projects we invested in years ago are now valued differently from what we expected at the time of investment. Accordingly, the Board has taken a prudent decision to complete this asset impairment, allowing Fosun to focus its resources and efforts more effectively on core, high-growth areas. At a time when the global economy is generating opportunities amid volatility and China's innovation-driven industries are gaining growth momentum, deepening our strategic focus now allows us to optimize our asset structure and helps us secure a stronger position in key sectors, positioning Fosun as a leaner, healthier, and more sustainable company.

In terms of operating fundamentals, Fosun recorded operating revenue of RMB173.4 billion in 2025, with overseas revenue accounting for 54.7% of the total. Net cash flow from operating activities remained positive, average cost of debt continued to improve, and credit rating agencies such as S&P maintained stable ratings. Meanwhile, our financing capacity remained strong and our funding channels open. Our high-quality and resilient assets position us well for future growth. The total revenue of the four core enterprises — Fosun Pharma, Yuyuan, Fosun Portugal Insurance and FTG — reached RMB 128.2 billion, accounting for 74% of the Group's total revenue, a year-on-year increase of 3 percentage points.

It is precisely this strong foundation, together with the continued support of our partners, that gives us the confidence and determination to "repairing the roof on a sunny day". This is the moment to shed historical burdens and pursue predictable, sustainable growth. We must strengthen our core businesses with greater focus and depth to achieve steadier, longer-term growth in the next phase.

SMART INNOVATION AND INTEGRATED INNOVATION DRIVEN BY INNOVATION

Going global or going obsolete. Innovation works the same way. Innovate or be left behind. In this fast-paced era, we must remain committed to innovation, especially smart innovation. We must collaborate with others and learn from others. Innovation is not a solo endeavor, nor should it happen behind closed doors. That is why I have always emphasized "integrated innovation", building an innovation system with two core capabilities, "global research and development ("**R&D**") + global business development ("**BD**")".

In 2026, we will place even greater emphasis on innovation as our top priority, steering Fosun's transition from scale expansion toward quality enhancement, and from resource integration toward value creation.

We have always been committed to pharmaceutical innovation. As early as 2006, we began systematically building our pharmaceutical R&D capabilities, starting with high-value generic drugs and steadily advancing toward true innovation. In 2019, China's first biosimilar, HANLIKANG, received marketing approval, marking a major milestone. By 2023, Henlius had turned profitable, 17 years since we first embarked on this journey. Throughout the years, we have remained true to our original aspiration of "always striving to heal", and to our vision of helping people live to 121.

Looking back, we now have nearly 70 major pipeline projects on innovative drugs (calculated by indications), forming a tiered pipeline spanning "early-stage frontier research, mid-stage proof-of-concept, and late-stage clinical expansion". By continuously strengthening our innovation pipeline, we are accelerating the clinical translation and commercialization of innovative technologies and products. We currently have multiple blockbuster candidates in the pipeline.

Take Henlius as an example. It has already achieved dual-engine growth driven by both biosimilars and innovative drugs. Core products like HANLIKANG, HANQUYOU, and HANSIZHUANG have been approved for marketing in around 60 countries and regions worldwide. HANSIZHUANG has not only been launched in Europe, but has also been included in public reimbursement programs in seven countries, including Germany, Italy, and Spain. Fosun Pharma has progressively established a high-value pipeline portfolio focusing on core therapeutic areas including oncology (solid tumors, hematologic tumors), immunology, inflammation and neurodegenerative diseases. Moving forward, Fosun Pharma will continue to strengthen its core technology platforms encompassing antibodies, antibody-drug conjugate ("**ADC**"), small molecules and cell therapy, while actively expanding its presence in cutting-edge technologies such as radiopharmaceuticals and small nucleic acids, enhancing our R&D ecosystem. We are currently planning the spin-off and separate listing in Hong Kong for our vaccine platform, Fosun Adgenvax, aiming to leverage the capital market to improve its governance standards and sustainable development capabilities, thereby creating greater value for our shareholders.

In terms of artificial intelligence ("**AI**"), I have been following it closely over the past few years. However, we are not chasing the concept of large language models. For us, AI is not about appearances; it is about solving real problems. And we have already made tangible progress. Fosun Pharma's PharmAID® Pharmaceutical Intelligence Platform now delivers T+1 data updates, accelerating drug R&D; FTG's AI G.O intelligent system makes tourism services more personalized. More importantly, AI is now deeply integrated into Fosun's daily operations to enhance decision-making efficiency and optimize operating costs. Going forward, we will continue to invest in AI to make it a truly practical operational tool, maximizing efficiency across the Group.

Fosun always embraces ecosystem thinking. We believe innovation thrives through collaboration, not solo efforts. Take Fosun United Health Insurance's "Ruixingbao" as an example: through our "insurance + industry" model, we integrate insurance services with premier medical resources such as Ruijin Hospital, along with pharmaceutical, healthcare, and consumer offerings. This makes insurance the connector, linking our ecosystem to families and turning ecosystem advantages into product competitiveness. Looking ahead, we will launch more products that bring together ecosystem resources to meet the needs of customers and serve more families. This is where our deepest sense of fulfillment comes from.

Innovation keeps us young. Fosun was founded 34 years ago, but we still approach every day as if it were day one, with a constant hunger for new technologies, new opportunities, and new possibilities.

DEEPENING GLOBAL OPERATIONS: FROM BUSINESS PRESENCE TO PRODUCT AND BRAND GLOBALIZATION

Fosun's globalization journey began in 2007 with our listing on the Hong Kong Stock Exchange. At that time, we started building our overseas business presence through equity and debt investments. Over the years, our globalization journey has evolved through three phases: from "China Expertise + Global Capability", to "Combining China's Growth Momentum with Global Resources" and then to "Combining Global Resources with China's Capabilities". This progression is not merely a matter of wording; it reflects the continuous evolution of Fosun's globalization capabilities. What began as establishing business presence later evolved into capability building, and today, we are truly integrating operations and investments on a global scale.

Regarding the insurance sector, our acquisition of Fosun Insurance Portugal in 2014 has evolved far beyond the initial "buyout". While continuing to deepen its presence in the local market, we have also empowered it to expand beyond Portugal into Europe, Latin America, and Africa. In 2025, Fosun Insurance Portugal delivered a profit attributable to owners of the parent of approximately EUR201 million, with international operations accounting for over 30% of its consolidated businesses. Building on years of development, the two domestic insurance companies have also reached a new stage of profitable and high-quality growth. In 2025, Fosun United Health Insurance reported insurance revenue of RMB7.84 billion, representing a year-on-year increase of 50.1%, with net profit for the year reaching RMB139 million, marking five consecutive years of profitability. Pramerica Fosun Life Insurance achieved RMB13.28 billion in scale premium, representing a year-on-year increase of 41.6%, while net profit surged 492% year-on-year to RMB650 million. While continuing to develop our core insurance business, we also recognize that in the current landscape, a number of existing assets with long-term value potential are ready to be revitalized through transformation, upgrading, and strong operational management. Some of these assets not only generate stable cash flows and provide a foundation for long-term returns, but also have clearly defined risk boundaries, offering useful reference points for long-term capital allocation, including by insurance institutions.

Regarding the consumer sector, Yuyuan has accelerated product innovation and channel optimization. Its catering brand, Songhelou (松鶴樓), opened its first overseas branch in London, the United Kingdom, while jewelry brand, Laomiao (老廟), opened its first overseas store in Kuala Lumpur, Malaysia. FTG, with Club Med as its core, has firmly strengthened lean management. During the core six-day Chinese New Year holiday period, Club Med's five all-inclusive resorts in China recorded an average occupancy rate of 90%. During the nine-day Chinese New Year holiday period, Atlantis Sanya recorded business volume of over RMB124 million, representing a year-on-year increase of 20% and achieving its best Chinese New Year performance on record.

In the Intelligent Manufacturing segment, Hainan Mining, rooted in Hainan and expanding globally, focuses on the most upstream exploration, mining, processing and sales of strategic mineral resources. It has built a diversified global resource footprint spanning China, Southeast Asia, West Africa, and the Middle East, with mineral products covering various strategic mineral resources such as iron ore, lithium, oil, and natural gas. In 2025, supported by the steady advancement of overseas resource projects, the share of overseas assets rose to 46.04%.

More importantly, our globalization strategy has evolved from "acquiring globally" to the 3.0 era of "earning globally". Our products, brands, and services are now reaching customers around the world. The proportion of overseas revenue of Henlius' products such as HANQUYOU and HANSIZHUANG continues to rise. Our nationally recognized intangible cultural heritage event, the Yuyuan Lantern Festival, along with time-honored Chinese brands such as Laomiao (老廟), Songhelou (松鶴樓), and Nanxiang Steamed Buns Restaurant (南翔饅頭店), and Shede baijiu (舍得酒) are also gaining growing recognition among families in overseas markets. For Fosun, globalization is not a choice, it is inevitable. We have already proven that this path works, and we will go even further in the years ahead.

STAYING TRUE TO OUR ORIGINAL ASPIRATION AND ADHERING TO LONG-TERMISM

Fosun has always stayed true to its original aspiration: to do the right things, the difficult things and the things that take time to develop.

We have always said that we must learn to move with the cycles while staying grounded in intrinsic value. Fluctuations in corporate value often stem from three overlapping cycles: the industry cycle, the capital market cycle, and the company's own cycle. The first two cycles are largely beyond our control. All we can do is to remain patient and wait them out. What we can change, however, is our own cycle. How well we manage our businesses and whether we have the right people in place are precisely the things we can improve through day-to-day operations and management. But patience takes time, and it also requires long-term capital. What kind of company does Fosun want to be? We need sufficient long-term capital to support our growth and the resilience to navigate through cycles. Just as importantly, we need the ability to continuously transform and strengthen our businesses.

This is why we must always remain committed to long-termism. Long-termism is not simply about "waiting". It is about continuously enhancing the Company's value in the process. As we wait for the industry cycle and capital markets cycle to turn, we must first manage our own cycle well. This is the key to Fosun's ability to navigate through cycles, and it is the long-termism we have upheld for over thirty years and will continue to uphold.

Doing good through business has always been part of our original aspiration. Over the past three decades, no matter the cycle, I have firmly believed that the value a company creates comes not only from its products, but also from the lives it touches and the social responsibilities it carries. Fosun Pharma has long worked to expand global access to artemisinin-based medicines. In addition to improving drug quality through technology innovation, we have collaborated with many global charitable organizations to build local supply networks in Africa, ensuring that children in less developed regions can afford and access life-saving medicines. Bridging the "last mile" is never easy, but every additional bottle of medicine could mean one more child saved. Take HANSIZHUANG as another example, traditional chemotherapy for gastric cancer often brings severe side effects, causing many patients to abandon treatment. After 15 years of R&D, we brought HANSIZHUANG to market, ushering in a chemotherapy-free era in gastric cancer treatment. It not only allows patients to live longer, but also to live with dignity, and in some cases, even to offer hope for a cure. Our long-standing Rural Doctors Program addresses the reality that "minor illnesses often turn into serious illnesses" in remote areas. Operating in 78 key rural revitalization counties across 16 provinces, the Rural Doctors Program has supported 25,000 rural doctors, benefiting 3 million grassroots families across China's central and western regions. This is not a one-off assistance effort, but a long-term commitment to protecting the elderly and children who still live in rural areas and cannot easily travel to big cities.

Fosun has integrated ESG principles into every aspect of its development. We are actively promoting carbon neutrality and continuously investing in green energy, energy conservation and emission reduction, and eco-friendly materials. We are committed to compliant operations and we continue to strengthen transparency in our disclosures, so shareholders and the society can better understand Fosun. For us, an outstanding company is one that delivers commercial value while also taking responsibility for society and the environment.

To our shareholders and friends, "repairing the roof on a sunny day" requires both courage and resolve. Our core businesses remain solid, our liquidity position is robust, and our banking relationships remain stable. That is what gives us the confidence to move forward with this round of provisions. As we recently announced, our major shareholder and management team plan to increase their holdings in the shares of the Company and we will also proceed with a share buyback program. With our core businesses continuing to grow and our strategic plans firmly on track, we are confident in our ability to support a return of the share price to fair value and better protect the long-term interests of our shareholders. Our medium-term financial goals are as follows: we strive to gradually restore annual profit to the RMB10 billion level; at the group level, we aim to generate RMB60 billion in cash returns, reduce total debt to below RMB60 billion, and strive to achieve an investment-grade rating.

I would like to thank our shareholders and friends for your trust, understanding, and steadfast support over the years. Over the past more than thirty years, Fosun has come a long way and weathered many challenges. Looking back, none of it was in vain. We are grateful to this era for the opportunities it has given us, and we are equally grateful for the lessons we have paid for, which have made us more clear-eyed and more resolute.

For Fosun's future, we do not seek short-term gains; we seek to build a foundation for lasting success. We look forward to working side by side with all of you and, with prudent and pragmatic resolve and action, embracing a future in which Fosun renews itself through transformation and gathers strength for new growth.

Guo Guangchang
30 March 2026

Since its establishment in 1992, the Group has always adhered to its original aspiration of "Contribution to Society". With the forward-looking strategic thinking of "changing first to bring changes", it has grown in step with the wave of China's reform and opening up and the process of globalization. After more than 30 years of development, the Group has successfully transformed into a global innovation-driven consumer group and established an industrial ecosystem covering the three core segments of Health, Happiness and Wealth.

While consolidating the foundation of globalization strategy, the Group has consistently focused on its core businesses and continuously upgraded its industries through technology empowerment and lean operations. We have a presence in over 40 countries and regions worldwide. With precise insights into consumer demand and in-depth exploration of industrial chain value, we are committed to continuously providing high-quality products, services and innovative solutions for global family customers, fulfilling our corporate commitment of "creating happier lives for families worldwide".

OPTIMIZING ASSETS FOR AGILE DEVELOPMENT, STRENGTHENING CORE BUSINESSES FOR STEADY GROWTH

In 2025, the global economic landscape underwent profound adjustments, with geopolitical conditions and industry cycles bringing multiple challenges. The Group has firmly implemented the strategy of "Focusing on Core Businesses and Streamlining for Strength", taking innovation and globalization as dual engines, deeply cultivating core businesses such as healthcare, consumption and insurance, and promoting the improvement of operational quality and efficiency. During the Reporting Period, the Group's total revenue reached RMB173.4 billion, a decrease of RMB18.72 billion or approximately 9.7% year-on-year. This was mainly due to the fact that Yuyuan was affected by the cyclical downturn in the industry, with its revenue under pressure and a year-on-year decrease of approximately 22.5%. At the same time, the Group continued to dispose of non-core assets, resulting in some subsidiaries (including but not limited to HAL, Guangzhou Taotall Technology Co., Ltd., Easun Technology, etc.) no longer being included in its consolidated financial statements. During the Reporting Period, the Group's asset base remained robust. The total revenue of the Group's top four subsidiaries (ranked by revenue scale) — Fosun Pharma, Yuyuan, Fosun Insurance Portugal and FTG — reached RMB128.2 billion, accounting for 73.9% of the Group's total revenue, an increase of 3.1 percentage points year-on-year. Globalization has long been one of the Group's core strategies, and the continuous growth of the Group's overseas revenue has proven the superiority of this strategy. During the Reporting Period, the Group's overseas revenue reached RMB94.86 billion, accounting for 54.7% of total revenue, an increase of 5.4 percentage points from 49.3% in the same period of last year.

During the Reporting Period, Yuyuan — one of the Group's major subsidiaries — conducted year-end impairment tests on relevant assets in accordance with accounting standards. It made impairment provisions for some of its commercial real estate projects and goodwill, resulting in a loss attributable to owners of the parent of RMB4.90 billion from Yuyuan, compared with a net profit of RMB0.13 billion in the same period of 2024. During the Reporting Period, the profit attributable to owners of the parent from the Group's other core businesses performed steadily: Benefiting from the sustained growth of innovative drug revenue and the increase in overseas commercialization licensing transactions, the profit attributable to owners of the parent from Fosun Pharma reached RMB3.37 billion, a year-on-year increase of 21.7%; Driven by the steady development and continuous improvement in profitability, the profit attributable to owners of the parent of Fosun Insurance Portugal reached EUR0.2 billion, a year-on-year increase of 15.8%; The Group's associate, BCP, has benefited from its stable performance across both its domestic Portuguese market and international operations and its profit has continued to rise. During the Reporting Period, the profit attributable to owners of the parent of BCP amounted to EUR1.02 billion. In conclusion, excluding the impact of impairment of non-cash assets of subsidiaries, the Group's industrial operation profit[1] reached RMB4.0 billion during the Reporting Period, maintaining a basically stable trend year-on-year.

During the Reporting Period, the Group's interest expenses and administrative expenses remained stable with a downward trend. Amid rising volatility in global capital markets, the Group is committed to achieving a balance among reducing debt, lowering interest expenses and extending the debt maturities. On the premise of strengthening liquidity buffers, the Group reduced interest expenses and extended debt maturities, enhancing its ability to withstand capital market fluctuations. Meanwhile, the Group vigorously promoted the application of AI to improve the operational and management efficiency of the headquarters, achieving optimization of administrative expenses.

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

During the Reporting Period, in response to changes in the industry environment, the Group followed the principle of financial prudence and made non-cash impairment provisions for real estate and goodwill and intangible assets of some non-core businesses, resulting in a loss attributable to owners of the parent of RMB23.40 billion in 2025. This impairment is a phased asset value optimization in the implementation of the strategy, which does not affect the operation of core businesses and the robustness of operating cash flow. On the contrary, by consolidating the financial foundation, it has cleared obstacles for the Group to develop agilely and focus on high-quality development.

DEEPENING DOMESTIC AND OVERSEAS FINANCING CHANNELS, REDUCING FINANCING COSTS AND OPTIMIZING ASSETS

The Group continued to adopt an active and prudent liquidity and liability management policy. While diversifying financing channels, it intensified the disposal of non-core assets to enhance cash buffer and cope with volatility in global capital markets. In 2025, uncertainties in geopolitics and global trade rose sharply, and exchange rate fluctuations of major global reserve currencies such as the US dollar and euro increased significantly. To cope with the adverse external environment at home and abroad, the Group committed to expanding financing channels and managing debt maturities to enhance risk resistance: Abroad, the Group expanded its US dollar debt due in 2028 from USD300 million to USD500 million in January 2025; issued a 4-year USD400 million bond in September 2025; and issued a 5-year EUR400 million bond in November 2025, continuously extending debt maturities. Domestically, on the basis of successfully issuing multiple short-term financing bills, Fosun High Technology successfully issued 2-year credit bonds, and issued a 3-year RMB1 billion Magnolia Bond in September 2025, broadening into offshore RMB financing channels. In terms of bank financing, the Group continued to deepen long-term cooperative relationships with domestic state-owned banks, joint-stock commercial banks and many international banks. In March 2025, the Group successfully launched overseas syndicated loans for 9 consecutive years, with total size of USD990 million equivalent for a 3-year unsecured syndicated facility. As at the end of December 2025, the Group's financing cost stood at 5.0%, a decrease of more than 60 basis points from the end of 2024. In October 2025, the international credit rating agency S&P completed its semi-annual review of the Group's credit indicators and confirmed the BB- rating with a stable credit outlook.

Since 2020, the Group has firmly prioritized debt reduction as one of its financial strategies, achieving this goal through the disposal of non-strategic and non-core assets. The Group has also extended the financial strategy of portfolio optimization to its subsidiaries to enhance their dividend distribution capacity. In 2025, the Group completed divestments exceeding RMB17 billion equivalent. Looking ahead, the management will remain determined to dispose of non-core assets, continuously consolidate cash reserves and steadily reduce debt.

IMPROVING QUALITY AND EFFICIENCY OF OVERSEAS BUSINESSES, ACCELERATING IN-DEPTH GLOBAL OPERATIONS

As a global enterprise rooted in China, the Group, while deeply cultivating the Chinese market, has continuously improved quality and efficiency in multiple countries and regions worldwide, enhanced in-depth operation and ecosystem synergy capabilities, created a variety of innovative products and experiences, and served global family users.

During the Reporting Period, the globalization capabilities of the Group's Chinese subsidiaries continued to strengthen, as reflected in the following aspects:

Global R&D and Business Expansion Capability:

Benefiting from forward-looking international business layout and robust clinical operation capabilities, Fosun Pharma and its subsidiary Henlius once again achieved major breakthroughs in overseas businesses:

- Fosun Pharma continued to advance global two-way license and co-development, and strengthen its capabilities for the integration of innovation resources and the translation of the global value. In 2025, Fosun Pharma entered into 7 license-out deals, with total upfront payments of USD261 million and potential milestone payments exceeding USD4 billion. These included licensing FXS7553 (a DPP1 inhibitor) to Expedition, YP05002 (an oral GLP-1 drug) to Pfizer, and FXS6837 (a small-molecule inhibitor) to Sitala, further enhancing the global value realization of innovative assets and driving high-quality revenue growth.

- During the Reporting Period, Henlius expanded the global commercial footprint through licensing-out. In February 2025, Henlius entered into a license agreement with Dr. Reddy's Laboratories SA, pursuant to which Henlius agreed to grant a license to commercialize a biosimilar of daratumumab HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection) in the United States and agreed European region. In April 2025, Henlius entered into a license agreement with Alvogen Korea Co., Ltd., pursuant to which Henlius agreed to grant a license to commercialize HANSIZHUANG (serplulimab injection) in the Republic of Korea. In April and December 2025, Henlius entered into a license agreement and an amendment agreement with Sandoz AG, respectively, for the commercialization of a biosimilar of ipilimumab HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection) in the United States, agreed European countries (42 European countries), Japan, Australia, and Canada.

- In the second half of 2025, Henlius' three products were approved in the United States. Two products of HLX14 (denosumab injection), trade names in the United States and Europe: BILDYOS® and BILPREVDA®, are indicated for Osteoporosis, while HLX11 (pertuzumab injection) , US trade name: POHERDY®, is indicated for the treatment of breast cancer.

- As at 19 March 2026, 10 products (40 indications) of Henlius have been successfully approved for marketing in China, the United States, Europe, Canada, Australia, Indonesia, Mexico, Bolivia and other countries/regions, covering approximately 60 countries/regions, benefiting over 1,000,000 patients around the world.

Going Global Enters an Era of Accelerated Growth

- "Laomiao (老廟)" brand under Yuyuan made its first foray overseas, opening a total of 3 stores in Kuala Lumpur and Macau simultaneously in September 2025, achieving a "from zero to one" breakthrough in overseas layout. During the Reporting Period, overseas jewelry sales (including duty-free market) reached RMB270 million, surging 229% year-on-year. In January 2026, "Laomiao (老廟)" brand officially opened a store in Phnom Penh, Cambodia. Yuyuan will continue to promote the overseas expansion plan of its gold jewelry brands.

- Hainan Mining completed an integrated industrial layout in the new energy sector mainly focused on lithium resources. The first batch of lithium concentrate from the Bougouni lithium mine in Mali, Africa has arrived at Yangpu Port in Hainan, and the first batch of lithium hydroxide products achieved sales. Hainan Mining's industrial model of "Overseas Resources + Hainan Processing" has officially entered the substantive operation stage. In addition, through its subsidiary ROC and the acquired Oman oil field project, Hainan Mining is accelerating the building of a "Minerals + Energy" network covering West Africa, the Middle East and Southeast Asia. As at the end of the Reporting Period, Hainan Mining's share of overseas asset rose to 46.04%.

Meanwhile, the global businesses of the Group's overseas enterprises continued to grow:

Global Operation Capability

- In February 2025, Peak Reinsurance obtained approval from India International Financial Services Centres Authority (IFSCA) to establish an IFSC Insurance Office (IIO) reinsurance branch and received the relevant license. With the license, Peak Reinsurance will further deepen its presence in the Indian market, seize growth opportunities, and directly support India's rapidly growing insurance and reinsurance industries.

- Thanks to the improved global operation capability, Club Med, FTG's subsidiary set a new historical record in performance in 2025, recording business volume[2] of RMB17,966.7 million, an increase of 2.1% compared with 2024. This 75-year-old brand will continue to fulfill its mission of "Better Holiday, Better Life" and enhance its global operation capabilities to accelerate global growth.

- Fosun Insurance Portugal achieved leapfrog development in its global business. As at the end of the Reporting Period, its international business accounted for more than 30% of the consolidated total business scale, among which Latin America accounted for more than 60%.

TECHNOLOGICAL INNOVATION DRIVES PRODUCT STRENGTH AND LAYS FOUNDATION FOR SUSTAINABLE DEVELOPMENT

The Group has always emphasized technological innovation as the core strategic pillar, building a three-in-one global innovation system of "independent R&D + investment incubation + ecological cooperation" to create globally competitive innovation through diverse approaches.

During the Reporting Period, the Group's Health segment achieved impressive scientific and technological achievements.

- HLX43 is Henlius' first ADC drug to enter clinical trials. In 2025, the first patient in the United States was dosed in an international multi-centre phase 2 clinical study of HLX43 in patients with advanced non-small cell lung cancer (NSCLC), Orphan-drug Designation of HLX43 for the treatment of

2 based on Club Med premium all-inclusive resorts, on a consistent exchange rate basis.

thymic epithelial tumours (TETs) was granted by the United States Food and Drug Administration ("**FDA**"). The results from the phase 1 clinical trial of HLX43 were released at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting and the 2025 World Conference on Lung Cancer (WCLC), demonstrating good safety and encouraging preliminary efficacy in several solid tumours especially in patients with NSCLC. Its substantial global sales potential underscores its "Best-in-class" potential and highlights the high efficient synergy of the R&D system.

Enterprises in the Group's Happiness segment continue to empower the consumer industry through technology.

- The R&D team of Shede Spirits successfully developed 29%vol low-alcohol high-flavor baijiu, overcoming the technical challenge of bland flavor in low-alcohol baijiu. The new product achieved sales revenue exceeding RMB3 million in the first month of launch and has been widely praised by consumers.

- FTG created the world's first full-scenario AI vacation intelligent agent AI G.O, aiming to provide customers with personalized services covering the entire chain, full scenarios and all-weather from "pre-trip — during trip — post-trip". AI G.O has been launched at Atlantis Sanya, Nanjing Xianlin Club Med Resort and Taicang Alps Resort.

Enterprises in the Group's Intelligent Manufacturing segment improved quality and efficiency through technology.

- Hainan Mining cooperated with the University of Science and Technology Beijing to research the failure mechanism of slope fractured rock masses and video remote sensing early warning technology, which was applied in the Hainan Shilu Iron Mine. This project won the First Prize of Science and Technology from the China Occupational Safety and Health Association and Metallurgical Mines' Association of China, and was selected into the 2025 Catalog of Advanced and Applicable Technologies* (2025年先進適用技術目錄)of the Ministry of Natural Resources.

BUILDING THE FES SYSTEM: EFFICIENT MANAGEMENT FOR EVERLASTING BUSINESS FOUNDATION

FES is a dynamic business management system continuously evolved through practice by the Group. It is designed to build core competitiveness for a century-old enterprise and nurture talents with Fosun's entrepreneurial spirit. FES helps enterprises foster a culture of continuous improvement: setting ambitious goals, proactively identifying and solving problems during operations, thereby building the Group's leading operational and management capabilities in the industry.

During the Reporting Period, the Group further deepened the implementation of FES, rapidly enhancing the enterprise's operational capacity and creating greater value for the enterprise. Shilu Branch of Hainan Mining implemented multiple measures to drive the steady development of its iron ore business, maintaining stable iron ore output and refining operations management. The optical sorting process technology was innovatively applied to improve the comprehensive utilization rate of low-grade raw ore, adding approximately 80,000 tonnes of raw ore supply. Meanwhile, technical measures such as pre-concentration by waste rejection were adopted to continuously improve mineral processing efficiency and strictly control costs. The new wells at the Bajiaochang Gas Field came into production with remarkable results, with production capacity being rapidly unlocked. Natural gas output increased by 47.87% year-on-year, significantly exceeding the annual production growth target of 30%, while oil output doubled.

As at the end of the Reporting Period, the Group had continuously advanced the construction of the FES system. It had completed the optimization and rollout of 56 FES tools in total, and trained and certified 1,669 experts. Leveraging a sound expert certification mechanism, the Group promoted the implementation of improvement projects and value creation. During the Reporting Period, the Group continued to strengthen organizational support, appointing three batches of 69 FES officers covering 63 group companies, achieving full organizational coverage of FES improvement capabilities and building a professional, efficient and innovative management team. In 2025, the Group implemented 1,040 improvement projects, of which 706 were completed. It summarized 293 best practice cases, which were quickly shared and replicated across the Group, steadily lifting corporate improvement capabilities and operational quality.

PRACTICING GLOBAL VALUE INNOVATION, UPHOLDING SUSTAINABLE ESG RESPONSIBILITIES

Guided by the values of "Self-improvement, Teamwork, Performance, and Contribution to Society", and driven by "innovation" and "globalization", the Group promotes the integration of the ESG strategy and business operations., accelerates low-carbon transformation, expands responsible investment, strengthens social practices, and contributes the power of Fosun to global sustainable development.

In terms of low-carbon transition, under the leadership of the Board of Directors and the Carbon Neutrality Committee, the Group promoted the emission reduction pathways in a more scientific and refined manner. Building on its 2050 carbon neutrality commitment, the Group set a medium-term target to reduce Scope 1 and Scope 2 greenhouse gas emission intensity by 20% by 2034, using 2024 as the base year. This reflects strict constraints on operational emissions and demonstrates the Group's determination and action strength to advance low-carbon transformation.

In social welfare, Fosun Pharma, a subsidiary of the Group, continued to contribute the "China Solution". In April 2024, at the launch ceremony of the "China-Africa Community Sustainable Development Action Network" hosted by the UN Global Compact Network China, Fosun Pharma announced that it would donate artemisinin-based anti-malaria medicines worth RMB 10 million to Africa over the next three years to support the health development of African communities. As at the end of December 2025, Artesun® (artesunate for injection), independently developed by Fosun Pharma, had treated more than 88 million severe malaria patients worldwide, with over 440 million doses supplied globally.

In rural revitalization, throughout 2025, resident teams of the Rural Doctors Program visited 756 health centers in person and conducted over 1,000 online and offline visits to rural doctors. They took out group accident and critical illness insurance for more than 26,500 rural doctors in program counties, upgraded 133 health centers (hospitals) with smart facilities, and provided online training for over 1,000 rural doctors.

In addition, the Group held the "Expert Coaching Training Camps" at Fosun Chancheng Hospital in Foshan, Shenzhen Hengsheng Hospital, Wuhan Puren Hospital, Nanjing BenQ Hospital, Suzhou BenQ Hospital and Zhanjiang Lingnan Orthopedic Hospital. A total of 65 grassroots medical workers from program counties were paired with experts for customized coaching lasting 1 to 3 months. As at the end of December 2025, the Rural Doctors Program covered 78 program counties (including 25 key national rural revitalization counties) across 16 provinces, municipalities and autonomous regions. It supported 25,000 rural doctors, benefiting 3 million rural households and 16.34 million rural residents.

Thanks to its sustained efforts in environmental, social and governance (ESG) over the years, the Group was upgraded to AAA in the latest MSCI ESG Rating 5.0, achieving MSCI's highest ESG rating. It was also successfully re-selected into the S&P Global Sustainability Yearbook 2026 and ranked among the Top 1% in the S&P Global Sustainability Yearbook (China Edition) 2025. In 2026, the Group's FTSE ESG Score continued to outperform both the global industry average and the average of Chinese enterprises, and it has been included in the FTSE4Good Index Series for five consecutive years.

After more than 30 years of development, the Group has grown into a global innovation-driven consumer group. At a new starting point for development, the Group will continue to deepen asset portfolio optimization, strengthen growth drivers of core businesses, and steadily reduce debt scale, rewarding all shareholders and stakeholders with solid operating performance and long-term value.

Looking ahead, the management is fully confident: the Group will stay focused on core businesses, accelerate the divestment of non-core assets, and optimize its asset portfolio. Supported by the steady growth of core subsidiaries including Fosun Pharma, Yuyuan, FTG and Fosun Insurance Portugal, it will strive to gradually restore annual profit to the RMB10 billion level in the medium term. Meanwhile, in respect of continuing to enhance shareholder returns, in addition to the purchases of the Company's shares by the controlling shareholder and management, and the Company's ongoing share repurchases, the Company announces that, starting from the financial year ending 31 December 2026 (the "**2026 Financial Year**"), the targeted dividend payout ratio is planned to increase from the current 20% to 35%[3], and the Company is committed to continuously increasing its dividend payout ratio. Furthermore, based on the accumulated distributable profit of the Company, the dividend for the 2026 Financial Year is expected to be not less than HKD1.5 billion, as a gesture of appreciation for shareholders' continued support of the Company's growth.

3 the final dividend for 2026 Financial Year of the Company is estimated to be distributed in the second half 2027.

BUSINESS REVIEW

During the Reporting Period, the revenue of the Group amounted to RMB173,425.3 million, representing a decrease of RMB18,716.7 million, or 9.7%, compared to the same period of 2024. On the segment level, during the Reporting Period, the revenue of Health, Happiness, Wealth and Intelligent Manufacturing segments reached RMB48,000.0 million, RMB64,748.4 million, RMB55,864.9 million and RMB7,741.4 million, respectively, representing a year-on-year increase of 3.1%, decrease of 15.6%, increase of 1.4% and decrease of 50.3%, 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 62%, 9% and 29% of the total Health segment revenue of the Group, respectively; revenue of brand consumer and tourism and leisure of the Happiness segment represents 72% and 28% of the total Happiness segment revenue of the Group, respectively; revenue of insurance, asset management (property), asset management (investment) of the Wealth segment represents 80%, 9% and 11% 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 56% and 44% 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 2025	Proportion	For the year ended 31 December 2024	Proportion	Change over the same period of last year
Health	48,000.0	27.2%	46,552.9	24.0%	3.1%
Happiness	64,748.4	36.7%	76,710.1	39.5%	(15.6%)
Wealth	55,864.9	31.7%	55,114.1	28.5%	1.4%
Insurance	44,816.7	25.4%	39,313.8	20.3%	14.0%
Asset Management	11,048.2	6.3%	15,800.3	8.2%	(30.1%)
Intelligent Manufacturing	7,741.4	4.4%	15,585.9	8.0%	(50.3%)
Eliminations	(2,929.4)		(1,821.0)		
Total	173,425.3	100.0%	192,142.0	100.0%	(9.7%)

(LOSS)/PROFIT 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 RMB93,829.3 million, while such indicator was RMB118,103.2 million at the end of 2024. During the Reporting Period, loss attributable to owners of the parent of the Group amounted to RMB23,395.8 million.

Unit: RMB million

Segment	For the year ended 31 December 2025	Proportion	For the year ended 31 December 2024	Proportion	Change over the same period of last year
Health	**1,434.9**	**(6.1%)**	901.1	(21.2%)	59.2%
Happiness	**(9,066.6)**	**38.8%**	(1,878.6)	44.1%	(382.6%)
Wealth	**(14,173.2)**	**60.7%**	(2,656.2)	62.4%	(433.6%)
Insurance	**1,779.2**	**(7.6%)**	1,716.1	(40.3%)	3.7%
Asset Management	**(15,952.4)**	**68.3%**	(4,372.3)	102.7%	(264.9%)
Intelligent Manufacturing	**(1,546.2)**	**6.6%**	(626.8)	14.7%	(146.7%)
Eliminations	**(44.7)**		(88.4)		
Total	**(23,395.8)**	**100.0%**	(4,348.9)	100.0%	(438.0%)

ASSET ALLOCATION OF THE GROUP

As at the end of the Reporting Period, total assets of the Group amounted to RMB716,228.7 million, representing a decrease of 10.1% compared to the end of 2024.

Unit: RMB million

Segment	As at 31 December 2025	Proportion	As at 31 December 2024	Proportion	Change over the end of 2024
Health	**135,211.0**	**18.6%**	130,092.2	16.2%	3.9%
Happiness	**185,324.8**	**25.6%**	187,879.2	23.3%	(1.4%)
Wealth	**376,368.8**	**51.9%**	459,114.7	57.0%	(18.0%)
Insurance	**225,337.1**	**31.1%**	190,995.3	23.7%	18.0%
Asset Management	**151,031.7**	**20.8%**	268,119.4	33.3%	(43.7%)
Intelligent Manufacturing	**28,138.0**	**3.9%**	27,895.6	3.5%	0.9%
Eliminations	**(8,813.9)**		(8,453.7)		
Total	**716,228.7**	**100.0%**	796,528.0	100.0%	(10.1%)

CORPORATE STRUCTURE OF MAIN BUSINESS[1] (AS AT 31 DECEMBER 2025)

Health[2]			Happiness[3]		Wealth			Intelligent Manufacturing[4]	
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 36.23%	Sisram (Israel) 01696.HK	Fosun Health	Yuyuan 600655.SH 61.91%	FTG 98.44%	Fosun Insurance Portugal (Portugal) 84.9892%	Fosun Wealth 100%	28 Liberty (USA) 100%	Hainan Mining 601969.SH 47.49%	Wansheng 603010.SH 29.56%
Henlius 02696.HK		Luz Saúde[5] (Portugal) 99.86%	Shede Spirits 600702.SH	Club Med (France) 100%	Peak Reinsurance[10] 86.71%	Fosun Capital 100%	BFC 100%	ROC (Australia)	Easun Technology[13] 80.32%
Gland Pharma (India) GLAND		Shanghai Zhuli[6] (Fosun Care) 90.91%	Jinhui Liquor 603919.SH	Atlantis Sanya 100%	Pramerica Fosun Life Insurance 50%	Shanghai Insight[12] (Fosun RZ Capital) 100%	IDERA (Japan) 98.00%		
Sinopharm 01099.HK		Sanyuan Foods[7] 600429.SH 16.05%	Fosun Sports (Luxembourg) 100%		Yong'an P&C Insurance 14.69%	BCP (Portugal) BCP.LS 20.45%	PAREF (France) PAR.PA 59.60%		
			Baihe Jiayuan 72.53%		Fosun United Health Insurance[11] 29.94%	HAFS (Luxembourg) 98.90%			
			Lanvin Group[8] LANV.NYSE 71.92%						
			St Hubert[9] (France) 100%						

Notes:

1. Unless otherwise specified in the following content, 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 2025. 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. (Some non-core investments and operating companies are not fully reflected within this corporate structure)

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.

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. Fosun Insurance Portugal held 99.86% equity interest in Luz Saúde. Therefore, the Group held 84.87% effective equity interest in Luz Saúde. In September 2025, Fosun Insurance Portugal signed an agreement to sell a 40% stake in Luz Saúde and the transaction was closed in January 2026.

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 14.60% equity interest and through a consolidated fund under its management held 1.45% equity interest, respectively, in Sanyuan Foods. The Group held 37.20% effective equity interest in such fund. Therefore, the Group held 15.14% effective equity interest in Sanyuan Foods.

8. The Company and its wholly-owned subsidiary held 67.09% equity interest in Lanvin Group, and Yuyuan through its wholly-owned subsidiary held 4.83% equity interest in Lanvin Group. Therefore, the Group held 70.08% effective equity interest in Lanvin Group.

9. The Group through a subsidiary in which the Group held 51% equity interest, held 100% equity interest in St Hubert SAS ("**St Hubert**"). Therefore, the Group held 51% effective equity interest in St Hubert.

10. As at the LPD, the Group held 86.71% equity interest in Peak Reinsurance.

11. The Group through its wholly-owned subsidiary held 9.89% equity interest in Fosun United Health Insurance. Fosun Pharma held 20.05% equity interest in Fosun United Health Insurance. Therefore, the Group held 17.15% effective equity interest in Fosun United Health Insurance.

12. Shanghai Insight exclusively uses "Fosun RZ Capital" brand.

13. The Group through its wholly-owned subsidiaries held 42.36% equity interest in Easun Technology. Additionally, the non-consolidated entities in which the Group participated in the investment held 37.96% equity interest in Easun Technology.

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 2025	For the year ended 31 December 2024	Change over the same period of last year
Revenue	**48,000.0**	46,552.9	3.1%
Profit attributable to owners of the parent	**1,434.9**	901.1	59.2%

During the Reporting Period, the revenue of the Health segment amounted to RMB48,000.0 million, representing a year-on-year increase of 3.1%. Profit attributable to owners of the parent of the Health segment amounted to RMB1,434.9 million, representing a year-on-year increase of 59.2%, mainly due to the growth of Fosun Pharma and Luz Saúde as compared with 2024.

FOSUN PHARMA

As at the end of the Reporting Period, the Group held 36.23% equity interest in Fosun Pharma.

During the Reporting Period, the revenue of Fosun Pharma amounted to RMB41,498 million, representing a year-on-year increase of 1.44%. Among them, the revenue from innovative drugs reached RMB9,893 million, representing a year-on-year increase of 29.59%; overseas revenue reached RMB12,977 million, representing a year-on-year increase of 14.87%. The simultaneous increase in the proportions of innovative drugs revenue and overseas revenue reflected continuous optimization of Fosun Pharma's revenue structure, and the gradual emergence of results from innovation-driven development and internationalization.

During the Reporting Period, Fosun Pharma's net profit attributable to shareholders of Fosun Pharma amounted to RMB3,371 million, representing a year-on-year increase of 21.69%. The net profit attributable to shareholders of Fosun Pharma after deducting extraordinary gain or loss amounted to RMB2,340 million, representing a year-on-year increase of 1.12%; the net cash flow generated from operating activities of Fosun Pharma was RMB5,213 million, representing a year-on-year increase of 16.45%, mainly due to the increase in license-out revenue during the period. Meanwhile, Fosun Pharma continued to divest and integrate non-strategic and non-core assets, optimize asset structure and accelerate cash inflow, with nearly RMB3 billion of funds recovered in 2025.

In 2025, Fosun Pharma's total R&D expenditure amounted to RMB5,913 million, representing a year-on-year increase of 6.46%. The R&D expenditure related to innovative drugs reached RMB4,303 million, representing a year-on-year increase of 15.98%. R&D expenditure in innovative drugs accounted for 80.26% of R&D expenditure in the pharmaceutical manufacturing segment, with a year-on-year increase of 4.70 percentage points, underscoring the strategic resolve to steadfastly advance its innovation-driven transformation. The R&D achievements continued to emerge. During the Reporting Period, in terms of therapeutic drugs, a total of 16 indications of 7 innovative drugs independently developed and licensed-in by Fosun Pharma were approved for launch both domestically and internationally. Furthermore, the new drug application for 6 innovative drugs have been accepted successfully, laying a solid foundation for future commercial growth. Nearly 40 clinical trials for innovative drugs (calculated by approval) were approved by domestic and international regulatory authorities. Multiple core products entered to the key clinical trial stages.

Looking ahead to 2026, Fosun Pharma will remain its focus on clinical needs, target the global market, uphold innovation-driven development, accelerate the internationalization, and actively build an AI+healthcare ecosystem. In terms of innovative R&D, Fosun Pharma will focus on core business segments, vigorously develop strategic products, and enhance R&D efficiency while strengthening its technological platform capabilities. In terms of global operations, Fosun Pharma will build a global commercialization system, optimize the layout of the global supply chain, and actively promote the internal output and external introduction of high-value pipelines. In addition, Fosun Pharma will leverage AI tools to enhance R&D efficiency and operational quality.

HENLIUS

As at the end of the Reporting Period, the Group held 63.43% equity interest in Henlius.

During the Reporting Period, Henlius' total revenue was approximately RMB6,666.6 million, representing a year-on-year increase of approximately 16.5%. Such revenue was mainly from drug sales, R&D services provided to customers, and license income. The total profit was approximately RMB827.0 million, representing an increase of approximately RMB6.5 million year-on-year, mainly due to the continuous increase in sales volume of core commercialized products, the substantial growth in overseas commercialization profit, and the expansion of R&D clinical activities. Among this, the profit from overseas products (including the gross profit from supplying overseas products and the profit from royalties based on sales) was approximately RMB93.9 million. During the Reporting Period, Henlius recognized R&D expenditure of approximately RMB2,491.9 million, representing an increase of approximately RMB651.4 million year-on-year. The amount was mainly used to increase investment in innovative R&D projects to accelerate Henlius' innovation and transformation.

As at 19 March 2026, 10 products (40 indications) of Henlius have been successfully approved for marketing in China, the United States, Europe, Canada, Australia, Indonesia, Mexico, Bolivia and other countries and regions, covering approximately 60 countries and regions, benefiting over 1,000,000 patients around the world. During the Reporting Period, HANSIZHUANG was approved for marketing in the EU (European trade name: Hetronifly®) and other countries, becoming the first anti-PD-1 monoclonal antibody approved in the EU for small-cell lung cancer; a phase 3 clinical trial of HANSIZHUANG in combination with chemotherapy for the neo/adjuvant treatment of gastric cancer met the primary study endpoint, and the New Drug Application (NDA) for this indication was accepted by the NMPA and granted the procedure for priority review. HANQUYOU's international expansion continued on a steady trajectory. Currently, HANQUYOU is approved for marketing in over 50 countries and regions, including the United States, Europe, Canada, Australia, etc.. During the Reporting Period, the results from the phase 1 clinical trial of HLX43 were released at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting and the 2025 World Conference on Lung Cancer (WCLC), demonstrating good safety and encouraging preliminary efficacy in several solid tumours especially in patients with non-small cell lung cancer (NSCLC). In the second half of 2025, three products were approved in the United States. HLX14 has successfully become the first "China-developed" denosumab to enter overseas markets. Two products of HLX14, trade names in the United States and Europe: BILDYOS® and BILPREVDA®, were approved by the United States Food and Drug Administration (FDA), the European Commission (EC) and the UK Medicines and Healthcare products Regulatory Agency (MHRA), respectively. HLX11 was also approved for marketing by the United States Food and Drug Administration (FDA) under the US trade name POHERDY®.

Looking ahead to 2026, Henlius will continue to be guided by clinical needs, persist in deepening product innovation, and further consolidate its internationalized capability of "integrating research, production and marketing". Meanwhile, Henlius will actively deploy the in-depth application of artificial intelligence technology in the product R&D process, and accelerate the transformation of early R&D results.

GLAND PHARMA

As at the end of the Reporting Period, the Group held 51.83% equity interest in Gland Pharma.

During the Reporting Period, Gland Pharma's consolidated revenues were INR 61,128 million, reflecting a year-on-year increase of 7%; profit after tax was at INR8,472 million, growing at 20% year-over-year with a profit after tax margin of 13.9%. In 2025, Gland Pharma launched 30 molecular drugs in the U.S. market and 6 molecular drugs in other regulated markets (including Europe, Australia, New Zealand and Canada), demonstrating strong business momentum despite of the U.S. generic market pressures.

Gland Pharma aims to enhance its complex injectables and Contract Development and Manufacturing Organization (CDMO) business by expanding production capacity and leveraging its robust R&D pipeline. As at the end of the Reporting Period, 384 Abbreviated New Drug Applications have been filed in the U.S., 15 products are in co-development with commercialization anticipated to begin in 2027. Gland Pharma is advancing well in its Ready-to-Use (RTU) infusion bag portfolio with 3 filings in 2025, bringing the total RTU products filings in the U.S. to 20 (16 approved). As at the end of the Reporting Period, there are 13 more RTU products in the development pipeline, targeting the U.S. market. During the Reporting Period, Gland Pharma launched its first partnered glucagon-like peptide-1 (GLP-1), Liraglutide, and is aggressively increasing its cartridge fill-finish capacity from about 40 million to 140 million units per annum. Also, during the Reporting Period, Gland Pharma has undertaken capacity expansion focused on complex products. These expanded capacities are expected to add capabilities for powder filling, microspheres and dual chamber bag.

Looking forward, Gland Pharma will keep implementing various strategic initiatives that are expected to support accelerated growth, driven by cartridge fill-finish and GLP-1 focus with capacity enhancements, stronger CDMO capabilities, new CDMO contract wins and biologics partnerships, expansion into new markets with a country-specific focus, accelerated R&D investments in complex injectables, operational cost leadership and successful growth of its European subsidiary Cenexi's business.

SISRAM

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

During the Reporting Period, Sisram's global sales and distribution network recorded a total revenue of USD365.3 million, representing an increase of 4.7% compared to 2024. Primarily driven by robust momentum in the Asia Pacific (APAC) region, Sisram recorded a 20.1% year-on-year revenue growth in markets outside North America. This growth was partially offset by the slowdown in North America, mainly due to the continuously challenging macroeconomic environment. During the Reporting Period, Sisram recorded profit for the year of USD25.0 million, representing a decrease of 13.1% compared to 2024. The decrease was mostly due to the decrease in gross profitability, partially offset by operational savings, as Sisram has undertaken efficiency enhancement initiatives across its operations. Excluding the impact of one-time gains in 2024, during the Reporting Period, Sisram recorded an adjusted net profit of USD31.0 million, representing an increase of 7.9% year-on-year; the adjusted net profit margin was 8.5%, an increase of 0.3 percentage points compared to 2024.

Sisram's core product portfolio continued to perform strongly. Alma Harmony sales remained robust, reflecting sustained market adoption, while Alma Hybrid delivered its fifth consecutive year of growth, underscoring the durability of Sisram's core medical energy-based device platforms. In parallel, "鈦提升" was successfully launched in China.

Sisram also made significant progress in expanding its injectable portfolio, strengthening its position in providing access to premium aesthetic care solutions that combine energy-based devices with injectables. Its Profhilo, one of the highest concentrations of hyaluronic acid (HA) on the market, continued its strong momentum in Thailand, while Revanesse, an FDA- and CE-approved HA dermal filler line, outperformed expectations in the United Kingdom. In addition, Hallura, an innovation combination of HA and biostimulator product, was successfully launched in Israel, marking further progress in the commercialization of innovative hybrid injectable solutions. During the Reporting Period, Sisram advanced pre-launch preparations for DAXXIFY in Chinese Mainland. DAXXIFY is the world's first and only botulinum toxin type A approved in Chinese Mainland featuring proprietary Peptide Exchange Technology (PXT) and a stabilized peptide formulation. In January 2026, the first clinical application of the product was completed, marking its full entry into the commercialization phase. As at March 2026, DAXXIFY has been rolled out in multiple provinces and cities across Chinese Mainland, the commercial shipment volume has reached over ten thousand units, with steady growth in the usage metrics. The team is currently continuing to expand product deployment and end-user services to ensure subsequent supply and support.

Looking ahead to 2026, Sisram will start a new strategic phase focused on the continued development of an integrated wellness ecosystem and deeper expanding application of artificial intelligence across product development, operations, and customer engagement. Sisram will continue to increase investment in injectables, diagnostics and skincare, and further complement its core energy-based device (EBD) business, establishing additional growth drives; prioritize deepening its presence in North America and APAC; and remain committed to providing comprehensive and ongoing support to its customers, reinforcing operational excellence and long-term partnership value.

FOSUN HEALTH

Fosun Health takes medical care as its core and develops business layout in the fields of medical group, intelligent medical care and insurance empowerment. As at the end of the Reporting Period, Fosun Health controlled 19 general hospitals, 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, Sichuan and Chongqing, with a total of 6,500 approved beds in the controlled medical institutions, and held a total of 9 internet hospital licenses.

In terms of medical group, during the Reporting Period, Fosun Health has newly added 8 provincial/municipal key specialties, bringing the total to 76[4]. It deepened the practice of "General Hospital of the Greater Bay Area" and relied on the innovative mechanisms such as the "Hong Kong and Macao Medicine and Equipment Connect" policy to introduce globally advanced pharmaceuticals and medical devices. In terms of international medical services, Fosun Health gradually developed markets in the countries and regions such as Indonesia, Bangladesh, Mongolia, Hong Kong, and Macao; all the 4 hospitals in the Greater Bay Area have established International Medical Centers, forming high-quality hubs that serve overseas patients. In terms of initiative health management, it built a whole-cycle service system covering prevention, chronic disease management and recovery. Several hospitals established initiative health management centers. In terms of intelligent healthcare and AI, Fosun Health Cloud HIS (the new generation of intelligent medical cloud platform) integrated a large-language-model to deploy an AI assistant, enhancing physicians' diagnostic and treatment efficiency. In terms of insurance empowerment, as at the end of the Reporting Period, the medical institutions controlled by Fosun Health have signed contracts with over 55 domestic and international insurance organizations, and successfully entered the Hong Kong insurance market. The network and geographic reach of commercial insurance partnerships have been significantly expanded. Beyond limitations of the unitary business structure reliant on medical insurance, Fosun Health explored and built diversified expansions including life insurance, property insurance, health insurance, and pension insurance.

Looking ahead to 2026, Fosun Health will focus on areas such as the Greater Bay Area, continuing to enhance specialized service capabilities, accelerate the innovation and deployment of medical technologies, and build outstanding patient experience. Fosun Health will drive high-quality growth in international medical services, commercial insurance partnerships, whole-life-cycle health management, and AI digital intelligence, while further strengthening unified regional operations and the integrated online-offline development.

FOSUN CARE (SHANGHAI ZHULI)

As at the end of the Reporting Period, the Group held 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. 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, Chongqing and other cities, with a total of over 15,000 beds held. During the Reporting Period, the revenue of Fosun Care amounted to RMB500 million.

4 Including member hospitals under Huaihai Hospital Management (Xuzhou) Co., Ltd. (a company with equity participation and jointly operated and managed by Fosun Health).

In terms of ecosystem synergy, Fosun Care continues to strengthen its cooperation with insurance companies under the Group. The "large-sum annuity insurance + senior community residency rights" insurance product in cooperation with Pramerica Fosun Life Insurance and Fosun United Health Insurance, has drived boost large-sum insurance sales, achieving a new policy regular premium of RMB6.29 billion during the Reporting Period. Against the backdrop of insurance companies' urgent need for high-quality equity products to empower insurance product sales, Fosun Care is currently cooperating with internal and external insurance companies of the Group to carry out insurance equity product innovation through the development of permanent residence service rights, residence abroad service rights, home service rights, health management service and other equity products, turning the health and wellness community into a marketing scene for insurance companies, empowering insurance companies to sell policies, fulfilling 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, supported by 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 will focus on the development of diversified products in core cities and core regions, positioning itself as a valuable senior care asset manager. By accelerating bed capacity expansion, Fosun Senior Care aims to become a benchmark enterprise in China's senior care industry.

HAPPINESS

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

Unit: RMB million

	For the year ended 31 December 2025	For the year ended 31 December 2024	Change over the same period of last year
Revenue	**64,748.4**	76,710.1	(15.6%)
Loss attributable to owners of the parent	**(9,066.6)**	(1,878.6)	(382.6%)

During the Reporting Period, the revenue of the Happiness segment amounted to RMB64,748.4 million, representing a year-on-year decrease of 15.6%, primarily attributable to reduced revenue at Yuyuan and Lanvin Group. During the Reporting Period, the loss attributable to owners of the parent of the Happiness segment was RMB9,066.6 million, representing an increase in loss of 382.6% as compared with the same period in 2024, mainly due to the loss of Yuyuan and the impairment of goodwill such as Baihe Jiayuan and St Hubert accrued by the Group during the Reporting Period.

YUYUAN

As at the end of the Reporting Period, the Group held 61.91% equity interest in Yuyuan.

During the Reporting Period, Yuyuan's revenue amounted to RMB36.373 billion, representing a year-on-year decrease of 22.49%, with sustained pressure on main business revenue. Net loss attributable to shareholders of Yuyuan recorded RMB4.897 billion. The turning from profit to loss was primarily attributable to three factors: first, Yuyuan recognized asset impairment provisions for certain real estate projects and goodwill; second, affected by the downturn in the real estate industry, sales prices and gross margins declined year-on-year; third, macroeconomic pressures, industry policy adjustments, and significant fluctuations in commodity prices led to declines in revenue and gross profit of the consumer segment.

During the Reporting Period, Yuyuan' Jewelry Fashion Group recorded revenue of RMB22.734 billion, explored growth opportunities through multiple dimensions including "product innovation, channel optimization, brand upgrading, and sci-tech innovation empowerment". The "Laomiao (老廟)" brand's overseas expansion strategy entered a substantive implementation phase, with stores successively opening in Macau, China, and the first overseas store launching in Kuala Lumpur, Malaysia. Yuyuan Foods & Dining Group (豫園文化飲食集團) focused on time-honored brands such as Songhelou (松鶴樓), Nanxiang (南翔), and Songyuelou (松月樓), accelerating the closure of loss-making or underperforming non-core outlets. In April 2025, "Songhelou Suzhou Noodle" (松鶴樓麵館) successfully debuted along the Thames River, marking a global breakthrough for this heritage culinary IP. Yuyuan Tourist Mart's featured marketing campaigns continued to ignite its super scenario, with phenomenal events such as the Yuyuan Lantern Festival achieving cross-demographic breakthroughs. In 2025, Phase I of Yuyuan Tourist Mart recorded gross merchandise volume (GMV) of RMB4.29 billion, attracted 41.12 million visitors, and improved its occupancy rate year-on-year.

Looking ahead to 2026, Yuyuan will continue to deepen the implementation of its top-level strategy of "Oriental Lifestyle Aesthetics". By leveraging culture as a platform and driving technological innovation with AI, it will actively embrace structural adjustments in consumption and emerging guochao (national trend) dynamics. It will integrate industrial ecosystem resources to build distinctive and advantageous scenarios, and continuously focus on its core business. Simultaneously, Yuyuan will further implement the strategic measures of "business streamlining" and "asset-light and collaborating with key partners", continuously pursue external growth opportunities including investment, mergers and acquisitions, and industrial cooperation, while expanding its global presence to achieve a "balanced approach to both offense and defense". It will solidify its "1+1+1" strategic pillars: new high-loyalty marketing models, happy new consumption industry clusters, and landmark new (culture + fashion) scenarios. These efforts will further support its medium-to-long-term goal of intelligently creating a world-class family lifestyle group rooted in China, dedicated to delivering joyful and fashionable consumer experiences.

SHEDE SPIRITS

As at the end of the Reporting Period, Yuyuan held 30.26% equity interest in Shede Spirits through Sichuan Tuopai Shede Group Co., Ltd..

During the Reporting Period, the baijiu (Chinese liquor) industry was still in a deep adjustment stage, with continued pressure on baijiu product sales. Shede Spirits achieved operating revenue of RMB4,419.22 million, representing a year-on-year decrease of 17.51%, the net profit attributable to shareholders of Shede Spirits amounted to RMB223.01 million, representing a year-on-year decrease of 35.51%. Revenue from the products of baijiu totalled RMB3,852.69 million. Among them, the revenue of mid-to-high-end baijiu products contributed RMB3,119.57 million, while the revenue of regular baijiu products amounted to RMB733.13 million. As at the end of the Reporting Period, Shede Spirits had a total of 2,525 distributors.

In terms of sales, Shede Spirit focused on the mid-to-high-end baijiu market and its traditional strongholds such as Sichuan, Hebei, Shandong, Henan, and Northeast China, while gradually advancing the national expansion of its brand. It comprehensively promoted the upgrading and innovation of its marketing model through "brand IP-ization, terminal scenario based operation, consumer community engagement and digitalized initiatives." In terms of operations and management, Shede Spirit continuously enrich the "Dinner Table Singing God" IP by co-creating short videos and jointly building new retail channels. It enhanced brand communication through high-profile events such as the "Tribute Ceremony for Figures of the Era." Shede Spirit implemented a diversified channel development strategy, integrating traditional distribution with e-commerce, live-streaming, and group-buying direct sales, while cultivating young distributors through the dedicated "Youth Entrepreneurship Program" to foster new marketing drivers. It actively expanded the consumption boundaries of aged baijiu, exploring youth-oriented and trendy approaches by launching low-alcohol products such as "She De Zi Zai" and blind-box mini-bottles named "Ma Shang You She De". Meanwhile, Shede Spirit deeply implemented the internationalization strategy, and is currently present in 42 countries and regions.

Looking ahead to 2026, Shede Spirits will maintain its strategic focus and adhere to the aged baijiu strategy as the cornerstone, driving forward the multi-brand matrix strategy, youth-orientation strategy and internationalization strategy in parallel. It will implement its core strategy of channel penetration, brand upscaling and end customers fully engaging, strengthen its core competitiveness, advance key strategic campaigns, and promote the high-quality and sustainable development of Shede Spirits.

FTG

As at the end of the Reporting Period, the Group held 98.44% equity interest in FTG.

During the Reporting Period, FTG has successfully completed the privatization and withdrew the listing of shares from the Hong Kong Stock Exchange. During the Reporting Period, thanks to the improved global operation capability, FTG achieved steady growth in its performance, reaching a new record high, and the business volume of tourism operation[5] reached RMB19,943.3 million, representing a 2.3%[6] year-on-year growth; and FTG's revenue reached a record high of RMB17,756.6 million, representing a 4.4% year-on-year growth. FTG continuously refined operation, with the adjusted EBITDA[7] reaching RMB3,607.8 million, representing a 1.4% year-on-year growth.

Club Med 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 had sales and marketing operations in more than 40 countries and regions across six continents and operated 67 resorts. During the Reporting Period, the business volume[8] of Club Med reached a record high of RMB17,966.7 million, representing an increase of 2.1% compared to 2024; the global average occupancy rate by room[8] reached 75.8%, increasing by 1.8 percentage points year-on-year; the average daily bed rate[8] was RMB1,948.9, representing an increase of 3.0% compared to 2024.

Atlantis Sanya is located on the Haitang Bay National Coast of Sanya in Hainan Province, China. During the Reporting Period, the business volume of Atlantis Sanya operating business amounted to RMB1,487 million. The average occupancy rate by room was 84.4% and the number of visits reached 6.4 million.

The Vacation Asset Management Center includes Taicang Alps Resort and Lijiang Club Med Resort. During the Reporting Period, the two resorts recorded 610,000 visits and 264,000 visits, respectively.

Looking ahead to 2026, to practice the mission of "Better Holiday, Better Life", FTG will continue to enhance its global operation capability, refine its offerings to fulfill customer needs, further advance AI empowerment strategy and integrate resources to improve efficiency.

LANVIN GROUP

As at the end of the Reporting Period, the Group held 71.92% equity interest in Lanvin Group.

Despite a challenging global luxury market in 2025, Lanvin Group continued advancing its strategic transformation and portfolio optimization initiatives while strengthening the foundations of its core brands. Excluding the announced strategic divestment of Caruso business, revenue from continuing operations during the Reporting Period[9] were EUR240.5 million, representing a year-on-year decrease of 17.6%.

5 At the constant exchange rate.

6 Excluding the impact of disposal of Thomas Cook Tourism (UK) Company Limited in 2024.

7 Adjusted for equity-settled share-based payments.

8 Club Med Premium All-Inclusive resorts, at the constant exchange rate.

9 In February 2026, Lanvin Group announced the strategic carve-out of Caruso. As at the LPD, Caruso is no longer part of Lanvin Group's consolidated financial statements. Revenue figures presented in this section exclude Caruso and reflect continuing operations only, and are preliminary and unaudited.

During the Reporting Period, continued operational refinement and brand development initiatives were characterized across the brand portfolios. Lanvin advanced its creative renewal following the debut collection of Artistic Director Peter Copping, which received strong industry recognition and supported encouraging order momentum in womenswear. Wolford's operational performance stabilized as production and logistics conditions improved, with notable progress in wholesale and e-commerce channels in the second half of the year. St. John leveraged its established customer base and product strengths to achieve 8% year-on-year revenue growth in the North American market (in local currency USD), demonstrating the effectiveness of its strategy of focusing on its home market. Sergio Rossi continued its transition toward an asset-light operational model, including steps to enhance supply chain flexibility through adjustments to its manufacturing structure.

With respect to management, in January 2025, Lanvin Group appointed Andy Lew as Executive President of Lanvin Group to enhance operational coordination and brand integration at the group level.

Looking ahead to 2026, Lanvin Group will further strengthen leadership across the portfolio and remain focused on executing its ongoing transformation initiatives while continuing to strengthen the foundations of its key brand portfolio. The brands will continue to deepen their presence and leadership in their respective home markets, leveraging local insights and consumer connections to drive sustainable growth. In parallel, Lanvin Group will proactively and selectively explore opportunities to expand asset-light business initiatives and strategic partnerships that support brand development and enhance long-term growth. Combined with continued creative renewal across its brands and a streamlined operating structure, Lanvin Group is well-positioned to enhance its competitiveness and long-term growth potential.

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 attributable to owners of the parent of the Insurance segment were as follows:

Unit: RMB million

	For the year ended 31 December 2025	For the year ended 31 December 2024	Change over the same period of last year
Revenue	**44,816.7**	39,313.8	14.0%
Profit attributable to owners of the parent	**1,779.2**	1,716.1	3.7%

During the Reporting Period, the revenue of the Insurance segment increased by 14.0% compared with the same period of last year, mainly attributable to the strong revenue growth of Fosun Insurance Portugal and Peak Reinsurance. The profit attributable to owners of the parent of the Insurance segment was RMB1,779.2 million during the Reporting Period, representing an increase of 3.7% as compared with the same period of 2024, mainly due to the favorable performance recorded by the insurance companies under the Group in 2025.

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.

During the Reporting Period, Fosun Insurance Portugal's total gross written premiums ("GWP") reached EUR6,529 million, an increase of 5.8% year-on-year. Consolidated Non-life GWP reached EUR3,397 million, an increase of 7.1% year-on-year, driven by strong growth across all four major lines of business in Portugal, P&C, Motor, Health and Workers' Compensation. Consolidated Life GWP were EUR3,133 million, an increase of 4.4% year-on-year, supported by international operations' non-guaranteed product sales expansion.

During the Reporting Period, Fosun Insurance Portugal's insurance contract revenue reached EUR 4,033 million, an increase of 4.5% year-on-year. This metric differs from GWP, as it excludes unit-linked business and guaranteed Life financial products that do not carry significant insurance risk. Non-Life insurance contract revenue grew 5.8% driven by the Portuguese market. In contrast, Life insurance contract revenue declined 1.5%, reflecting the indicator's exclusion of unit-linked products, which experienced sound growth during the Reporting Period.

During the Reporting Period, Fosun Insurance Portugal maintained its leadership position in the Portuguese market, achieving an overall market share of 28.1% as at the end of the Reporting Period. International operations, a key component of Fosun Insurance Portugal's diversification strategy, accounted for 30.2% of total consolidated business during the Reporting Period. Overseas GWP reached EUR1,969 million, 51.2% from Non-life lines of business and 48.8% from Life lines of business.

Fosun Insurance Portugal's profit attributable to owners of the parent totaled EUR201 million during the Reporting Period, an increase of 15.8% year-on-year. The investment result, on the back of a higher investment yield, drove net income growth.

During the Reporting Period, Fosun Insurance Portugal achieved three noteworthy accomplishments. In July, S&P Global Ratings assigned an inaugural credit rating of A to Fosun Insurance Portugal. In addition, in September, Fosun Insurance Portugal signed an agreement to sell a 40% stake in Luz Saúde, its hospital-chain subsidiary. This transaction represents a significant step in Fosun Insurance Portugal's capital-optimization strategy, establishes a strategic partnership with an experienced investor while preserving control of the asset, and creates value-enhancing growth opportunities in the healthcare market. The transaction was closed in January 2026. Finally, in November, Sustainable Fitch, the ESG rating agency, assigned Fosun Insurance Portugal a rating of 2, among the best rated insurers globally.

In 2026, Fosun Insurance Portugal will maintain underwriting discipline as a priority, combining repricing with an increase in the number of new policies. It will also continue to optimize its balance sheet by directing its Life Financial marketing efforts toward capital-light products and restructuring its investment portfolio. In addition, cost control will remain a central focus for management, with operational efficiency to be enhanced through the deployment of automation and digital technologies.

Peak Reinsurance

As at the LPD, the Group held 86.71% equity interest in Peak Reinsurance.

During the Reporting Period, Peak Reinsurance delivered resilient performance amid a complex and volatile global reinsurance landscape. Reinsurance revenue[10] increased 32.8% year-on-year to USD1,535.2 million, while the reinsurance service result improved 12.7% year-on-year to USD162.9 million. Gross written premiums (GWP) grew strongly by 25.0% year-on-year to USD2,203.1 million.

During the Reporting Period, the growth of Peak Reinsurance was primarily driven by the continued deepening of its global diversification strategy. Peak Reinsurance strengthened its presence in high-growth emerging markets such as India, while further expanding its penetration in the mature markets of Europe and North America. Through product innovation, enhanced business portfolio, and disciplined underwriting, Peak Reinsurance successfully achieved premium growth and increased in overall profitability. Supported by a lean and efficient operating model, Peak Reinsurance maintained an effective balance between business expansion and risk management.

During the Reporting Period, Peak Reinsurance, via its wholly-owned subsidiary, successfully issued USD350 million of perpetual subordinated guaranteed capital securities. The issuance was significantly oversubscribed, underscoring international investor confidence in the Peak Reinsurance's strategic positioning, risk management capabilities, and long-term prospects.

In terms of financial performance, Peak Reinsurance recorded a net profit after tax of USD189.5 million, net assets increased to USD1.68 billion, and the solvency coverage ratio was maintained at a healthy 190%[11]. Credit rating agencies continued to reflect confidence in Peak Reinsurance: Moody's affirmed the 'Baa1' Insurance Financial Strength Rating (IFSR) and upgraded the outlook to Positive in April 2025, while A.M. Best affirmed the Financial Strength Rating of 'A-' (Excellent) and the long-term issuer credit rating of 'a-' (Excellent) with a Stable outlook for Peak Reinsurance and its subsidiaries in September 2025.

10 All data are based on IFRS 17, except for Gross Written Premiums, which are based on IFRS 4. All figures are unaudited.

11 Unaudited Ratio of capital base to prescribed capital amount under HKRBC regime as at 31 December 2025.

Looking ahead to 2026, Peak Reinsurance will maintain strict disciplined underwriting and client-centric focus solutions. Backed by a solid global platform, strong capital base, and ongoing innovation capabilities, Peak Reinsurance is well positioned to deliver both sustainable and profitable growth of premium income and net profits.

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 had steady financial performance: it recorded a scale premium of RMB13,280 million, representing a year-on-year increase of 41.6%, a net income of RMB650 million, representing a year-on-year increase of 492%, and achieved an annualized comprehensive investment yield of 2.59% and a financial investment yield of 5.05%.

During the Reporting Period, Pramerica Fosun Life Insurance adhered to the high-quality development strategy, followed the development of profiting and value-growing, actively seized market opportunities, vigorously transformed into floating-income products, optimized business structure, continued to promote the construction of diversified pipelines, strengthened product innovation, consolidated market reputation advantages and volume, focused on long-term value growth, and a continuous consolidation of high-value businesses in recent years has laid a solid foundation for Pramerica Fosun Life Insurance's sustainable development and profitability. At the same time, Pramerica Fosun Life Insurance has fully leveraged its shareholder resources to strengthen its unique competitive advantages through the innovative "insurance + ecosystem" service model. During the Reporting Period, Pramerica Fosun Life Insurance achieved a total of 10,855 policies for senior community, maintaining a year-on-year growth. The corresponding total premium amounted to RMB10,034 million, continuously providing customers with high-quality safeguards for pension entitlements.

Looking forward to 2026, Pramerica Fosun Life Insurance will continue to adhere to the business philosophy of "long-term value growth", regard "guarding the future you want" as its mission, integrate the high-quality development concepts of "entrepreneurship, innovation and creation", and seize opportunities in the changing market with agility to expand the business and service coverage of the bank and post office agency channels and professional broker agency channels. Pramerica Fosun Life Insurance will continue to promote the steady and high-quality development of the agent force, constantly explore micro-innovation of the product system, and continuously strengthen the differentiated competitive capabilities of "insurance + ecosystem". It will strike a balance among enterprise scale, value, profitability and risk to achieve sustained, healthy and stable development.

Fosun United Health Insurance

As at the end of the Reporting Period, the Group held 29.94% equity interest in Fosun United Health Insurance.

During the Reporting Period, Fosun United Health Insurance leveraged its ecosystem, customer operation, innovation driven strategies, technological innovation and digital intelligence, realizing revenue from the insurance business of RMB7,841.4 million, representing a year-on-year increase of 50.1%, and achieving net profit of RMB139.1 million, representing a year-on-year increase of 231.2%. As at the end of the Reporting Period, Fosun United Health Insurance served over 7.34 million customers in aggregate, representing an increase of 4.4% compared to the end of 2024.

Fosun United Health Insurance remains steadfastly committed to the health insurance sector, gaining deep insight into the diversified healthcare needs of Chinese families and enterprises clients. It has professionally developed a series of specialized health protection products. Since its establishment, Fosun United Health Insurance has provided over 230 distinctive insurance products and health management services to Chinese families and enterprises clients, including 35 products with new sales volume exceeding RMB10 million during the Reporting Period. Fosun United Health Insurance actively promoted its "Insurance + Senior Care" ecosystem synergy strategy, achieving a total of 3,530 policies for senior community during the Reporting Period, corresponding to premiums of RMB3,409.7 million, representing a year-on-year increase of 3.3%.

Looking ahead to 2026, guided by its mission of "protecting the healthy life of hundreds of millions of Chinese families" and adhering to the "insurance + service" core principle, Fosun United Health Insurance will focus on patients and the elderly population, and build a comprehensive health management system covering the entire life cycle, thereby creating greater value for customers and shareholders and driving the sustained and steady development of Fosun United Health Insurance.

ASSET MANAGEMENT

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

Unit: RMB million

	For the year ended 31 December 2025	For the year ended 31 December 2024	Change over the same period of last year
Revenue	**11,048.2**	15,800.3	(30.1%)
Loss attributable to owners of the parent	**(15,952.4)**	(4,372.3)	(264.9%)

During the Reporting Period, the revenue of the Asset Management segment decreased by 30.1% year-on-year, which was mainly due to the fact that after the Group disposed of HAL, HAL was no longer included in the scope of consolidated financial statements, and the revenue decline caused by the downward cycle of the real estate industry. During the Reporting Period, the loss attributable to owners of the parent widened by 264.9% year-on-year. This was primarily due to the continued downturn in the real estate sector and sluggish market demand. The Group's real estate segment was under pressure, so the Group made impairment provisions on properties showing signs of impairment, in accordance with the prudence principle.

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 enterprises, and successfully exited from investments in nearly 70 enterprises through domestic or overseas listings, equity transfer and other ways. As at the end of the Reporting Period, Fosun Capital had a total of 29 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, 7 of Fosun Capital's investment companies submitted for IPO, 5 of which were successfully listed.

Looking ahead, 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 enterprises in terms of business resources and industrial depth and help the enterprises realize long-term value creation and sustainable development.

Fosun RZ Capital (Shanghai Insight)

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

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 newly invested in 14 high-quality enterprises in the fields of artificial intelligence, embodied AI, intelligent manufacturing, and new overseas development, exited 14 invested projects, and completed the closing of one USD continuation fund.

Looking ahead, rooted in Fosun's global industrial landscape, Fosun RZ Capital will focus on early-to-mid-stage investments in hard tech sectors such as artificial intelligence and embodied intelligence. By connecting with first — class technology enterprises, Fosun RZ Capital will cultivate an AI+ industry ecosystem and maintain empowering the development of the four business segments of the Group.

HAFS

As at the end of the Reporting Period, the Group held 98.90% equity interest in HAFS.

During the Reporting Period, HAFS's gross income increased by 2.5% year-on-year to EUR110.5 million. As at the end of the Reporting Period , the Group had completed the sale of all of its equity interest in HAL and no longer held any equity interests in HAL. Meanwhile, the Group retains all the shares of HAFS that were originally indirectly held by HAL. HAFS plans to further expand its asset servicing business by focusing on asset-light operations and creating synergies with the Group's financial insurance businesses in Europe, thereby continuing to enhance the Group's capabilities in asset servicing.

BCP

As at the end of the Reporting Period, the Group held a 20.45% equity interest in BCP.

During the Reporting Period, BCP delivered a solid performance across both its domestic Portuguese market and international operations. Consolidated net income amounted to EUR1,018.6 million, representing a year-on-year increase of 12.4% compared to EUR906.4 million in the same period of last year. Net income generated in Portugal reached EUR869.4 million, increasing by 10.6% year-on-year. Net income in Poland and Mozambique amounted to EUR283.7 million and EUR3.4 million, respectively. For the full year of 2025, BCP's return on equity (ROE) reached 14.1%.

During the Reporting Period, BCP maintained a robust balance sheet. As at the end of the Reporting Period, consolidated total assets amounted to EUR109.3 billion, representing a year-on-year increase of 7.0%. BCP's total capital ratio and Common Equity Tier 1 (CET1) ratio reached 19.9% and 15.9%, respectively, representing decreases of 0.7% and 0.4% compared with the end of the previous year. Nevertheless, both ratios remained well above the applicable regulatory requirements.

During the Reporting Period, leveraging its high-quality and flexible business model, BCP continued to demonstrate strong growth momentum across its markets and steadily expanded its customer base. The total number of active customers exceeded 7.3 million. In particular, the number of mobile banking customers increased by 9% year-on-year, and mobile customers accounted for 74% of the total active customer base as at the end of the Reporting Period.

Looking ahead, supported by record-high performance, strong liquidity and a solid capital position, BCP will continue to focus on its strategic priorities and work closely with its customers to create and share value.

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, the Bund Finance Center is a real estate benchmark project of the Group and Bund Fashion Community in the core area of the Bund in Shanghai. The total gross floor area of the Bund Finance Center is over 420,000 square meters. During the Reporting Period, BFC recorded total operating revenue of RMB687 million, representing a decrease of 11% from the same period of 2024; operating EBITDA was RMB396 million, a decrease of 14% compared to the same period of 2024, which was partly due to the decrease in rental income attributable to the reduced leasable area following the sale of certain floors.

During the Reporting Period, the Bund Finance Center welcomed the opening of many brands, including the first MAEXTRO Experience Center in China, I.T and Maison Kitsuné. As a pet-friendly landmark in Shanghai, the Bund Finance Center fully launched the Bund Fluffy Club, creating a new harmonious play space for humans and pets by introducing pioneering pet concepts stores, including China's first Alfie & Buddy Pet IP Park, MARSMART PETS supermarket, and China's first indoor human-pet co-living park: AIR PARK human-friendly park, which delivered all-in-one services encompassing fresh food, retail offerings, and experiential activities. BFC heightened its efforts both online and offline, adding approximately 320,000 members. As at the end of the Reporting Period, the total number of members reached approximately 1.55 million. In respect of offline operations, the Bund Finance Center launched highlighted activities, including Toy Story Themed Activity, Pokémon Themed Activity, the Fifth Bund Art Festival, LEGO® Botanicals Garden, "Tom and Jerry" Limited-time Theme Café & Fun Store, the Bund International Bread Festival and So Sweet Dessert Festival. By creating its own IP festivals and introducing internationally renowned IP, the Bund Finance Center accurately reached the young and trendy customers, building an "international showcase" that integrates ancient and modern elements and connects Chinese and Western cultures. As one of the core areas of the Shanghai International Jewelry & Style District, BFC also held the first International Jewelry Fashion Theme Month event, integrating gold jewelry, high-end customization and consumption experience, to create a new highland for the development of the jewelry industry.

Looking ahead, BFC will introduce the Group's excellent industry resources based on current consumer demands, providing in-depth services to families for their aspirations of a better life. Focusing on four major categories of fashion, pet-friendly, art and culture, and food and wine, BFC aims to position the area as Shanghai's new urban landmark.

INTELLIGENT MANUFACTURING

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

Unit: RMB million

	For the year ended 31 December 2025	For the year ended 31 December 2024	Change over the same period of last year
Revenue	**7,741.4**	15,585.9	(50.3%)
Loss attributable to owners of the parent	**(1,546.2)**	(626.8)	(146.7%)

During the Reporting Period, the revenue of the Intelligent Manufacturing segment amounted to RMB7,741.4 million, representing a year-on-year decrease of 50.3%, mainly attributable to the changes of scope of the Company's consolidated financial statements caused by Easun Technology being excluded in the consolidated financial statements. The loss attributable to owners of the parent amounted to RMB1,546.2 million, representing a year-on-year increase in loss of 146.7%, mainly due to the provision for asset impairment of Wansheng and JEVE.

HAINAN MINING

As at the end of the Reporting Period, the Group held 47.49% equity interest in Hainan Mining.

Hainan Mining focused on the most upstream resource industries, mainly engaged in the exploration, development, mining, processing and sales of strategic minerals resources. During the Reporting Period, affected by the year-on-year decline in both iron ore and oil prices, Hainan Mining achieved a net profit attributable to shareholders of the listed company of RMB431.03 million, representing a year-on-year decrease of 38.99%. However, Hainan Mining rose to the challenges and recorded revenue of RMB4,416.01 million during the Reporting Period, representing a year-on-year increase of 8.62%, through measures such as significantly increasing oil & gas production.

During the Reporting Period, Hainan Mining's iron ore business achieved a finished ore output of 2,187.5 thousand tonnes, with the gross profit margin of lump ore product maintaining over 50% despite the cyclical downturn. Meanwhile, Hainan Mining doubled oil working interest through the completion of the general offer for acquisition of Tethys Oil AB ("**Tethys**"). Combined with production stabilization and enhancement initiatives at existing oil & gas fields, Hainan Mining achieved 12,992.7 thousand barrels of oil & gas working interest, representing a year-on-year growth of over 60%. All upstream lithium resource projects of Hainan Mining were put into operation, and the integrated industrial layout from own mine mining to processing to lithium salt production was established. The Bougouni lithium mine achieved an annual lithium concentrate production of 45,000 tonnes, while the 20,000-tonne lithium hydroxide project produced qualified products and completed the sale of its first batch of lithium hydroxide products.

In terms of industrial investment, Hainan Mining completed the organizational restructuring and minority shareholder squeeze-out process of Tethys, achieving 100% holding in it. Hainan Mining successfully entered the fluorite mining industry by increasing capital in Luoyang Fengrui Fluorine Industry Co., Ltd.* (洛陽豐瑞氟業有限公司), further enriching its strategic mineral resource portfolio. Meanwhile, Hainan Mining simultaneously paid attention to several high-quality strategic mineral and energy projects globally. In terms of shareholder returns, Hainan Mining adhered to a stable dividend policy, distributing a total cash dividend of RMB219 million throughout the year.

2026 is the first year of island-wide independent customs operation of Hainan Free Trade Port, and also represents the starting year of Hainan Mining's "15th Five-Year Strategic Plan". Based on stabilizing the foundation of its iron ore and oil & gas businesses, Hainan Mining will enhance the performance of its lithium resources segment as much as possible, and continue to focus on global high-quality strategic resource projects, striving to create new growth drivers.

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

	Finished iron ore output (thousand tonnes)	**Iron ore reserves** (million tonnes)[Note]
2025	2,187.5	199.3
2024	2,181.0	204.7
Year-on-year change	0.30%	–2.64%

Note: The resource estimation standards are in accordance with the "Specification for the management of mineral resources and reserves in mine" of the PRC (DZ/T0399-2022).

	Oil & gas working interest (10,000 barrels of oil equivalent)	**Oil & gas Net entitlement reserves (2P)** (10,000 barrels of oil equivalent)[Note]
2025	1,299.27	2,789
2024	809.5	2,407
Year-on-year change	60.50%	15.87%

Note: Net entitlement reserves (2P) refers to Hainan Mining's actual controlled "Proved + Probable" resource volume, with the calculation standard based on the 2018 Petroleum Resources Management System (PRMS), internationally recognized by the Society of Petroleum Engineers.

WANSHENG

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

During the Reporting Period, the revenue of Wansheng was RMB3,378 million, representing a year-on-year increase of 13.98%, which was mainly due to the full-year consolidation of its subsidiary, Guangzhou Shangneng, into the scope of its financial statement during the Reporting Period. The net loss attributable to shareholders of Wansheng was RMB960.35 million, which was mainly due to the significant impairment provisions on certain assets of Wansheng.

In terms of market and customers, the sales volume of major products of Wansheng reached 226,900 tonnes throughout the year, representing a year-on-year increase of 8.31%. The sales volume of functional additives for polymers and coating additives increased by 14.07% and 18.82% year-on-year, respectively. Meanwhile, several new products were successfully put into production. In particular, the flame retardants for copper clad laminates business recorded significant growth and became a new highlight for performance growth.

In terms of R&D and technology, Wansheng invested RMB140 million in R&D during the Reporting Period, achieving significant efficiency in commercialization of research outcomes. The BD mechanism achieved notable results, with 11 projects entering the stage of substantive cooperation. In 2025, Wansheng's first BD product, permanent antistatic agent of polymeric block copolymer type, provided downstream customers with a more competitive domestic solution.

In terms of production base construction and capacity layout, Wansheng continued to advance technological upgrades, quality enhancement and capacity release across its domestic production bases. The integration and synergy effects of Guangzhou Shangneng started to emerge, with the year-on-year increase of 22.78% of the production of Zhuhai base, and the project of the annual production capacity of 25,000 tonnes of impact modifiers has entered the equipment installation stage and is scheduled for trial production in the first half of 2026. Internationally, the project in Thailand with an annual production capacity of 32,000 tonnes of phosphate ester flame retardants has also entered the equipment installation stage and is scheduled for trial production in the first half of 2026, which will further optimize the global production capacity layout.

Looking ahead to 2026, Wansheng will take "Gather Vision and Strength, Breakthrough for Progress" as the guiding principle, unite the consensus of the entire team, integrate internal and external resources, make every effort to tackle core tasks, and strive to achieve the annual goals.

EASUN TECHNOLOGY

As at the end of the Reporting Period, the Group and the non-consolidated entities in which the Group participated in the investment held 80.32% equity interest in total in Easun Technology.

During the Reporting Period, the new global orders of Easun Technology were approximately RMB6,282 million. Easun Technology is currently actively leveraging AI technology combined with historical design data to develop various AI agents, including applications for automatic generation of 3D mechanical drawings and electrical drawings, software for the automatic generation of robot offline programs and programmable logic controller (PLC) offline programs, as well as process simulation and verification applications, with the aim of improving Easun Technology's production efficiency and reducing the input of engineers.

In the future, Easun Technology will continuously enhance the profitability and competitiveness of the main business of the automotive industry, expand its performance scale and market share, fully utilize its own automation technology accumulation to expand automation customers in other industrial fields. Meanwhile, Easun Technology will leverage China's efficient supply chain and cost advantages to serve the global customers, continuously invest in R&D and global supply chain development, expand its existing proprietary technologies and standard product lines including glue dispensing, vision systems, and lightweight fixtures. Easun Technology will build superior intelligent equipment as part of its designed production line 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, decreased to RMB12,373.9 million in 2025 from RMB12,726.2 million in 2024. The decrease in net interest expenditures in 2025 was mainly attributable to the decrease in interest rate. The interest rates of borrowings in 2025 were approximately between 0.0% and 11.0%, as compared with approximately between 0.0% and 12.7% for the same period of last year.

Tax

Tax of the Group decreased to RMB1,127.5 million in 2025 from RMB2,554.8 million in 2024. The decrease in tax mainly resulted from the decrease in taxable profit of the Group.

Basic Loss Per Share Of Ordinary Shares

Basic loss per share attributable to ordinary equity holders of ordinary shares of the parent was RMB2.88 in 2025, representing an increase in loss of RMB2.35 from loss of RMB0.53 per share in 2024. Diluted loss per share attributable to ordinary equity holders of ordinary shares of the parent was RMB2.88 in 2025. The weighted average number of shares was 8,124.5 million shares for 2025, which was 8,135.5 million shares for 2024.

Equity Per Share Attributable To Owners Of The Parent

As at 31 December 2025, equity per share attributable to owners of the parent was RMB11.49, representing a decrease of RMB2.94 per share from RMB14.43 per share as at 31 December 2024. The total comprehensive loss attributable to owners of the parent in 2025 was RMB22,544.7 million, which mainly contributed to the decrease in equity per share attributable to owners of the parent.

Proposed Final Dividend

The Board has recommended not to declare any final dividend for the year ended 31 December 2025. There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

Capital Expenditures And Capital Commitment

The capital expenditure of the Group mainly consists of additions to property, plant and equipment, exploration and evaluation assets, mining rights, intangible assets, investment properties and oil and gas assets. We have been increasing our investment in the R&D of pharmaceutical products in order to produce more proprietary products with higher gross profit margin.

As at 31 December 2025, the Group's capital commitment contracted but not provided for was RMB10,749.7 million. These were mainly committed for addition of plant and machinery and investments. Details of capital commitment are set out in note 59 to financial statements.

Indebtedness and Liquidity of the Group

As at 31 December 2025, the total debt of the Group was RMB224,194.6 million, representing an increase from RMB214,104.6 million as at 31 December 2024. As at 31 December 2025, mid-to-long-term debt of the Group accounted for 53.5% of total debt, while 48.7% as at 31 December 2024. As at 31 December 2025, cash and bank balance and term deposits decreased by RMB45,246.9 million to RMB61,092.4 million as compared with RMB106,339.3 million as at 31 December 2024.

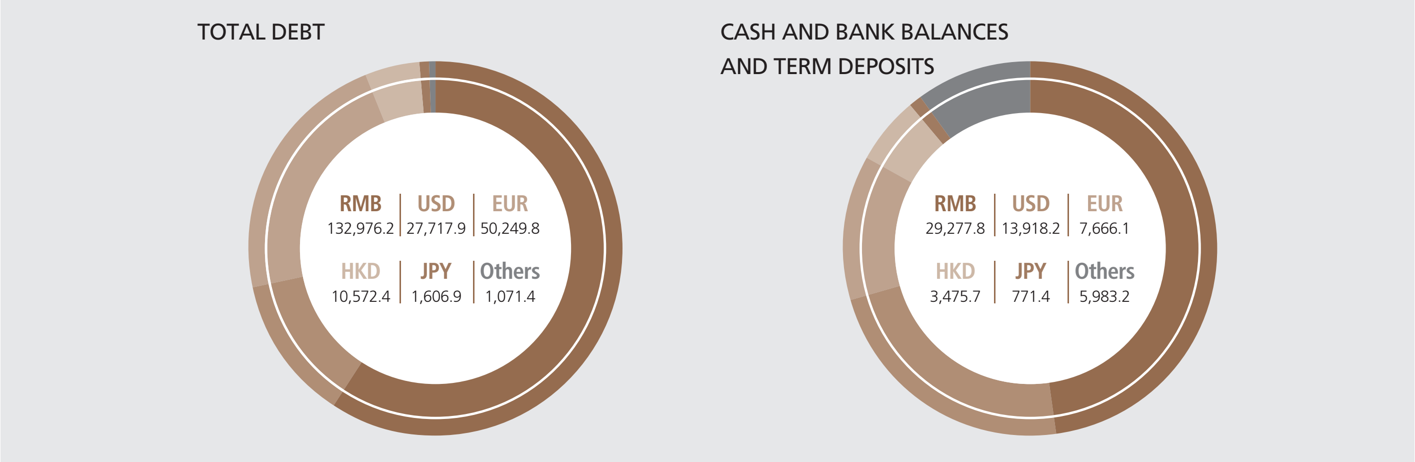
During the Reporting Period, the average financing cost was 5.03%, which decreased by 0.6 percentage points as compared to that of 2024.

Unit: RMB million

	31 December 2025	31 December 2024
Total debt	**224,194.6**	214,104.6
Cash and bank balances	**61,092.4**	106,339.3

The original denomination of the Group's debt as well as cash and bank balances and term deposits by currencies, equivalent in RMB, as at 31 December 2025, is summarized as follows:

Unit: RMB million equivalent



Total Debt to Total Capital Ratio

As at 31 December 2025, the ratio of total debt to total capital increased to 57.1% as compared with 52.0% as at 31 December 2024. Healthy debt ratios and abundant funds can reinforce the Group's ability to defend against risk exposure and ensure the Group to capture investment opportunities.

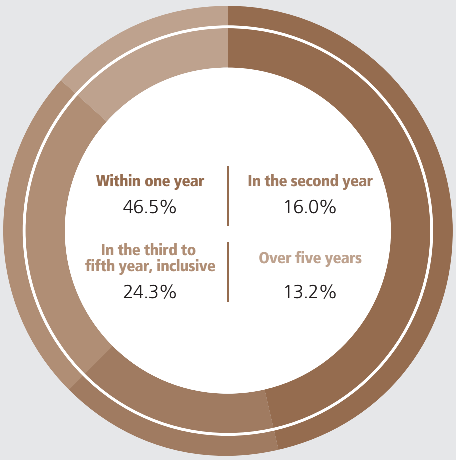
Basis Of Calculating Interest Rate

To stabilize interest expenses, the Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimize the interest rate level. As at 31 December 2025, 51.4% of the Group's total borrowings bore interest at a fixed interest rate.

The Maturity Profile Of Outstanding Borrowings

The Group sought to manage and extend the maturity of outstanding borrowings, so as to ensure that the outstanding borrowings of the Group due to mature every year would not exceed the expected cash flow of that year and the Group has the re-financing ability for the relevant liabilities in that year.

Outstanding borrowings classified by year of maturity as at 31 December 2025 are as follows:



Available Facilities

As at 31 December 2025, save for cash and bank balances and term deposits of RMB61,092.4 million, the Group had unutilized total banking facilities of RMB144,601.6 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 2025, available banking facilities under these arrangements totalled RMB328,202.7 million, of which RMB183,601.1million was utilized.

Cash Flow

In 2025, net cash flow from operating activities was RMB26,586.5 million. Loss before tax for the year was RMB21,583.2 million. After making aggregate adjustment for the items such as investment gain and loss and financing costs included in profit before tax and offsetting the total amount of depreciation and amortisation which did not result in cash outflow, cash flow generated from operating activities increased by RMB34,361.6 million. Owing to the increase in deposits from customers of RMB10,058.2 million of HAL in the first half of the year, the increase in investment contract liabilities of RMB7,388.8 million and the decrease in properties under development of RMB2,503.8 million, cash flow generated from operating activities increased. The decrease in contract liabilities of RMB1,776.7 million and the tax paid of RMB4,295.7 million contributed to a decrease in the cash flow from operating activities. The change in properties under development and contract liabilities were mainly due to property business.

In 2025, net cash flow used in investing activities was RMB61,128.4 million, mainly due to purchase of property, plant and equipment, purchase and construction of investment properties, purchase of intangible assets, purchase of financial assets at fair value through profit and loss, debt investments at fair value through other comprehensive income and debt investments at amortized cost, disposal of subsidiaries, and acquisition of associates, which was partly offset by the proceeds from disposal of financial assets at fair value through profit and loss, debt investments at fair value through other comprehensive income, maturity of debt investments at amortized cost, disposal of associates and disposal of partial interests in associates, disposal of investment properties, dividends and interests received from debt instruments and equity investments, dividends received from associates and interest received.

In 2025, net cash flow used in financing activities was RMB15,253.4 million, mainly due to the repayment of bank and other loans, payment of interest and dividends and acquisition of additional interests in subsidiaries, which was partly offset by the new bank and other borrowings, as well as capital contribution from non-controlling shareholders of subsidiaries.

Pledged Assets

As at 31 December 2025, the Group had pledged assets of RMB149,356.9 million (31 December 2024: RMB151,653.3 million) for bank borrowings. Details of pledged assets are set out in note 50 to financial statements.

Contingent Liabilities

The Group's contingent liabilities was RMB4,133.2 million as at 31 December 2025 (31 December 2024: RMB8,031.6 million). Details of contingent liabilities are set out in note 60 to financial statements.

FINANCIAL POLICIES AND RISK MANAGEMENT

General Policy

The Company maintains the financial independence of different business segments. Nevertheless, the Company also gives appropriate guidance on the fund management of different segments so as to ensure that risks of the Group are well monitored and financial resources are being effectively applied. To maintain multiple financing channels, the Group tries to obtain funds from different channels through banks and capital markets. Finance arrangements are organized to meet the needs of business development and match the Group's cash flow.

Foreign Currency Exposure

The functional currencies of the Company and PRC subsidiaries are HKD and RMB, respectively. The financial statements are presented in RMB. Each entity in the Group determines its own functional currency. Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks. These assets include monetary assets such as deposits and bonds held in foreign currencies and non-monetary assets measured at fair value such as investment properties, stocks and funds held in foreign currencies. The Group's foreign currencies denominated liabilities are also exposed to risks as a result of fluctuations in exchange rates. These liabilities include monetary liabilities such as borrowings, customers' deposits and provision of outstanding claims denominated in foreign currencies. Financial settlement and currency conversion as at the reporting date of these foreign currency-denominated assets and liabilities may generate a certain amount of foreign exchange losses or gains, thereby affecting the Group's profits or net assets. The Group will adopt appropriate hedging methods as necessary to hedge the foreign currency risk exposure.

Interest Rate Exposure

The Group uses bank loans and other borrowings to meet its capital expenditure and working capital requirements from time to time and is subjected to the risk of interest rate fluctuation. Since a certain amount of the Group's borrowings is provided at floating interest rates which are subjected to change by the lenders as required by amendments of regulations of the People's Bank of China and the market conditions in and outside Chinese Mainland, the interest expenses of the Group will increase if the People's Bank of China or foreign banks increase their interest rates.

Application of Derivatives

The Group will apply derivative instruments as necessary to hedge the risk exposure instead of speculation.

FORWARD-LOOKING STATEMENTS

This annual report includes certain forward-looking statements which involve the financial conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements.

Unit: RMB million

Year	2021	2022	2023	2024	**2025**
Total equity	203,119.4	199,629.8	208,574.8	197,538.9	**168,296.0**
Equity attributable to owners of the parent	130,995.0	121,520.9	124,936.8	118,103.2	**93,829.3**
Equity per share attributable to owners of the parent (in RMB)	15.75	14.78	15.23	14.43	**11.49**
Indebtedness					
Total debt	237,119.5	226,919.2	211,923.9	214,104.6	**224,194.6**
Total debt/Total capital (%)	53.9%	53.2%	50.4%	52.0%	**57.1%**
Capital employed	368,114.5	348,440.0	336,860.7	332,207.8	**318,023.9**
Cash and bank balances	96,779.5	100,564.0	92,459.6	106,339.3	**61,092.4**
Property, plant and equipment	42,387.5	45,668.2	55,226.7	55,021.6	**55,772.2**
Investment property	67,229.7	95,743.4	93,340.8	92,297.0	**97,135.0**
Property under development	51,208.9	62,079.1	46,776.2	41,644.8	**33,254.6**
Mining rights	497.0	480.8	1,311.4	1,308.4	**1,260.0**
Interest in associates	92,808.9	68,654.0	68,254.6	69,721.7	**66,355.4**
Financial assets at fair value through profit or loss	70,128.2	62,331.7	52,941.2	45,486.4	**43,986.7**
Equity investments designated at fair value through other comprehensive income	535.5	396.2	2,696.5	1,002.6	**1,265.2**
Debt investments at fair value through other comprehensive income	80,908.4	63,534.9	72,473.6	82,743.5	**102,812.1**
Debt investments at amortized cost	25,984.5	25,171.8	29,400.3	28,023.6	**3,081.1**
Profit/(loss) attributable to owners of the parent	10,084.5	538.7	1,379.1	(4,348.9)	**(23,395.8)**
Basic earning/(loss) per share (in RMB)	1.21	0.06	0.17	(0.53)	**(2.88)**
Diluted earning/(loss) per share (in RMB)	1.21	0.06	0.17	(0.53)	**(2.88)**
Profit/(loss) contribution by each business segment					
Health	2,029.0	1,348.7	580.2	901.1	**1,434.9**
Happiness	(599.3)	1,561.4	(263.9)	(1,878.6)	**(9,066.6)**
Wealth	5,160.1	(3,509.8)	237.3	(2,656.2)	**(14,173.2)**
Insurance	1,461.3	(1,599.0)	790.2	1,716.1	**1,779.2**
Asset Management	3,698.8	(1,910.8)	(552.9)	(4,372.3)	**(15,952.4)**
Intelligent Manufacturing	3,577.6	1,201.9	934.1	(626.8)	**(1,546.2)**
Elimination	(82.9)	(63.5)	(108.6)	(88.4)	**(44.7)**
EBITDA	42,107.6	32,016.9	30,503.0	23,777.6	**19,502.4***
Proposed dividend per share (in HKD)	0.300	0.014	0.038	0.02	**—**

* Excluding the effects of the significant impairment in 2025.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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

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

A. CORPORATE CULTURE

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

B. THE BOARD

(a) Responsibilities

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

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

(b) Delegation of Management Function

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

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

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

(c) Board Composition

The Board for the year ended 31 December 2025 comprised the following Directors:

Executive Directors
Mr. Guo Guangchang *(Chairman)*
Mr. Wang Qunbin *(Co-Chairman)*
Mr. Chen Qiyu *(Co-Chief Executive Officer)*
Mr. Xu Xiaoliang *(Co-Chief Executive Officer)*
Mr. Gong Ping
Mr. Huang Zhen
Mr. Pan Donghui

Non-Executive Directors
Mr. Yu Qingfei *(Resigned on 11 April 2025)*
Mr. Li Shupei *(Resigned on 27 November 2025)*
Mr. Li Fuhua
Mr. Luo Yuanli *(Appointed on 16 June 2025)*

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

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

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

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

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

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board; take the lead where potential conflicts of interests arise; scrutinise the Company's performance in achieving agreed corporate goals and objectives; and monitor performance reporting. Through active participation in Board meetings, and serving on Board committees, all independent non-executive Directors have made various positive contributions to the development of the Company.

(d) Independent Views of the Board

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

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

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

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

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

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

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

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

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

(e) Appointment and Re-election of Directors

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

The details regarding the service contracts for the re-election of Directors are set out in the section headed "Directors' Service Contracts" in this annual report.

At every annual general meeting, at least one-third of the Directors shall retire from office by rotation. Each Director is subject to retirement by rotation at least once every three years. Any Director appointed to fill a vacancy or as an addition to the Board shall be subject to re-election by shareholders at the next general meeting after their appointment.

The Company has received annual confirmation in respect of his/her independence from all the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and as at the LPD considers all of them to be independent.

(f) Continuous Professional Development of Directors

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

Mr. Luo Yuanli, who was appointed as a non-executive Director on 16 June 2025, has obtained the legal advice referred to under Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange on 15 May 2025. Mr. Luo has confirmed that he understood his obligations as a non-executive Director.

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

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

	Training Matters		
Name of Directors	**Legal and Regulatory**	**Business Update**	**Corporate Governance**
Executive Directors			
Mr. Guo Guangchang	✓	✓	✓
Mr. Wang Qunbin	✓	✓	✓
Mr. Chen Qiyu	✓	✓	✓
Mr. Xu Xiaoliang	✓	✓	✓
Mr. Gong Ping	✓	✓	✓
Mr. Huang Zhen	✓	✓	✓
Mr. Pan Donghui	✓	✓	✓
Non-Executive Directors			
Mr. Li Fuhua	✓	✓	✓
Mr. Luo Yuanli *(Appointed on 16 June 2025)*	✓	✓	✓
Independent Non-Executive Directors			
Mr. Zhang Shengman	✓	✓	✓
Mr. Zhang Huaqiao	✓	✓	✓
Mr. David T. Zhang	✓	✓	✓
Dr. Lee Kai-Fu	✓	✓	✓
Ms. Tsang King Suen Katherine	✓	✓	✓

Note: Mr. Yu Qingfei and Mr. Li Shupei resigned during the Reporting Period, and they participated in relevant training during their tenures, respectively.

(g) Board Meetings

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

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

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

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

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

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

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

(h) Practice and Conduct of Board Meetings

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

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

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

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

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

(i) Directors and Officers Liability Insurance

The Company has arranged the directors and officers liability insurance in respect of possible legal action against the Directors, and the insured clause and scope of coverage of year 2025/2026 have been reviewed and renewed.

(j) Board Diversity Policy

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

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

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

C. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

D. BOARD COMMITTEES

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

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

Audit Committee

As at the end of the Reporting Period, the Audit Committee comprised four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. David T. Zhang, Dr. Lee Kai-Fu and Ms. Tsang King Suen Katherine. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

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

- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and to make recommendations to the Board on the appointment, re-appointment and removal of external auditors, and to develop and implement policy on engaging an external auditor to supply non-audit services (if any); and

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

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

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

(1) Reviewed the financial results and reports of the Group for the year ended 31 December 2024, and for the six months ended 30 June 2025, and recommend approval by the Board;

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

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

The Company's annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee.

Remuneration Committee

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

The main duties of the Remuneration Committee include the following:

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

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

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

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

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

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

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

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

(1) Reviewed the remuneration report of the executive Directors for the year 2024;

(2) Reviewed the performance plan and remuneration package of the executive Directors for the year 2025;

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

(4) Considered and made recommendation to the Board in respect of the grant of (i) the 2025 Award Shares, (ii) the 2025 Share Options. In particular, the Remuneration Committee considered it was appropriate to grant award Shares to the independent non-executive Directors without any performance target because (i) issuers generally should not grant equity based remuneration with performance related elements to independent non-executive directors and (ii) the award shares were to recognize their continued effort for bringing in fresh perspectives, objective insights and independent judgment to the Board and the relevant Board committees, which would contribute to the sustainable development of the Company's business, which aligned with the purposes of the 2023 Share Award Scheme. For further details of such grant of award Shares and share options, please refer to section headed "SHARE AWARD AND SHARE OPTION SCHEMES OF THE COMPANY" under the "Directors' Report" in this annual report.

Nomination Committee

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

The main duties of the Nomination Committee include the following:

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

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

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

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

- To support the Company's regular evaluation of the Board's performance.

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

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

(2) Personal integrity;

(3) Time commitments of such individuals;

(4) The Company's needs; and

(5) Other relevant statutory requirements and regulations.

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

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

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

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

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

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

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

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

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

(3) Discussed and made recommendation to the Board in relation to the re-appointment of retiring Directors at the 2025 annual general meeting;

(4) Discussed the policy for the nomination of directors, which included the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship; and

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

Environmental, Social and Governance Committee

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

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

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

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

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

(1) Considered and reviewed the 2024 ESG report; and

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

E. ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board committee meetings in 2025, and annual general meeting and extraordinary general meeting of the Company held for the year of 2025 is set out in the table below:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Environmental, Social and Governance Committee	Annual General Meeting	Extraordinary General Meeting
Executive Directors							
Mr. Guo Guangchang	13/13	–	–	–	–	1/1	1/1
Mr. Wang Qunbin	13/13	–	–	–	–	1/1	1/1
Mr. Chen Qiyu	12/13	–	–	–	–	1/1	1/1
Mr. Xu Xiaoliang	13/13	–	–	–	–	1/1	1/1
Mr. Gong Ping	13/13	–	–	–	–	1/1	1/1
Mr. Huang Zhen	13/13	–	–	–	–	1/1	1/1
Mr. Pan Donghui	13/13	–	–	–	–	1/1	1/1
Non-Executive Directors							
Mr. Yu Qingfei *(Resigned on 11 April 2025)*	1/2	–	–	–	–	–	–
Mr. Li Shupei *(Resigned on 27 November 2025)*	7/7	–	–	–	–	1/1	1/1
Mr. Li Fuhua	13/13	–	–	–	–	1/1	1/1
Mr. Luo Yuanli *(Appointed on 16 June 2025)*	9/9	–	–	–	–	–	1/1
Independent Non-Executive Directors							
Mr. Zhang Shengman	13/13	2/2	1/1	1/1	2/2	1/1	1/1
Mr. Zhang Huaqiao	13/13	–	1/1	1/1	2/2	1/1	1/1
Mr. David T. Zhang	13/13	2/2	1/1	1/1	2/2	1/1	1/1
Dr. Lee Kai-Fu	12/13	2/2	1/1	1/1	1/2	1/1	1/1
Ms. Tsang King Suen Katherine	13/13	2/2	1/1	1/1	2/2	1/1	1/1

F. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiry has been made to each of the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees who are likely to be in possession of undisclosed inside information of the Company. No incident of non-compliance of the above mentioned written guidelines by the relevant employees of the Company was noted by the Company.

G. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board is responsible for presenting a balanced and clear assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025. The senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

H. EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

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

During the Reporting Period, the remuneration paid to Ernst & Young, the external auditors of the Company, in respect of professional audit services, amounted to RMB12.80 million and no significant non-audit services were provided by Ernst & Young to the Company.

I. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes, maintains and reviews appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and achieving compliance with applicable laws and regulations. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and the management provides a confirmation to the Board on the effectiveness of these systems. The Company identifies, evaluates and manages significant risks faced by the Company and builds up its risk management and internal control systems aiming at risk control, taking into consideration (i) the findings of internal audits and issues revealed during operation and management; (ii) audit findings of external auditors to achieve the goal of risk control; (iii) the changes, since the last review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment; (iv) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems and the work of the internal audit function; (v) the extent and frequency of communication of monitoring results to the Board or the Audit Committee which enables it to assess the adequacy and the effectiveness of the Company's risk management and internal control systems; (vi) significant control failings or weaknesses that have been identified during the period as well as the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses; (vii) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance; and (viii) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting. Such significant risks include ESG risks, decision-making risks of operation, financial control risks, and the risks arising from changes in business environment. The Board acknowledges that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

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

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

The Group has set up a comprehensive whistleblowing mechanism. It has released the Fosun Group Global Whistleblowing Policy, and anonymous reporting can be made via multiple whistleblowing channels. In addition to the Global Whistleblowing Platform, it has launched a Risks & Compliance Hotline on the Company's official website. This hotline is anonymous and available to all employees, as well as clients, contractors, suppliers and others in a business relationship with Fosun. By doing so, the Group proactively identifies potential risk control deficiencies or misconduct.

The anti-corruption and supervision department of the Company, is a specialized anti-fraud investigation department of the Company, which is in charge of preventing the cases of malpractices among staff such as corruption, abuse of power, or dereliction of duty, as well as investigating and handling such cases in an independent, impartial, and sensitive manner. The Company has established an internal integrity management system with reference to ISO 37001 Anti-Bribery Management System and the management standards issued by the China Enterprise Anti-fraud Alliance. The Company formulated anti-corruption policies and published them on the official websit, and formulated business ethics management policies such as the Fosun Group Incorruptible Working Regulations for Employees, Management Measures for Cash and Gifts Received during Business Activities, Management Measures for Anti-corruption and Supervision Lines, etc. to regulate staff behaviors in terms of anti-corruption and antifraud, confidentiality of business information, declaration of conflicts of interest, prevention of unfair transactions, etc. The anti-corruption and supervision department, according to the Regulations on Anti-Corruption Inspection, strengthens the standardized management and supervision of the integrity management among member companies.

During the Reporting Period, the Board has reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group. The Company continued to improve the standardization and systematic development of the internal control system, covering the functions of financial control, operational control, compliance control and risk management. The internal audit department of the Company has carried out independent internal control audits in respect of those significant risk areas, such as corporate governance, financial income and expenses, equity investment, project management, asset management, information management etc., and has reported to the Audit Committee regularly in respect of the effectiveness of the risk management and internal control systems and significant risks. The boards of directors of the subsidiaries have submitted evaluation reports to the Company on the effectiveness of the risk management and internal control systems. The Board considers that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the CG Code as at the end of the Reporting Period.

J. COMPANY SECRETARY

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

The Company Secretary's biography is set out in the section of "Biographical Details of Directors and Senior Management" in this annual report. During 2025, the Company Secretary has received over 15 hours of professional training.

K. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

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

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

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

2025 1st Half	**Annual Results Announcement** Press Conference Analyst Earnings Call **Roadshows in Shanghai, Beijing, Shenzhen, Hong Kong, and Singapore Region** **UBS Greater China Conference 2025** **Lijiang Investors Open Day**	2025 2nd Half	**Interim Results Announcement** Press Conference Analyst Earnings Call **Roadshows in Shanghai, Beijing, Shenzhen, Hong Kong, and New York Region** **Citi China Conference 2025** **Chengdu and Shanghai Investors Open Day**

The annual general meeting and extraordinary general meetings of the Company provide a forum for communication between the Board and the Shareholders. During the Reporting Period, the Company held a total of two general meetings of shareholders, and all shareholders of the Company can attend such meetings. The Chairman as well as the Chairman of the Audit, Remuneration, Nomination and Environmental, Social and Governance Committees and, in their absence, other members of the respective committees and, where applicable, the Chairman of the Independent Board Committee, are able to solicit and understand the views of Shareholders and stakeholders at annual general meeting and extraordinary general meetings.

The Board thanks shareholders for their continued support of the Company and welcomes their comments and inquiries regarding matters relating to the Company. Shareholders may at any time make inquiries and raise concerns to the Board via email at IR@fosun.com.

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

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

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

L. SHAREHOLDER RIGHTS

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

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

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

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

Putting Forward Enquiry/Requisition to the Board

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

Contact Details

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

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

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

Key Shareholder Dates

Key shareholder dates for 2026 are:

- June 2026: annual general meeting;
- August 2026: release of announcement of interim results in respect of the six months ending 30 June 2026; and
- September 2026: release of interim report in respect of the six months ending 30 June 2026.

M. DIVIDEND POLICY

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

- in determining its dividend payment ratio in respect of any particular financial year, the Company will take into account a desire to maintain a stable dividend level within its overall objective of maximizing shareholders' value over the longer term; and
- if the Company pays an annual dividend in respect of a financial year, the dividend would generally be paid in the form of a final dividend only.

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

- the level of the cash and retained earnings of the Company;
- expected financial performance of the Company;
- projected levels of capital expenditure and other investment plans of the Company; and
- the dividend yield of similar-sized companies, with similar growth listed in Hong Kong and with business operations comparable to those of the Company.

N. EMPLOYEES DIVERSITY

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

In strict compliance with the United Nations Universal Declaration of Human Rights, the Group encourages all business groups and subsidiaries to develop corresponding policies according to the specific circumstances of the country and region where they are located, respect the tangible and intangible differences of all employees, and manage according to key areas such as age, gender, disability, nationality and sexual orientation. The Group is committed to creating a fair, respectful, comfortable and inclusive working environment. The Group actively carries out anti-discrimination and anti-harassment training in the workplace to guide employees to treat others with respect, equality and fairness. The Group has embraced a diversity strategy in the recruitment and promotion process to actively attract and retain outstanding talents from diverse backgrounds. As at the end of the Reporting Period, the Group achieved the male to female employee ratio of 49:51.

O. ESG RISKS

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

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Guo Guangchang, aged 58, is an Executive Director and Chairman of the Company, and the founder of the Group. As at the end of the Reporting Period, he has also been a director of both Fosun Holdings and Fosun International Holdings (the direct and indirect controlling shareholders of the Company, respectively), honorary chairman of The Zhejiang Chamber of Commerce, Shanghai, etc.. Mr. Guo was honored the "Lifetime Achievement Award" by the 8th World Chinese Economic Summit, the "Lifetime Achievement Award" at the 16th CNBC Asia Business Leaders Award Ceremony, and the "50 Most Influential Business Leaders in China 2023" by Fortune China etc.. Mr. Guo received a bachelor's degree in philosophy in 1989 and a master's degree in business administration in 1999, both from Fudan University. Mr. Guo is the controlling shareholder of the Company who is interested in and deemed interested in the Shares, representing approximately 72.51% of the total issued Shares as at the end of the Reporting Period. Please refer to the section headed "INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES" in this annual report for details of his interest in the Shares.

Wang Qunbin, aged 56, is an Executive Director and Co-Chairman of the Company, and the founder of the Group. Mr. Wang was a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and Sinopharm (listed on the Hong Kong Stock Exchange). Mr. Wang was awarded "Asia Pacific Outstanding Entrepreneur Awards" by Enterprise Asia and "Best Asian Corporate Director" at the Asian Excellence Recognition Awards by Corporate Governance Asia, etc., and was named one of "China's 50 Top-performing Corporate Leaders" by Harvard Business Review. Mr. Wang received a bachelor's degree in genetic engineering from Fudan University in 1991.

Chen Qiyu, aged 53, is an Executive Director and Co-CEO of the Company. Mr. Chen joined the Group in 1994 and as at the end of the Reporting Period, he has also been a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and Henlius (listed on the Hong Kong Stock Exchange), a non-executive director and vice chairman of Sinopharm (listed on the Hong Kong Stock Exchange) and a director of other companies within the Group. Mr. Chen was a director of Sanyuan Foods (listed on the SSE), a non-executive director of Gland Pharma (listed on the BSE Limited and National Stock Exchange of India Limited) and a co-chairman of New Frontier Health Corporation (delisted from the NYSE in January 2022). As at the end of the Reporting Period, Mr. Chen has been a member of the 14th Shanghai Standing Committee of the Chinese People's Political Consultative Conference, the chairman of Shanghai Chamber of Biopharmaceutical Commerce, a vice chairman of China Pharmaceutical Innovation and Research Development Association, the honorary chairman and chief supervisor of Shanghai Biopharmaceutics Industry Association, and the honorary chairman of China Medical Pharmaceutical Material Association, etc.. Mr. Chen was awarded "Asia's Best CEO" by Corporate Governance Asia, etc.. Mr. Chen received a bachelor's degree in genetics from Fudan University in 1993 and an EMBA degree from China Europe International Business School in 2005.

Xu Xiaoliang, aged 52, is an Executive Director and Co-CEO of the Company. Mr. Xu joined the Group in 1998, and as at the end of the Reporting Period, he has also been an executive director and chairman of FTG (delisted from the Hong Kong Stock Exchange in March 2025), a director of Yuyuan (listed on the SSE) and other companies within the Group. Mr. Xu was a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE) and a non-independent director of Hainan Mining (listed on the SSE). As at the end of the Reporting Period, Mr. Xu has been a deputy to the 16th Shanghai Municipal People's Congress and the chairman of Shanghai International Fashion Federation. Mr. Xu was awarded "Asia's Best CEO" by Corporate Governance Asia, the "Shanghai 4 May Youth Medal" and "Shanghai Top Ten Youth Business People" etc.. Mr. Xu received a master's degree in business administration from the East China Normal University in 2002 and received an EMBA degree from Fudan University in 2019.

Executive Directors

Gong Ping, aged 50, is an Executive Director, Executive President and CFO of the Company. Mr. Gong joined the Group in 2011 and as at the end of the Reporting Period, he has also been a director of other companies within the Group. He used to serve as a senior assistant to president of the Group, the general manager of Corporate Development Department and the CEO of Fosun Hive, and a vice-chairman of Yuyuan (listed on the SSE). Prior to joining the Group, Mr. Gong worked at Pudong branch and the headquarters of Bank of Shanghai as well as the PRC headquarters of Standard Chartered Bank. Mr. Gong also served as a global strategist at the headquarters of Samsung Group in Korea, carrying out special assignments across various sectors including financial services, technology and real estate worldwide. As at the end of the Reporting Period, Mr. Gong has been the honorary vice president of Shanghai Young Entrepreneurs' Association and a council member of Shanghai Association for Youth Entrepreneurship and Employment. Mr. Gong graduated from Fudan University in 1998 with a bachelor's degree in international finance, and then obtained his master's degree in finance from Fudan University in 2005. Mr. Gong also received his master's degree in business administration from International Institute for Management Development (IMD) in Lausanne, Switzerland in 2008.

Huang Zhen, aged 54, is an Executive Director of the Company. Mr. Huang ceased to serve as an Executive President and Chief Growth Officer (CGO) of the Company in June 2025. Mr. Huang joined the Group in 2017 and as at the end of the Reporting Period, he has also been the chairman of Yuyuan (listed on the SSE) and Lanvin Group (listed on the NYSE), a vice-chairman of Sanyuan Foods (listed on the SSE), a non-executive director of FTG (delisted from the Hong Kong Stock Exchange in March 2025), and a director of Shede Spirits (listed on the SSE) and other companies within the Group. Mr. Huang was a director of Shanghai Bailian Group Co., Ltd. (listed on the SSE with stock code 600827), a non-executive director of Zhaojin Mining Industry Co., Ltd. (listed on the Hong Kong Stock Exchange with stock code 01818) and a director of Jinhui Liquor Co., Ltd. (listed on the SSE with stock code 603919). Before joining the Group, Mr. Huang was the deputy general manager of Shanghai Jahwa United Co., Ltd., and the general manager of Shanghai Herborist Cosmetics Co., Ltd., etc.. As at the end of the Reporting Period, Mr. Huang has been a member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference, a member of the 3rd Shanghai Huangpu District Standing Committee of the Chinese People's Political Consultative Conference, the chairman of Shanghai Huangpu District Federation of Industry and Commerce, the president of Shanghai Huangpu District Chamber of Commerce, the vice chairman of China Gold Association and Gems & Jewelry Trade Association of China, etc.. Mr. Huang was awarded "Top Ten Economic Figures in China's Circulation Industry" and "National Outstanding Commercial Entrepreneur", etc.. Mr. Huang received a bachelor's degree in economics from Shanghai University of Finance and Economics in 1994 and an MBA degree from Webster University (USA) in 1998.

Pan Donghui, aged 56, is an Executive Director, Executive President and Chief Human Resources Officer (CHO) of the Company. Mr. Pan joined the Group in 1994 and as at the end of the Reporting Period, he has also been a non-executive director of Fosun Pharma (listed on the Hong Kong Stock Exchange and the SSE), FTG (delisted from the Hong Kong Stock Exchange in March 2025) and Fidelidade, a non-independent director of Wansheng (listed on the SSE) and a director of other companies within the Group. Mr. Pan obtained a bachelor's degree in engineering from Shanghai Jiaotong University in China in 1991, and a master's degree in business administration from the University of Southern California in the United States in 2009.

Non-Executive Directors

Li Fuhua, aged 55, has been a Non-Executive Director of the Company since February 2023. As at the end of the Reporting Period, Mr. Li has also been the head of finance and the general manager of the planning and finance department of AEON Life Insurance Co., Ltd. ("**AEON Life Insurance**"), a director of Shanghai Zhuli (a subsidiary of the Company) and an executive director of Wangjin Holdings (Dalian) Co., Ltd.. From 1993 to 1997, Mr. Li served as the accounting supervisor of the financial department of Jinan silk factory of Shandong Provincial Silk Corporation. From 1997 to 2000, he served as the financial supervisor and financial manager of the financial department of China Ping An Life Insurance Co., Ltd. ("**Ping An Life Insurance**") Jinan Branch. From 2000 to 2002, he served as the director of the financial department and the project manager of financial enterprise resource planning (ERP) of Ping An Life Insurance. From 2002 to 2004, he was the director of the financial management office of the financial planning department of Ping An Insurance (Group) Company of China, Ltd. (listed on the Hong Kong Stock Exchange with stock code 02318 and the SSE with stock code 601318). From 2004 to 2008, he served as the assistant general manager of the financial department of Taikang Life Insurance Co., Ltd. ("**Taikang Life Insurance**"). From 2009 to 2013, he served as the deputy general manager of the financial department of Taikang Life Insurance. From 2013 to 2017, he served as the general manager of the accounting department of AEON Life Insurance. Mr. Li graduated from Shandong College of Finance (currently known as Shandong University of Finance and Economics) with a bachelor's degree in accountancy in 1998. Mr. Li holds certificates of qualification of Senior International Finance Manager and International Certified Management Accountant.

Luo Yuanli, aged 31, has been a Non-Executive Director of the Company since June 2025. As at the end of the Reporting Period, Mr. Luo has also been the head of the Board Office and general manager of the Administrative Office of Zhongrong Life Insurance Co., Ltd. ("**Zhongrong Life Insurance**"). Mr. Luo served as the senior manager of the Elderly Care Business Department, the executive secretary of the Board Office and deputy general manager of the Internal Control and Compliance Department of Zhongrong Life Insurance from September 2021 to April 2022; and as the secretary to the chairman of Zhongtian Financial Group Company Limited from February 2020 to September 2021. Mr. Luo graduated from University of Northampton with a Bachelor of Arts degree in Business & Management in 2020.

Independent Non-Executive Directors

Zhang Shengman, aged 68, has been an Independent Non-Executive Director of the Company since December 2006. As at the end of the Reporting Period, Mr. Zhang has also been an independent non-executive director of China Lilang Limited (listed on the Hong Kong Stock Exchange with stock code 01234) and Green Economy Development Limited (listed on the Hong Kong Stock Exchange with stock code 01315). Mr. Zhang worked in the PRC Ministry of Finance as a deputy director and vice secretary from 1987 to 1992. From 1993 to 2005, Mr. Zhang served as an executive director for China, vice president and chief secretary, senior vice director, managing director and chairman of the operations committee, the sanctions committee and the corporate committee on fraud and corruption policy of the World Bank. Mr. Zhang joined Citigroup Inc. (listed on the NYSE with stock code C) in February 2006, and up to May 2016 once served as the chairman of the Public Sector Group, president and chairman of Asia Pacific. From March 2018 to April 2025, Mr. Zhang was a non-executive director of Seazen Group Limited (listed on the Hong Kong Stock Exchange with stock code 01030). Mr. Zhang received a bachelor's degree in English literature in 1978 from Fudan University and a master's degree in public administration in 1986 from University of the District of Columbia. Mr. Zhang completed the Harvard Advanced Management Program in 1997.

Zhang Huaqiao, aged 62, has been an Independent Non-Executive Director of the Company since March 2012. As at the end of the Reporting Period, Mr. Zhang has been an independent non-executive director of Zhong An Group Limited (listed on the Hong Kong Stock Exchange with stock code 00672), Logan Group Company Limited (listed on the Hong Kong Stock Exchange with stock code 03380), Luye Pharma Group Ltd. (listed on the Hong Kong Stock Exchange with stock code 02186) and Radiance Holdings (Group) Company Limited (listed on the Hong Kong Stock Exchange with stock code 09993). From July 1986 to January 1989, Mr. Zhang was employed at the People's Bank of China and from June 1999 to April 2006, Mr. Zhang worked at the Equities Department of UBS AG, Hong Kong Branch at which he first served as the head of China research team and later became co-head of China research team. Mr. Zhang was the chief operating officer from March 2006 to September 2008 and an executive director from May 2006 to September 2008 of Shenzhen Investment Limited (listed on the Hong Kong Stock Exchange with stock code 00604). From September 2008 to June 2011, he was the deputy head of China Investment Banking at UBS Securities Asia Limited. Mr. Zhang was also an independent non-executive director of Haitong International Securities Group Limited (delisted from the Hong Kong Stock Exchange in January 2024). Mr. Zhang graduated from the Graduate School of the People's Bank of China with a master's degree in economics in 1986, and from the Australian National University with a master's degree in economics in 1991.

David T. Zhang, aged 63, has been an Independent Non-Executive Director of the Company since June 2012. Mr. Zhang has also been a non-executive director of Noah Holdings Private Wealth and Asset Management Limited (listed on the Hong Kong Stock Exchange with stock code 06686 and on the NYSE with stock code: NOAH) and an independent non-executive director of WeRide Inc. (listed on NASDAQ with stock code WRD and on the Hong Kong Stock Exchange with stock code 00800). Admitted to the practice of law in the State of New York, USA and based in Hong Kong, Mr. Zhang specializes in securities offerings and M&A transactions. He has extensive experience representing Chinese issuers and leading investment banks in US initial public offerings, Hong Kong initial public offerings and other Rule 144A and Regulation S offerings of equity, debt and convertible securities. Mr. Zhang has represented a number of leading private equity funds, multinational corporations and sovereign wealth funds in connection with their investments and M&A transactions in the Greater China region and Southeast Asia. In addition, Mr. Zhang has successfully guided China-based companies listed in the United States and Hong Kong through complex mission-critical moments, counselling leaders and boards of directors on high-stakes matters at the intersection of litigation, regulatory enforcement, reputation and public policy. Mr. Zhang has been rated as a top capital markets attorney by Chambers Global, Legal 500 Asia Pacific, IFLR1000 and Chambers Asia Pacific. Mr. Zhang was a senior corporate partner in the Hong Kong office of Kirkland & Ellis International LLP. Prior to joining Kirkland & Ellis International LLP in August 2011, Mr. Zhang was a partner of Latham & Watkins LLP for eight years. Both firms are leading international law firms. Mr. Zhang graduated from Beijing Foreign Studies University in 1981 and received his J.D. degree from Tulane University Law School in 1991.

Lee Kai-Fu, aged 64, has been an Independent Non-Executive Director of the Company since March 2017. As at the end of the Reporting Period, Dr. Lee has also been the director of Sinovation (HK) Investment Management Co. Limited, the managing partner of the Beijing Sinovation Ventures Private Equity Fund Management Limited, the director of Sinovation Ventures (Beijing) Enterprise Management Co., Ltd. (delisted from the NEEQ in January 2020), and the chairman and non-executive director of Ainnovation Technology Group Co., Ltd (listed on the Hong Kong Stock Exchange with stock code 02121). Dr. Lee also serves as the manager of several funds managed by Sinovation Ventures, as well as a director and/or chairman of several companies in industries such as the internet and artificial intelligence. From 1988 to 1990, Dr. Lee worked at Carnegie Mellon University, where he served as an assistant professor; between July 1990 and April 1996, Dr. Lee worked at Apple Inc. (listed on NASDAQ with stock code AAPL), serving as a vice president from December 1995; from July 1998 to July 2005, Dr. Lee was the vice president of Microsoft Corporation (listed on NASDAQ with stock code MSFT); from July 2005 to September 2009, Dr. Lee was the president of Google China of Google Inc. (listed on NASDAQ with stock code GOOGL), and he was responsible for launching the Google China R&D Centre. Dr. Lee was also a non-executive director of Meitu, Inc. (listed on the Hong Kong Stock Exchange with stock code 01357). Dr. Lee received his bachelor's degree and Ph.D. in Computer Science from Columbia University in 1983 and Carnegie Mellon University in 1988, respectively, as well as Honorary Doctorate Degrees from both the City University of Hong Kong and Carnegie Mellon University in 2010 and 2015, respectively.

Tsang King Suen Katherine, aged 68, has been an Independent Non-Executive Director of the Company since December 2020. Ms. Tsang is the founder of Max Giant Capital. As at the end of the Reporting Period, Ms. Tsang has also been an independent non-executive director of Budweiser Brewing Company APAC Limited (listed on the Hong Kong Stock Exchange with stock code 01876), Fidelity Emerging Markets Limited (listed on the London Stock Exchange with stock code FEML) and China CITIC Bank International Limited. Ms. Tsang was an executive director and chief executive officer of HK Acquisition Corporation (listed on the Hong Kong Stock Exchange with former stock code 07841) from February 2022 to October 2024. As at the end of the Reporting Period, Ms. Tsang has been a member of the Advisory Council for China of the City of London, an honorary board member of Shanghai Jiao Tong University. Ms. Tsang was a member of the World Economic Forum's Global Agenda Council on China from 2009 to 2012 and a member of Sotheby's Asia Advisory Board from November 2011 to October 2014. Ms. Tsang graduated from University of Alberta, Canada with a bachelor's degree in Commerce in 1978.

SENIOR MANAGEMENT OF THE COMPANY

Sze Mei Ming, aged 48, is the Company Secretary, Senior Assistant to the President, Deputy Chief Risk Officer and General Manager of Office of Board Secretary of the Company. Ms. Sze joined the Group in 2007, and has been the Company Secretary of the Company since March 2009. Ms. Sze holds a bachelor's degree in Arts from the University of Hong Kong, a bachelor's degree in laws from the University of London and a master's degree in Chinese and Comparative Law from the City University of Hong Kong. Ms. Sze has experience in the company secretarial industry for more than twenty years and is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, and awarded with the dual designations of Chartered Secretary and Chartered Governance Professional. Ms. Sze is also a member of The Professional Development Committee of The Hong Kong Chartered Governance Institute.

The Board is pleased to present its report and the audited financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW OF THE GROUP IN 2025

A fair view of the business of the Group in 2025 and a discussion and analysis of the material factors underlying the Group's performance, results and financial position during the year are provided in the sections headed "Business Review" and "Financial Review" under "Management Discussion & Analysis" in this annual report, respectively. Description of the major risks and uncertainties faced by the Group can be found throughout this annual report, particularly in the "Directors' Report". Particulars of important events affecting the Group that have occurred since the end of the financial year 2025, can also be found in the above mentioned sections and the Notes to Financial Statements. The outlook of the Group's business is discussed throughout this annual report including the section headed "Letter to Shareholders".

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2025 and the state of affairs of the Group at that date are set out in the financial statements and the accompanying notes of this annual report.

The Board has recommended not to declare any final dividend for the year ended 31 December 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on Friday, 5 June 2026 (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 Monday, 1 June 2026.

SUMMARY FINANCIAL INFORMATION

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

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

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

ISSUED SHARES

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

SUBSIDIARIES

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

BORROWINGS

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

REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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 31,082,500 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD126,306,230 during the Reporting Period. All the repurchased Shares were cancelled as at the end of the Reporting Period.

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)	
January 2025	299,500	4.09	4.05	1,222,760.00,
March 2025	4,423,000	4.22	4.00	18,298,375.00
April 2025	26,360,000	4.45	3.75	106,785,095.00
Total	**31,082,500**	**–**	**–**	**126,306,230.00**

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

HUMAN RESOURCES

Fosun's human resources strategy is guided by the values of "Self-improvement, Teamwork, Performance, and Contribution to Society" and is closely aligned with the business strategy. It focuses on optimizing the organizational structure, mechanisms, and talent systems to support global asset development. Business leaders, as the first person in charge of human resources, rely on the Talent Committee and global platforms for major decisions and ecosystem empowerment. In 2025, the Human Resources function focused on key initiatives such as "Global Operations, Flywheel Drive, AI Application, and Marketing Force" to enhance the synergy between global resources and China's dynamics, strengthened investment and operation collaboration, promoted the integration of AI across all business scenarios, and forged high-performance teams to drive sustainable growth.

We consistently uphold the philosophy that "talent is our greatest asset" and optimize the talent pipeline with the "Top Performer + High-Potential + Expert" structure. We accelerate the growth of core talents through global rotation programs, succession planning, and the cadre management system. The key focus is on recruiting leading talent in AI and various business sectors, leveraging the ONE Fosun employer brand to attract global elite-level professionals. By an agile organization, campaign mechanism and upholding of cultural values, we ignite the team's entrepreneurial spirit and value creation. As at the end of the Reporting Period, the Group had approximately 103,900 employees and the remuneration of the employees approximately amounted to RMB29,971 million.

Fosun Partner Management System

The Fosun partnership model is rooted in entrepreneurial spirit, fostering organizational synergy through a mechanism of co-creation, co-responsibility, and shared benefits. As at the end of the Reporting Period, there were nearly 160 global partners. Leveraging a distinctive competition and cooperation mechanism, Fosun continuously refines talent standards and capability frameworks, solidifying the management foundation for key positions. By driving cross-industry collaboration and resource integration through ecosystem initiative, Fosun creates incremental value for customers. Simultaneously, we focus on building talent pipelines and cultivating agile organizations, treating talents as core assets and accelerating the recruitment and development of outstanding individuals. In 2025, we further evolved our partnership system by introducing Fosun Hi-Po Partner, establishing a sustainable partner echelon oriented toward "youth, performance, and globalization". With more young blood joining the Fosun partner team, we are eager to deliver greater value to our clients.

Employee Experience and Service

Anchored in ESG principles, Fosun continuously enhances its employee experience management system, covering the entire career lifecycle. The Group integrates the philosophy of doing business for good and people-oriented practices into daily work and life. We build employee and family care programs, encourage employees to participate in the feedback mechanisms, and join hands with ecosystem enterprises and employees to jointly create a happy workplace environment; we pay attention to employees' physical and mental health as well as rights and interests protection, and realize real-time benefits distribution through digital platforms; we are committed to building a diverse and inclusive workplace environment, embedding ESG principles into various employee activities, promoting sustainable practices among all employees, continuously strengthening DEI (Diversity, Equity, Inclusion) initiatives, boosting employee engagement and happiness, and providing solid support for the upgrading of our global organizational structure.

Employee Learning and Development

Fosun views the mutual development of enterprises and employees as a core responsibility, striving to offer more career development opportunities and high-quality working environment to all employees. Through organizational growth and structural optimization, Fosun fosters teamwork and value creation, provides global job rotation opportunities and diverse career paths and continues to build a learning organization, promoting joint growth for both the enterprises and its employees. In line with the Group's strategy, we have established a multi-level talent development system. By providing hands-on experience in critical roles and strategic project assignments, we forge a core talent pipeline that both upholds Fosun's heritage and drives innovation. This sustains a vital talent reservoir for the Group's continuous evolution.

Employment and Labor Standards

Fosun upholds the principle of "attracting people through development, uniting people through career, cultivating people through work, and evaluating people by performance". The Group advocates fair competition and strictly opposes any form of discrimination based on gender, age, ethnicity, race, color, or religion. As a global enterprise, Fosun strictly complies with the labor laws and regulations of the countries and regions where it operates, ensuring its practices meet local standards and requirements. During the Reporting Period, all employees met the minimum working age requirements stipulated by local laws, and the Group strictly prohibits child labor and forced labor.

Employee Remuneration Policy and Incentive

Fosun's compensation policies are regularly reviewed and determined based on employee performance, experience, and prevailing industry practices. The Group adheres to the principles of value creation, performance-driven incentives, profit and loss sharing, and transparent rewards and penalties. Fosun has implemented an incremental value-sharing mechanism that combines short-, medium-, and long-term incentives, including bonuses linked to Objectives and Key Results (OKRs), value growth awards tied to annual performance, and equity incentives aligned with long-term value creation. The Group also builds multi-dimensional and tiered value assessment and sharing mechanism for different regions and industries, and emphasizes value creation for key initiatives through targeted campaign incentives, nurturing entrepreneurial spirit and co-entrepreneurship among employees.

Human Resources Intelligent Innovation

Guided by a strategy of technological leadership and continuous innovation, Fosun leverages digital and intelligent technologies and strictly adheres to data security laws and regulations in various countries. Through independent R&D and integration of human resources digital platforms and tools, Fosun strengthens data connectivity and empowerment capabilities, accumulates digital innovation practices, and leads the Group in creating compliant, intelligent, and efficient global human resources digital solutions.

SHARE AWARD AND SHARE OPTION SCHEMES OF THE COMPANY

The number of awards and options available for grant under the scheme mandate of all share schemes of the Company at (i) the beginning of the Reporting Period was 648,467,412 and (ii) the end of the Reporting Period was 594,576,642. The number of awards and options available for grant under the service provider sublimit of all share schemes of the Company at (i) the beginning of the Reporting Period was 41,101,050 and (ii) the end of the Reporting Period was 41,101,050.

The number of Shares that may be issued in respect of awards and options granted under all share schemes of the Company during the Reporting Period (i.e. 64,743,000 Shares) divided by the weighted average number of Shares in issue for the Reporting Period (i.e.8,124,486,263) were approximately 0.80%.

SHARE AWARD SCHEMES[Note]

2015 Share Award Scheme

A share award scheme was adopted by the Company on 25 March 2015 and terminated on 16 March 2023 (the "**2015 Share Award Scheme**"). As at the end of the Reporting Period, all award Shares granted under the 2015 Share Award Scheme have been processed in accordance with the relevant provisions of such scheme.

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

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

(3) As at the date of the annual report, the number of Shares available for issue under the 2015 Share Award Scheme is 0.

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

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

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

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

Note: Having considered that the Company is unable to ensure that the total number of issued Shares of the Company between the LPD and date of this report will remain the same, the Company decided to disclose the information as required to be disclosed under Rule 17.09(3) of the Listing Rules as of the LPD instead of the date of the annual report.

2023 Share Award Scheme

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

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

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

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

(3) As at the latest practicable date, the total number of Shares available for issue under the 2023 Share Award Scheme and the 2023 Share Option Scheme of the Company is 203,508,842 Shares, representing approximately 2.49% of the total issued Shares.

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

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

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

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

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

(7) Subject to earlier termination by the Board, the 2023 Share Award Scheme shall be valid and effective for 10 years from the date of adoption (i.e. 16 March 2023). As at April 2026, the remaining life of the 2023 Share Award Scheme is approximately 6 years and 11 months.

On 27 June 2025 (the "**Award Grant Date**"), the Board resolved to award an aggregate of 15,213,000 award Shares (the "**2025 Award Shares**") to 91 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 2025 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 2025 Award Shares have been fully issued to the Trustee. The closing price of the Shares, immediately before the Award Grant Date was HKD4.68. The aggregate fair value of the 2025 Award Shares as at the Award Grant Date amounted to approximately HKD60,386,725.61.

The fair value of equity-settled award Shares granted was estimated on the basis of the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on 27 June 2025, being the grant date defined under the International Financial Reporting Standards 2 Share-based Payment requirement, which must be a business day and if subject to shareholders' approval, is the date when approval is obtained. No adjustment is required for expected dividends since the employees are entitled to receive dividends paid during the vesting period.

As at the end of the Reporting Period, the Company has granted accumulated 149,519,200 award Shares under the 2015 Share Award Scheme and the 2023 Share Award Scheme, of which 34,883,870 award Shares were unvested except for the vested, expired, lapsed or cancelled award Shares.

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

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

Number of the award Shares				Changed during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period[3]	Lapsed/ cancelled during the Reporting Period[4]	Unvested as at 31 December 2025
Guo Guangchang	24 March 2022	24 March 2022 to 23 March 2023[2]	738,000	–	–	–	–	–
Wang Qunbin	24 March 2022	24 March 2022 to 23 March 2023[2]	704,000	–	–	–	–	–
Chen Qiyu	26 March 2015	26 March 2015 to 24 March 2018[1]	250,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	330,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	375,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	555,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	535,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	1,660,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	1,920,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	2,460,000	836,400	–	836,400	–	–
		24 March 2022 to 23 March 2023[2]	646,000	–	–	–	–	–
	31 August 2022	31 August 2022 to 30 August 2025[1]	50,000	17,000	–	17,000	–	–
		31 August 2022 to 30 August 2023[2]	502,400	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	2,803,000	1,878,010	–	924,990	–	953,020
	31 August 2023	31 August 2023 to 30 August 2026[1]	60,000	40,200	–	19,800	–	20,400
	26 June 2024	26 June 2024 to 25 June 2027[1]	1,911,000	1,911,000	–	630,630	–	1,280,370
	27 June 2025	27 June 2025 to 26 June 2028[1]	1,800,000	–	1,800,000	–	–	1,800,000
Xu Xiaoliang	26 March 2015	26 March 2015 to 24 March 2018[1]	190,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	330,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	375,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	555,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	535,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	1,660,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	1,920,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	2,460,000	836,400	–	836,400	–	–
		24 March 2022 to 23 March 2023[2]	244,000	–	–	–	–	–
	31 August 2022	31 August 2022 to 30 August 2025[1]	50,000	17,000	–	17,000	–	–
		31 August 2022 to 30 August 2023[2]	220,200	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	2,803,000	1,878,010	–	924,990	–	953,020
	31 August 2023	31 August 2023 to 30 August 2026[1]	60,000	40,200	–	19,800	–	20,400
	26 June 2024	26 June 2024 to 25 June 2027[1]	1,911,000	1,911,000	–	630,630	–	1,280,370
	27 June 2025	27 June 2025 to 26 June 2028[1]	1,800,000	–	1,800,000	–	–	1,800,000

Number of the award Shares				Changed during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period[3]	Lapsed/ cancelled during the Reporting Period[4]	Unvested as at 31 December 2025
Gong Ping	26 March 2015	26 March 2015 to 24 March 2018[1]	60,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	110,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	190,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	240,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	235,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	275,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	470,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	960,000	326,400	–	326,400	–	–
		24 March 2022 to 23 March 2023[2]	88,000	–	–	–	–	–
	31 August 2022	31 August 2022 to 30 August 2025[1]	160,000	54,400	–	54,400	–	–
		31 August 2022 to 30 August 2023[2]	461,800	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	1,001,000	670,670	–	330,330	–	340,340
	31 August 2023	31 August 2023 to 30 August 2026[1]	200,000	134,000	–	66,000	–	68,000
	26 June 2024	26 June 2024 to 25 June 2027[1]	964,000	964,000	–	318,120	–	645,880
		26 June 2024 to 25 June 2025[2]	292,000	292,000	–	292,000	–	–
	27 June 2025	27 June 2025 to 26 June 2028[1]	600,000	–	600,000	–	–	600,000
Huang Zhen	24 March 2022	24 March 2022 to 23 March 2025[1]	800,000	272,000	–	272,000	–	–
	31 August 2022	31 August 2022 to 30 August 2023[2]	165,200	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	682,000	456,940	–	225,060	–	231,880
	26 June 2024	26 June 2024 to 25 June 2027[1]	751,000	751,000	–	247,830	–	503,170
	27 June 2025	27 June 2025 to 26 June 2028[1]	669,000	–	669,000		–	669,000
Pan Donghui	26 March 2015	26 March 2015 to 24 March 2018[1]	190,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	240,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	190,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	240,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	235,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	275,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	590,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	1,160,000	394,400	–	394,400	–	–
		24 March 2022 to 23 March 2023[2]	378,000	–	–	–	–	–
	31 August 2022	31 August 2022 to 30 August 2025[1]	60,000	20,400	–	20,400	–	–
		31 August 2022 to 30 August 2023[2]	77,100	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	1,324,000	887,080	–	436,920	–	450,160
	31 August 2023	31 August 2023 to 30 August 2026[1]	80,000	53,600	–	26,400	–	27,200
	26 June 2024	26 June 2024 to 25 June 2027[1]	841,000	841,000	–	277,530	–	563,470
		26 June 2024 to 25 June 2025[2]	345,000	345,000	–	345,000	–	–
	27 June 2025	27 June 2025 to 26 June 2028[1]	600,000	–	600,000		–	600,000

Number of the award Shares				Changed during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period[3]	Lapsed/ cancelled during the Reporting Period[4]	Unvested as at 31 December 2025
Yu Qingfei *(Resigned on 11 April 2025)*	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
Zhang Shengman	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	25,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	25,000	16,750	–	8,250	–	8,500
	26 June 2024	26 June 2024 to 25 June 2027[1]	25,000	25,000	–	8,250	–	16,750
	27 June 2025	27 June 2025 to 26 June 2028[1]	25,000	–	25,000	–	–	25,000
Zhang Huaqiao	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	25,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	25,000	16,750	–	8,250	–	8,500
	26 June 2024	26 June 2024 to 25 June 2027[1]	25,000	25,000	–	8,250	–	16,750
	27 June 2025	27 June 2025 to 26 June 2028[1]	25,000	–	25,000	–	–	25,000
David T. Zhang	26 March 2015	26 March 2015 to 24 March 2018[1]	10,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	35,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	25,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	25,000	16,750	–	8,250	–	8,500
	26 June 2024	26 June 2024 to 25 June 2027[1]	25,000	25,000	–	8,250	–	16,750
	27 June 2025	27 June 2025 to 26 June 2028[1]	25,000	–	25,000	–	–	25,000

Number of the award Shares				Changed during the Reporting Period				
Name of Director	Date of grant	Vesting period	Number of granted Shares	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period[3]	Lapsed/ cancelled during the Reporting Period[4]	Unvested as at 31 December 2025
Lee Kai-Fu	4 May 2017	4 May 2017 to 2 May 2020[1]	35,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	25,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	25,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	25,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	25,000	16,750	–	8,250	–	8,500
	26 June 2024	26 June 2024 to 25 June 2027[1]	25,000	25,000	–	8,250	–	16,750
	27 June 2025	27 June 2025 to 26 June 2028[1]	25,000	–	25,000	–	–	25,000
Tsang King Suen Katherine	31 March 2021	31 March 2021 to 30 March 2024[1]	25,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	25,000	8,500	–	8,500	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	25,000	16,750	–	8,250	–	8,500
	26 June 2024	26 June 2024 to 25 June 2027[1]	25,000	25,000	–	8,250	–	16,750
	27 June 2025	27 June 2025 to 26 June 2028[1]	25,000	–	25,000	–	–	25,000
Sub-total			49,861,700	16,087,860	5,594,000	8,623,930	–	13,057,930
Other grantees:								
– Other employee participants	26 March 2015	26 March 2015 to 24 March 2018[1]	3,900,000	–	–	–	–	–
	1 April 2016	1 April 2016 to 30 March 2019[1]	4,295,000	–	–	–	–	–
	4 May 2017	4 May 2017 to 2 May 2020[1]	4,005,000	–	–	–	–	–
	28 March 2018	28 March 2018 to 27 March 2021[1]	4,212,000	–	–	–	–	–
	27 March 2019	27 March 2019 to 26 March 2022[1]	4,643,000	–	–	–	–	–
	28 August 2019	28 August 2019 to 27 August 2022[1]	420,000	–	–	–	–	–
	1 April 2020	1 April 2020 to 31 March 2023[1]	4,531,000	–	–	–	–	–
	28 August 2020	28 August 2020 to 27 August 2023[1]	70,000	–	–	–	–	–
	31 March 2021	31 March 2021 to 30 March 2024[1]	7,740,000	–	–	–	–	–
	25 August 2021	25 August 2021 to 24 August 2024[1]	265,000	–	–	–	–	–
	24 March 2022	24 March 2022 to 23 March 2025[1]	17,705,000	5,298,900	–	5,213,900	85,000	–
		24 March 2022 to 23 March 2023[2]	2,486,000	–	–	–	–	–
	31 August 2022	31 August 2022 to 30 August 2025[1]	1,010,000	289,000	–	275,400	13,600	–
		31 August 2022 to 30 August 2023[2]	1,529,500	–	–	–	–	–
	30 March 2023	30 March 2023 to 29 March 2026[1]	16,587,000	10,094,590	–	4,916,010	266,600	4,911,980
		30 March 2023 to 29 March 2024[2]	612,000	–	–	–	–	–
	31 August 2023	31 August 2023 to 30 August 2026[1]	1,400,000	850,900	–	412,500	101,800	336,600
	26 June 2024	26 June 2024 to 25 June 2027[1]	12,158,000	11,968,000	–	3,863,310	796,330	7,308,360
		26 June 2024 to 25 June 2025[2]	2,470,000	2,470,000	–	2,470,000	–	–
	27 June 2025	27 June 2025 to 26 June 2028[1]	9,619,000	–	9,619,000	–	350,000	9,269,000
– Related entity participants			–	–	–	–	–	–
– Service providers			–	–	–	–	–	–
Total			**149,519,200**	**47,059,250**	**15,213,000**	**25,775,050**	**1,613,330**	**34,883,870**

Notes:

(1) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme and 2023 Share Award Scheme, the award Shares which were granted shall be transferred from the trustee to the selected participants in three tranches as set out below:

(a) the first 33% of the award Shares, at any time from the date falling on the first anniversary of the grant date;

(b) a further 33% of the award Shares, at any time from the date falling on the second anniversary of the grant date; and

(c) in respect of the remaining 34% of the award Shares, at any time from the date falling on the third anniversary of the grant date;

(2) Subject to the satisfaction of the vesting criteria and conditions of the 2015 Share Award Scheme and 2023 Share Award Scheme, 100% of the award Shares which were granted shall be transferred from the trustee to the selected participants upon the expiry of the first anniversary of the grant date.

(3) The weighted average closing price of the Shares immediately before the dates on which awards were vested during the Reporting Period was HKD4.46.

(4) During the Reporting Period, 1,613,330 award Shares were lapsed and the Group did not cancel any award Shares.

(5) The purchase price for all award Shares is nil.

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

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

(1) The Performance Targets applicable to the seven executive Directors include: revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group.

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

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

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

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

SHARE OPTION SCHEMES

2007 Share Option Scheme

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

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

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

(3) As at the date of the annual report, the number of Shares available for issue under the 2007 Share Option Scheme of the Company is 0.

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

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

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

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

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

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

2017 Share Option Scheme

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

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

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

(3) As at the date of the annual report, the number of Shares available for issue under the 2017 Share Option Scheme of the Company is 0.

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

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

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

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

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

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

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

2023 Share Option Scheme

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

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

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

(3) As at the LPD, the number of Shares available for issue under the 2023 Share Award Scheme and the 2023 Share Option Scheme of the Company is 203,508,842 Shares, representing approximately 2.49% of the total issued Shares.

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

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

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

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

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

(9) Subject to earlier termination by the Board, the 2023 Share Option Scheme shall be valid and effective for 10 years from the date of adoption (i.e. 16 March 2023). As at April 2026, the remaining life of the 2023 Share Option Scheme is approximately 6 years and 11 months.

The Board announced that on 27 June 2025 (the "**Options Grant Date**"), subject to the acceptance of relevant grantees, the Company has decided to grant 49,530,000 share options to subscribe for an aggregate of 49,530,000 Shares under the 2023 Share Option Scheme (the "**2025 Share Options**"). The closing price of the Shares, immediately before the Options Grant Date was HKD4.68 per Share. The aggregate fair value of such 49,530,000 share options at the Options Grant Date amounted to approximately HKD78,516,504.53.

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

As at the end of the Reporting Period, the Company has granted accumulated 611,641,000 options to subscribe for an aggregate of 611,641,000 Shares under the 2007 Share Option Scheme, the 2017 Share Option Scheme and the 2023 Share Option Scheme, of which 347,382,850 effective options were outstanding except for the exercised, expired, lapsed or cancelled options.

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

		Number of the options							
Name of Grantee	Date of grant of the options	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period[5]	Lapsed/ cancelled during the Reporting Period[6]	Outstanding as at 31 December 2025	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Chen Qiyu	8 January 2016	5,000,000	–	–	–	5,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	750,000	–	–	–	750,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2020 to 31 March 2025[4]	1 April 2023 to 31 March 2030[4]	8.79
	31 March 2021	1,200,000	–	–	450,000	750,000	31 March 2021 to 30 March 2026[4]	31 March 2024 to 30 March 2031[4]	10.91
	24 March 2022	2,000,000	–	–	400,000	1,600,000	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	30 March 2023	4,000,000	–	–	–	4,000,000	30 March 2023 to 29 March 2028[4]	30 March 2026 to 29 March 2033[4]	6.16
	26 June 2024	4,000,000	–	–	–	4,000,000	26 June 2024 to 25 June 2029[4]	26 June 2027 to 25 June 2034[4]	4.39
	27 June 2025	–	2,000,000	–	–	2,000,000	27 June 2025 to 26 June 2030[2]	27 June 2026 to 26 June 2035[2]	4.73

Name of Grantee	Date of grant of the options	Number of the options: Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period[5]	Lapsed/ cancelled during the Reporting Period[6]	Outstanding as at 31 December 2025	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Xu Xiaoliang	8 January 2016	5,000,000	–	–	–	5,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	750,000	–	–	–	750,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	1 April 2020	1,500,000	–	–	–	1,500,000	1 April 2020 to 31 March 2025[4]	1 April 2023 to 31 March 2030[4]	8.79
	31 March 2021	1,200,000	–	–	450,000	750,000	31 March 2021 to 30 March 2026[4]	31 March 2024 to 30 March 2031[4]	10.91
	24 March 2022	2,000,000	–	–	400,000	1,600,000	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	30 March 2023	4,000,000	–	–	–	4,000,000	30 March 2023 to 29 March 2028[4]	30 March 2026 to 29 March 2033[4]	6.16
	26 June 2024	4,000,000	–	–	–	4,000,000	26 June 2024 to 25 June 2029[4]	26 June 2027 to 25 June 2034[4]	4.39
	27 June 2025	–	2,000,000	–	–	2,000,000	27 June 2025 to 26 June 2030[2]	27 June 2026 to 26 June 2035[2]	4.73
Gong Ping	8 January 2016	2,000,000	–	–	–	2,000,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	2,450,000	–	–	–	2,450,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	31 March 2021	800,000	–	–	300,000	500,000	31 March 2021 to 30 March 2026[4]	31 March 2024 to 30 March 2031[4]	10.91
	24 March 2022	1,200,000	–	–	240,000	960,000	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	30 March 2023	2,400,000	–	–	–	2,400,000	30 March 2023 to 29 March 2028[4]	30 March 2026 to 29 March 2033[4]	6.16
	26 June 2024	2,400,000	–	–	–	2,400,000	26 June 2024 to 25 June 2029[4]	26 June 2027 to 25 June 2034[4]	4.39
	27 June 2025	–	1,200,000	–	–	1,200,000	27 June 2025 to 26 June 2030[2]	27 June 2026 to 26 June 2035[2]	4.73
Huang Zhen	24 March 2022	600,000	–	–	120,000	480,000	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	30 March 2023	1,200,000	–	–	–	1,200,000	30 March 2023 to 29 March 2028[4]	30 March 2026 to 29 March 2033[4]	6.16
	26 June 2024	2,400,000	–	–	–	2,400,000	26 June 2024 to 25 June 2029[4]	26 June 2027 to 25 June 2034[4]	4.39
	27 June 2025	–	1,200,000	–	–	1,200,000	27 June 2025 to 26 June 2030[2]	27 June 2026 to 26 June 2035[2]	4.73

		Number of the options							
Name of Grantee	Date of grant of the options	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period[5]	Lapsed/ cancelled during the Reporting Period[6]	Outstanding as at 31 December 2025	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
Pan Donghui	8 January 2016	3,500,000	–	–	–	3,500,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	950,000	–	–	–	950,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	31 March 2021	800,000	–	–	300,000	500,000	31 March 2021 to 30 March 2026[4]	31 March 2024 to 30 March 2031[4]	10.91
	24 March 2022	1,200,000	–	–	240,000	960,000	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	30 March 2023	2,400,000	–	–	–	2,400,000	30 March 2023 to 29 March 2028[4]	30 March 2026 to 29 March 2033[4]	6.16
	26 June 2024	2,400,000	–	–	–	2,400,000	26 June 2024 to 25 June 2029[4]	26 June 2027 to 25 June 2034[4]	4.39
	27 June 2025	–	1,200,000	–	–	1,200,000	27 June 2025 to 26 June 2030[2]	27 June 2026 to 26 June 2035[2]	4.73
Other grantees:									
– Other employee participants	8 January 2016	22,200,000	–	–	–	22,200,000	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	10,050,000	–	–	-	10,050,000	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	28 March 2018	10,291,600	–	–	370,000	9,921,600	28 March 2018 to 27 March 2025[1,2]	28 March 2019 to 27 March 2028[1,2]	17.58
	27 March 2019	44,796,250	–	–	8,030,000	36,766,250	27 March 2019 to 26 March 2026[1,3]	27 March 2020 to 26 March 2029[1,3]	12.86
	28 August 2019	350,000	–	–	-	350,000	28 August 2019 to 27 August 2023[3]	28 August 2020 to 27 August 2029[3]	9.95
	1 April 2020	9,922,500	–	–	510,000	9,412,500	1 April 2020 to 31 March 2025[3,4]	1 April 2021 to 31 March 2030[3,4]	8.79
	28 August 2020	90,000	–	–	90,000	-	28 August 2020 to 27 August 2024[3]	28 August 2021 to 27 August 2030[3]	8.86
	31 March 2021	22,212,500	–	–	2,515,000	19,697,500	31 March 2021 to 30 March 2026[3,4]	31 March 2022 to 30 March 2031[3,4]	10.91
	25 August 2021	180,000	–	–	-	180,000	25 August 2021 to 24 August 2025[3]	25 August 2022 to 24 August 2031[3]	9.90
	24 March 2022	40,897,500	–	–	5,170,000	35,727,500	24 March 2022 to 23 March 2027[3,4]	24 March 2023 to 23 March 2032[3,4]	8.71
	31 August 2022	90,000	–	–	90,000	–	31 August 2022 to 30 August 2026[3]	31 August 2023 to 30 August 2032[3]	5.95
	30 March 2023	47,987,500	–	–	2,642,500	45,345,000	30 March 2023 to 29 March 2028[3,4]	30 March 2024 to 29 March 2033[3,4]	6.16
	31 August 2023	190,000	–	22,500	67,500	100,000	31 August 2023 to 30 August 2027[3]	31 August 2024 to 30 August 2033[3]	4.93
	26 June 2024	48,237,500	–	207,500	3,807,500	44,222,500	26 June 2024 to 25 June 2029[3,4]	26 June 2025 to 25 June 2034[3,4]	4.39
	27 June 2025	–	41,930,000	–	2,820,000	39,110,000	27 June 2025 to 26 June 2030[2,3]	27 June 2026 to 26 June 2035[2,3]	4.73

Name of Grantee	Date of grant of the options	Number of the options: Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period[5]	Lapsed/cancelled during the Reporting Period[6]	Outstanding as at 31 December 2025	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HKD)
– Related entity participants	8 January 2016	–	–	–	–	–	8 January 2016 to 7 January 2023[1]	8 January 2021 to 7 January 2026[1]	11.53
	4 May 2017	–	–	–	–	–	4 May 2017 to 3 May 2024[1]	4 May 2022 to 3 May 2027[1]	11.75
	28 March 2018	–	–	–	–	–	28 March 2018 to 27 March 2025[1,2]	28 March 2019 to 27 March 2028[1,2]	17.58
	27 March 2019	9,000,000	–	–	3,000,000	6,000,000	27 March 2019 to 26 March 2026[1]	27 March 2024 to 26 March 2029[1]	12.86
	28 August 2019	–	–	–	–	–	28 August 2019 to 27 August 2023[3]	28 August 2020 to 27 August 2029[3]	9.95
	1 April 2020	–	–	–	–	–	1 April 2020 to 31 March 2025[3,4]	1 April 2021 to 31 March 2030[3,4]	8.79
	28 August 2020	–	–	–	–	–	28 August 2020 to 27 August 2024[3]	28 August 2021 to 27 August 2030[3]	8.86
	31 March 2021	–	–	–	–	–	31 March 2021 to 30 March 2026[4]	31 March 2024 to 30 March 2031[4]	10.91
	25 August 2021	–	–	–	–	–	25 August 2021 to 24 August 2025[3]	25 August 2022 to 24 August 2031[3]	9.90
	24 March 2022	–	–	–	–	–	24 March 2022 to 23 March 2027[4]	24 March 2025 to 23 March 2032[4]	8.71
	31 August 2022	–	–	–	–	–	31 August 2022 to 30 August 2026[3]	31 August 2023 to 30 August 2032[3]	5.95
	30 March 2023	–	–	–	–	–	30 March 2023 to 29 March 2028[3,4]	30 March 2024 to 29 March 2033[3,4]	6.16
	31 August 2023	–	–	–	–	–	31 August 2023 to 30 August 2027[3]	31 August 2024 to 30 August 2033[3]	4.93
	26 June 2024	–	–	–	–	–	26 June 2024 to 25 June 2029[3,4]	26 June 2025 to 25 June 2034[3,4]	4.39
	27 June 2025	–	–	–	–	–	27 June 2025 to 26 June 2030[2,3]	27 June 2026 to 26 June 2035[2,3]	4.73
– Service providers		–	–	–	–	–			
Total		**330,095,350**	**49,530,000**	**230,000**	**32,012,500**	**347,382,850**			

Notes:

1. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the granted options under the 2007 Share Option Scheme and 2017 Share Option Scheme are vested and become exercisable by each grantee in three tranches as set out below:

   (a) up to the first 20% of the options, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10th year period commencing from the date of the grant of options (the "**Option Period**");

   (b) up to a further 30% of the options, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period; and

   (c) in respect of the remaining 50% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period.

2. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the granted options under the 2017 Share Option Scheme and 2023 Share Option Scheme are vested and become exercisable by each grantee in five tranches as set out below:

   (a) up to the first 20% of the options, at any time from the date falling on the first anniversary of the date of grant till the end of the Option Period;

   (b) up to a further 20% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period;

   (c) up to a further 20% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period;

   (d) up to a further 20% of the options, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period; and

   (e) in respect of the remaining 20% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period.

3. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the granted options under the 2017 Share Option Scheme and the 2023 Share Option Scheme are vested and become exercisable by each grantee in four tranches as set out below:

   (a) up to the first 25% of the options, at any time from the date falling on the first anniversary of the date of grant till the end of the Option Period;

   (b) up to a further 25% of the options, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period;

   (c) up to a further 25% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period; and

   (d) in respect of the remaining 25% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period.

4. Subject to the satisfaction of the vesting criteria and conditions set out in the respective grant letters, the granted options under the 2017 Share Option Scheme and the 2023 Share Option Scheme are vested and become exercisable by each grantee in three tranches as set out below:

   (a) up to the first 20% of the options, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period;

   (b) up to a further 30% of the options, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period; and

   (c) in respect of the remaining 50% of the options, which, for the avoidance of doubt, comprise those options which have not been exercised (and not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period.

5. During the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which share options were exercised was HKD5.23.

6. During the Reporting Period, 32,012,500 share options were lapsed and the Group did not cancel any options.

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

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

(1) The Performance Targets applicable to the seven executive Directors include: revenue, profit, cash flow, improvement of ESG performance and organization evolution of the Group.

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

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

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

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

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

SHARE INCENTIVE SCHEMES OF FOSUN PHARMA

2025 A Share Option Scheme of Fosun Pharma

The adoption of the 2025 A Share Option Scheme of Fosun Pharma (the "**A Share Option Scheme**") was approved by the Fosun Pharma Shareholders at the Fosun Pharma EGM held on 23 October 2025. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as set out in the circular of the Company dated 25 September 2025. A summary of the principal terms of the A Share Option Scheme is set out below.

(1) Purpose

The A Share Option Scheme aims to further improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Fosun Pharma Group, attract and retain outstanding talent, fully mobilize the enthusiasm of the executive directors, employee director and senior management personnel of Fosun Pharma and employees of the Fosun Pharma Group, and effectively align the interests of the Fosun Pharma Shareholders, corporate(s) and the Fosun Pharma Group's core team personnel to focus on and work collectively for the long-term development of the Fosun Pharma Group.

(2) Participants

The participants under the A Share Option Scheme include executive directors, employee director, senior management personnel of Fosun Pharma, the mid-level management personnel of the Fosun Pharma Group and other employees of the Fosun Pharma Group whom the Fosun Pharma Board considers appropriate to be incentivized. The detailed list of participants and their respective allocation shall be approved by the Fosun Pharma Board, and the Remuneration and Appraisal Committee shall verify such list, subject to any relevant procedures in the event the approval at the general meeting of Fosun Pharma is required.

Participants under the A Share Option Scheme shall not include any (i) independent non-executive director of Fosun Pharma, or (ii) shareholder or actual controller and his/her spouse, parents and children where any of the aforesaid individually or collectively holds more than 5% of the Fosun Pharma Shares. The executive directors and senior management personnel of Fosun Pharma among the participants shall have been elected at the general meetings of Fosun Pharma or elected by the Fosun Pharma Board. All participants (including the employee director) shall have entered into labour contracts or employment agreements with Fosun Pharma or its subsidiaries at the time of grant of A Share Options and during the term of the A Share Option Scheme.

(3) Maximum number of A Shares underlying A Share Options and maximum interest the participants may be granted

The maximum number of A Share Options that may be granted under the A Share Option Scheme is 5,726,100 Options, corresponding to a maximum of 5,726,100 A Shares, representing approximately 0.22% of the total number of Fosun Pharma Shares (excluding treasury shares) as at the LPD. Among which: the maximum number of A Share Options to be granted under the first grant is 4,580,900 Options, corresponding to a maximum of 4,580,900 A Shares, representing approximately 0.17% of the total number of Fosun Pharma Shares (excluding treasury shares) as at the LPD; the maximum number of A Share Options to be granted under the reserved grant is 1,145,200 Options, corresponding to a maximum of 1,145,200 A Shares, representing approximately 0.04% of the total number of Fosun Pharma Shares (excluding treasury shares) as at the LPD. Unless approved by the Fosun Pharma Shareholders at a general meeting of Fosun Pharma, the aggregate number of Fosun Pharma Shares granted to any participant under all share incentive schemes of Fosun Pharma in effect shall not exceed 1% of the total number of Fosun Pharma Shares.

The source of A Shares underlying the A Share Options granted under the A Share Option Scheme are existing A Shares repurchased or to be repurchased by Fosun Pharma on the secondary market (being A Shares held as treasury shares by Fosun Pharma).

(4) Term, vesting period and exercise schedule

The term of the A Share Option Scheme shall be commencing from the date of the first grant of A Share Options (i.e. 4 November 2025, hereinafter the same) and ending on the date of all the A Share Options granted to the participants having been exercised and/or cancelled, which shall not exceed a maximum period of 60 months. As at the LPD, the remaining validity period of the A Share Option Scheme is no more than 55 months.

The A Share Options granted under the A Share Option Scheme shall be subject to the vesting period, and the A Share Options granted to the participants are subject to different vesting periods. Any participant may only exercise the A Share Options after the expiration of the vesting period.

The vesting period of the A Share Options granted under the first grant of A Share Options (which took place in 2025) shall be 12 months, 24 months and 36 months from the date of the first grant. The exercise period and the exercise schedule for each such period are set out below:

Exercise period for the A Share Options granted under first grant	**Exercise schedule**	**Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the first grant**
First exercise period	Commencing from the first trading day after expiry of the 12-month period from the date of the first grant and ending on the last trading day of the 24-month period from the date of the first grant	33%
Second exercise period	Commencing from the first trading day after expiry of the 24-month period from the date of the first grant and ending on the last trading day of the 36-month period from the date of the first grant	33%
Third exercise period	Commencing from the first trading day after expiry of the 36-month period from the date of the first grant and ending on the last trading day of the 48-month period from the date of the first grant	34%

If the reserved grant of A Share Options (which had not taken place as at 31 December 2025) takes place in 2026, the vesting period of the A Share Options granted shall be 12 months and 24 months from the date of the reserved grant. The exercise period and the exercise schedule for each such period are set out below:

Exercise period for the A Share Options granted under the reserved grant	**Exercise schedule**	**Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the reserved grant**
First exercise period	Commencing from the first trading day after expiry of the 12-month period from the date of the reserved grant and ending on the last trading day of the 24-month period from the date of the reserved grant	50%
Second exercise period	Commencing from the first trading day after expiry of the 24-month period from the date of the reserved grant and ending on the last trading day of the 36-month period from the date of the reserved grant	50%

(5) A Share Option Exercise Price and the basis of determination

The A Share Option Exercise Price under the first grant of A Share Options shall be RMB27.93 per share. Upon Fosun Pharma confirming the fulfilment of the exercising conditions of the A Share Options, each A Share Option Participant is entitled to exercise the exercisable A Share Options granted to him/her to subscribe for the corresponding number of A Shares at the price of RMB27.93 per share during the A Share Option Exercise Period. The A Share Option Exercise Price under the first grant shall not be lower than the nominal value of the A Shares, and shall not be lower than the higher of the following prices:

(a) the average trading price of the A Shares on the last trading day immediately preceding the date of the A-Share announcement on the A Share Option Scheme (i.e. 22 August 2025, hereinafter the same), which is RMB27.93 per share; and

(b) the average trading price of the A Shares for the last 120 trading days immediately preceding the date of the A-Share announcement on the A Share Option Scheme, which is RMB25.78 per share.

The A Share Option Exercise Price under the reserved grant of A Share Options shall not be lower than the nominal value of the A Shares, and shall not be lower than the highest of the followings:

(a) the average trading price of the A Shares on the last trading day immediately preceding the date of the A-Share announcement on the Fosun Pharma Board resolutions approving the reserved grant;

(b) one of the average trading prices of the A Shares for the last 20, 60 or 120 trading days immediately preceding the date of the A-Share announcement on the Fosun Pharma Board resolutions approving the reserved grant; and

(c) the A Share Option Exercise Price under the first grant of A Share Options.

On 4 November 2025, given that 6 proposed participants have ceased to be employed by the Fosun Pharma Group and thus ceased to fall within the scope of participants under the A Share Option Scheme, the Fosun Pharma Board resolved, pursuant to the authorization granted by the Fosun Pharma Shareholders' meeting, to adjust the list of proposed participants and the number of A Share Options granted under the first grant of A Share Options. The Fosun Pharma Board also resolved to set 4 November 2025 as the date of the first grant, with an exercise price of RMB27.93 per share for the first grant, and to grant an aggregate of 4,535,100 A Share Options (corresponding to 4,535,100 A Shares) to 195 proposed participants of the first grant.

Except for 13 proposed participants (who were collectively granted 88,700 A Share Options) who voluntarily gave up participating in the first grant under the A Share Option Scheme, the remaining 182 proposed participants of the first grant were granted a total of 4,446,400 A Share Options (corresponding to 4,446,400 A Shares), which were registered on 2 December 2025.

During the Reporting Period, Fosun Pharma granted an aggregate of 4,535,100 A Share Options under the A Share Option Scheme, corresponding to 4,535,100 A shares, and no payment is required for acceptance of the A Share Options.

During the Reporting Period, details of changes in the relevant A Share Options under the A Share Option Scheme are set out as follows:

Participant(s)	Grant date	Exercise price (RMB/share)[1]	Vesting period	Number of A Share Options granted (options)	Number of A Share Options not yet exercised as at 1 January 2025 (options)	Number of A Share Options granted during the Reporting Period (options)	Number of A Share Options exercised during the Reporting Period (options)	Number of A Share Options lapsed during the Reporting Period (options)	Number of A Share Options cancelled during the Reporting Period (options)	Number of A Share Options not yet exercised as at 31 December 2025 (options)
Chen Yuqing	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	408,600	—	408,600	—	—	—	408,600
Guan Xiaohui	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	294,200	—	294,200	—	—	—	294,200
Wen Deyong	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	294,200	—	294,200	—	—	—	294,200
Wang Kexin	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	261,500	—	261,500	—	—	—	261,500
Liu Yi	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	326,900	—	326,900	—	—	—	326,900
Yan Jia	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	21,800	—	21,800	—	—	—	21,800
Subtotal	—	—	—	1,607,200	—	1,607,200	—	—	—	1,607,200
Other participants	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	2,927,900	—	2,927,900	—	88,700	—	2,839,200
Total	—	—	—	4,535,100	—	4,535,100	—	88,700	—	4,446,400
Among which:										
Five highest paid employees	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	849,900	—	849,900	—	—	—	849,900

Notes:

(1) On the date of the trading day immediately preceding the date of the first grant (i.e. 3 November 2025), the closing price of A Shares was RMB29.05 per share.

The methods for recognizing the fair value of the A Share Options on the grant date are as follows:

① Accounting standards and policies

In accordance with Hong Kong Financial Reporting Standard 2 — Share-based Payment (HKFRS 2), Fosun Pharma shall, at each balance sheet date during the vesting period, revise the estimated number of A Share Options expected to vest based on the latest information obtained, including changes in the number of shares subject to vesting conditions, the achievement of performance appraisal indicators at the Fosun Pharma Group level and the fulfilment of performance appraisal at the individual level of the participants. Fosun Pharma shall recognize the services received during the period as relevant costs or expenses, with a corresponding increase in capital reserve, based on the fair value of the A Share Options at the grant date.

② Fair value of A Share Options and determination method

In accordance with the relevant provisions of Hong Kong Financial Reporting Standard 2 — Share-based Payment and Hong Kong Financial Reporting Standard 9 — Financial Instruments, an appropriate valuation model shall be selected to calculate the fair value of the A Share Options.

Fosun Pharma has selected the Black-Scholes model to determine the fair value of the A Share Options. On the date of first grant, the model was used to estimate the fair value of the 4,535,100 A Share Options granted under the first grant. Calculated based on such model, the total fair value of the 4,535,100 A Share Options (corresponding to 4,535,100 A Shares) during the Reporting Period as at the grant date was RMB15,494,000. The key parameters are set out as follows:

(i) Underlying share price: RMB28.30 per share (being the closing price of the A Shares on the date of first grant)
(ii) Expected terms: 12 months, 24 months and 36 months (being the periods from the date of first grant to each exercisable date)
(iii) Historical volatility: 20.49%, 21.04% and 21.05% (based on the volatility of A Shares over the most recent 12 months, 24 months and 36 months, respectively)
(iv) Risk-free interest rates: 1.3892%, 1.4143% and 1.4211% (based on the yields of 1-year, 2-year and 3-year PRC government bonds as published by ChinaBond, respectively)
(v) Dividend yield: 1.12% (based on the trailing twelve-month (TTM) dividend yield data as at the grant date)

(2) Upon fulfilment of certain exercise conditions under the A Share Option Scheme (including performance targets, namely the performance appraisal at the Fosun Pharma Group level and the performance appraisal targets at the individual level of the participants, as detailed in Fosun Pharma's circular dated 29 September 2025), the exercise arrangements for the A Share Options granted on 4 November 2025 shall be as follows:

Vesting period	Exercise period	Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the first grant
From 4 November 2025 to 3 November 2026	From 4 November 2026 to 3 November 2027	33%
From 4 November 2025 to 3 November 2027	From 4 November 2027 to 3 November 2028	33%
From 4 November 2025 to 3 November 2028	From 4 November 2028 to 3 November 2029	34%

The impact of implementing the A Share Option Scheme on the Fosun Pharma Group's accounting costs for each period shall be calculated and amortized in accordance with the requirements of Hong Kong Financial Reporting Standards.

The 2025 H Share RSU Scheme of Fosun Pharma

The adoption of the 2025 H Share RSU Scheme of Fosun Pharma (the "**H Share RSU Scheme**") was approved by the Fosun Pharma Shareholders at the Fosun Pharma EGM and the Shareholders at the EGM of the Company held on 23 October 2025, respectively. For details of the H Share RSU Scheme, please refer to the circular of the Company dated 25 September 2025. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as set out in the aforementioned circular. A summary of the principal terms of the H Share RSU Scheme is set out below.

(1) Purpose

The H Share RSU Scheme aims to further improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Fosun Pharma Group, attract and retain outstanding talent, fully mobilize the enthusiasm of the executive directors, employee director and senior management personnel of Fosun Pharma and employees of the Fosun Pharma Group, and effectively align the interests of the Fosun Pharma Shareholders, corporate(s) and the Fosun Pharma Group's core team personnel to focus on and work collectively for the long-term development of the Fosun Pharma Group.

(2) Eligible Employees

Eligible Employees who may be selected to be grantees under of the H Share RSU Scheme shall include the executive directors, employee director and senior management of Fosun Pharma, the mid-level management of the Fosun Pharma Group, and other employees of the Fosun Pharma Group whom the Fosun Pharma Board considers appropriate to be incentivized.

Eligible Employees shall not include any (i) independent non-executive director of Fosun Pharma, or (ii) shareholder or actual controller and his/her spouse, parents and children where any of the aforesaid individually or collectively holds more than 5% of the Fosun Pharma Shares.

(3) Scheme limits and individual limit

Subject to the H Share Scheme Mandate Limit, the maximum number of RSUs that may be granted under the H Share RSU Scheme shall not exceed 13,370,500 RSUs, corresponding to a maximum of 13,370,500 H Shares, which represents approximately 0.51% of the total number of Fosun Pharma Shares (excluding treasury shares) as at the LPD. Among which: the maximum number of RSUs to be granted under the first grant is 10,696,400 RSUs, corresponding to a maximum of 10,696,400 H Shares, representing approximately 0.41% of the total number of Fosun Pharma Shares (excluding treasury shares) as at the LPD; the maximum number of RSUs to be granted under the reserved grant is 2,674,100 units, corresponding to a maximum of 2,674,100 H Shares, representing approximately 0.10% of the total number of issued Fosun Pharma Shares (excluding treasury shares) as at the LPD.

The total number of H Shares which may be issued and transferred out of treasury in respect of all RSUs to be granted under the H Share RSU Scheme and all options and awards to be granted under any other share scheme(s) of Fosun Pharma shall not exceed 10% of the total number of H Shares (excluding any treasury shares) as at the adoption date of the H Share RSU Scheme (the "**H Share Scheme Mandate Limit**").

The total number of H Shares transferred and to be transferred out of treasury in respect of all RSUs granted and to be granted under the H Share RSU Scheme and the total number of H Shares issued (and to be issued) and transferred (and to be transferred) out of treasury in respect of all options and awards granted or to be granted under any other share scheme(s) of Fosun Pharma to each grantee of RSUs (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of H Shares (excluding any treasury shares) (the "**1% Individual Limit**"). Any further grant of RSUs to a grantee of RSUs which would exceed the 1% Individual Limit shall be subject to separate approval of the Fosun Pharma Shareholders in general meeting in accordance with the Listing Rules and subject to the other requirements under the Listing Rules.

(4) Grant price and vesting price

The grant price (if any), method of payment and time within which any such payment must be made in respect of the RSUs shall be determined at the sole discretion of the Fosun Pharma Board or the scheme administrator of the H Share RSU Scheme, and the grant price may be zero. The vesting price of RSUs, being the purchase price of H shares payable by the grantees of RSUs to Fosun Pharma upon vesting of the RSUs, shall be RMB1.00 per share.

(5) Scheme period, vesting period and vesting schedule

The H Share RSU Scheme shall be valid and effective for a scheme period of 60 months commencing from (and including) the adoption date thereof (i.e. 23 October 2025), unless terminated earlier in accordance with the rules of the H Share RSU Scheme. As at the LPD, the remaining scheme period of the H Share RSU Scheme is not exceeding 55 months.

Vesting of the RSUs granted under the H Share RSU Scheme is subject to such vesting period and vesting conditions as set out in the rules of the H Share RSU Scheme (the date or each such date on which the RSUs are to vest is referred to as a "**H Share RSU Vesting Date**"). Notwithstanding any provisions to the contrary in the rules of the H Share RSU Scheme, the vesting of the RSUs shall be subject to and conditional upon the prior approval of the Fosun Pharma Board.

The vesting period of the RSUs granted under the first grant of RSUs (which took place in 2025) shall be 12 months, 24 months and 36 months from the date of the first grant (i.e. 4 November 2025). The vesting schedule and arrangements for each such period are set out below:

Vesting schedule of the RSUs granted under the first grant		Maximum proportion of the vested RSUs in the total number of RSUs granted under the first grant
First H Share RSU Vesting Date	The first trading day after expiry of the 12-month period from the grant date	33%
Second H Share RSU Vesting Date	The first trading day after expiry of the 24-month period from the grant date	33%
Third H Share RSU Vesting Date	The first trading day after expiry of the 36-month period from the grant date	34%

If any reserved RSUs (which had not been granted as of 31 December 2025) are to be granted in 2026, the vesting schedule and arrangements for the RSUs to be granted under the reserved grant of RSUs are set out below:

Vesting schedule of the RSUs granted under the reserved grant		Maximum proportion of the vested RSUs in the total number of RSUs granted under the reserved grant
First H Share RSU Vesting Date	The first trading day after expiry of the 12-month period from the grant date	50%
Second H Share RSU Vesting Date	The first trading day after expiry of the 24-month period from the grant date	50%

On 4 November 2025, given that 6 proposed grantees had ceased to be employed by the Fosun Pharma Group and thus ceased to be Eligible Employees, pursuant to the authorization granted by the Fosun Pharma Shareholders' meeting, the Fosun Pharma Board resolved to adjust the list of grantees and the number of RSUs involved in the first grant under the H Share RSU Scheme. The Fosun Pharma Board also resolved to set 4 November 2025 as the grant date of the first grant, and to grant a total of 10,589,500 RSUs (corresponding to 10,589,500 H Shares) to 195 proposed grantees. Among them, 182 proposed grantees under the first grant entered into grant agreements with Fosun Pharma to accept a total of 10,382,200 RSUs (corresponding to 10,382,200 H Shares) granted to them.

During the Reporting Period, Fosun Pharma granted a total of 10,589,500 RSUs under the H Share RSU Scheme, corresponding to 10,589,500 H Shares. The number of shares that may be transferred out of treasury in respect of the RSUs granted by Fosun Pharma under the H Share RSU Scheme during the Reporting Period, divided by the weighted average total number of H Shares (excluding treasury shares) during the Reporting Period, was 1.95%. As at 1 January 2025 and as at 31 December 2025, the number of RSUs available for grant under the H Share RSU Scheme was nil and no more than 2,674,100 units (corresponding to 2,674,100 H Shares), respectively.

During the Reporting Period, details of changes in the relevant RSUs under the H Share RSU Scheme are set out below:

Grantees	Grante date	Vesting price (RMB/share)	Vesting period	Number of RSUs granted (units)	Number of unvested RSUs as at 1 January 2025 (units)	Number of RSUs granted during the Reporting Period (units)	Number of RSUs vested during the Reporting Period (units)	Number of RSUs lapsed during the Reporting Period (units)	Number of RSUs cancelled during the Reporting Period (units)	Number of unvested RSUs as at 31 December 2025 (units)
Chen Yuqing	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	953,500	—	953,500	—	—	—	953,500
Guan Xiaohui	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	686,500	—	686,500	—	—	—	686,500
Wen Deyong	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	686,500	—	686,500	—	—	—	686,500
Wang Kexin	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	610,200	—	610,200	—	—	—	610,200
Liu Yi	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	762,800	—	762,800	—	—	—	762,800
Yan Jia	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	50,900	—	50,900	—	—	—	50,900
Subtotal	—	—	—	3,750,400	—	3,750,400	—	—	—	3,750,400
Other Eligible Employees	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	6,839,100	—	6,839,100	—	207,300	—	6,631,800
Total	**—**	**—**	**—**	**10,589,500**	**—**	**10,589,500**	**—**	**207,300**	**—**	**10,382,200**

Notes:

(1) On the date of the first grant (i.e. 4 November 2025, hereinafter the same) and the trading day immediately preceding the date of the first grant (i.e. 3 November 2025), the closing price of Fosun Pharma's H Shares was HKD22.62 and HKD23.68, respectively.

The methods for recognizing the fair value of the RSUs on the grant date are as follows:

① Accounting standards and policies

In accordance with Hong Kong Financial Reporting Standard 2 — Share-based Payment (HKFRS 2), Fosun Pharma shall, at each balance sheet date during the vesting period, revise the estimated number of RSUs expected to vest based on the fulfilment of vesting conditions, service conditions and performance conditions. Fosun Pharma shall recognize the services received during the relevant period as costs or expenses of the Fosun Pharma Group, with a corresponding increase in capital reserve, based on the fair value of the RSUs at the grant date.

② Fair value of RSUs and determination method

As the RSUs are equity instruments with no exercise price, their fair value is measured based on the closing price of the H Shares on the grant date (i.e. HKD22.62) less the vesting price of RMB 1.00 per unit, which serves as the basis for recognizing expenses over the entire vesting period. The aggregate fair value of the 10,589,500 RSUs (corresponding to 10,589,500 H Shares) granted during the Reporting Period as at the grant date was HKD227,921,000. No other feature of the RSUs granted was incorporated into the measurement of fair value.

(2) Upon fulfilment of certain vesting conditions under the H Share RSU Scheme (including performance targets, namely the performance appraisal at the Fosun Pharma Group level and the performance appraisal targets at the individual level of the participants, as detailed in Fosun Pharma's circular dated 29 September 2025), the vesting arrangements for the RSUs granted on 4 November 2025 shall be as follows:

Vesting period (i.e., vesting arrangements)	The maximum proportion of vested shares in the total number of RSUs granted
From 4 November 2025 to 3 November 2026	33%
From 4 November 2025 to 3 November 2027	33%
From 4 November 2025 to 3 November 2028	34%

The impact of implementing the H Share RSU Scheme on the Fosun Pharma Group's accounting costs for each period shall be calculated and amortized in accordance with the requirements of Hong Kong Financial Reporting Standards.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the Consolidated Statement of Changes in Equity of this annual report and details of movements in the reserves of the Company during the Reporting Period are set out in note 68 to financial statements.

On 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of sections 291, 297 and 299 of the Companies Ordinance, amounted to RMB5,266,423,000.

MAJOR CUSTOMERS AND SUPPLIERS

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

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

DIRECTORS

The Directors during the Reporting Period were:

Executive Directors

Mr. Guo Guangchang *(Chairman)*
Mr. Wang Qunbin *(Co-Chairman)*
Mr. Chen Qiyu *(Co-Chief Executive Officer)*
Mr. Xu Xiaoliang *(Co-Chief Executive Officer)*
Mr. Gong Ping
Mr. Huang Zhen
Mr. Pan Donghui

Non-Executive Directors

Mr. Yu Qingfei *(Resigned on 11 April 2025)*
Mr. Li Shupei *(Resigned on 27 November 2025)*
Mr. Li Fuhua
Mr. Luo Yuanli *(Appointed on 16 June 2025)*

Independent Non-Executive Directors

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

DIRECTORS OF SUBSIDIARIES

As at 31 December 2025, the names of all the directors who serve the board of subsidiaries of the Company or act as the sole director of subsidiaries of the Company are kept at the Company's registered office and made available for inspection by the members free of charge during business hours.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

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

DIRECTORS' SERVICE CONTRACTS

As at the LPD, all Directors have entered into service contracts with the Company for a term of approximately 1 year. The service contracts are all effective from June 2025 to the end of the AGM. None of the Directors (including the Director proposed for re-election in the AGM) has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

Remuneration Policy

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

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

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

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

Details of the Directors remuneration for the year ended 31 December 2025 are set out in note 11 to financial statements.

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

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

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors subsequent to interim report 2025 and up to the end of the Reporting Period are set out below:

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

Name of Director	Company Name	Date of change	Original position	Current position
Li Shupei	the Company	November 2025	Non-Executive Director	–
Huang Zhen	the Company	June 2025	Executive Director, Executive President and CGO	Executive Director
Pan Donghui	Fosun Insurance Portugal	July 2025	–	Non-Executive Director
	Wansheng	August 2025	–	Non-Independent Director

(2) Changes in Other Directorships Held in Public Companies the Securities of Which are Listed on Any Securities Market in Hong Kong or Overseas and Other Major Appointments

Save as disclosed above, there are no changes in other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors nor their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

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

As at 31 December 2025, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(1) Long Positions in the Shares and Underlying Shares of the Company

Name of Director/ chief executive	Class of Shares	Number of Shares and/or underlying shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	5,921,160,734[1]	Corporate	72.50%
	Ordinary	738,000	Individual	0.01%
Wang Qunbin	Ordinary	704,000	Individual	0.01%
Chen Qiyu	Ordinary	39,330,400	Individual	0.48%
Xu Xiaoliang	Ordinary	35,726,000	Individual	0.44%
Gong Ping	Ordinary	18,416,800	Individual	0.23%
Huang Zhen	Ordinary	8,347,200	Individual	0.10%
Pan Donghui	Ordinary	18,574,484	Individual	0.23%
Zhang Shengman	Ordinary	175,250	Individual	0.00%
Zhang Huaqiao	Ordinary	280,000	Individual	0.00%
David T. Zhang	Ordinary	280,000	Individual	0.00%
Lee Kai-Fu	Ordinary	235,000	Individual	0.00%
Tsang King Suen Katherine	Ordinary	125,000	Individual	0.00%

(2) Long Positions in the Shares and Underlying Shares of the Company's Associated Corporations (Within the Meaning of Part XV of The SFO)

Name of Director/ chief executive	Name of associated corporation	Class of shares	Number of shares and/or underlying shares	Type of interests	Approximate percentage in relevant class of shares
Guo Guangchang	Fosun Holdings	Ordinary	1[2]	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	85.29%
	Fosun Pharma	A shares[3]	114,075	Individual	0.01%
		A shares[3]	889,890,955[2]	Corporate	42.01%
		H shares	77,533,500[2]	Corporate	14.05%
	Sisram	Ordinary	334,504,800[2]	Corporate	71.42%
	Henlius	Unlisted shares	312,399,700[2]	Corporate	82.20%
		H shares	32,331,100[2]	Corporate	19.78%
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	14.71%
	Fosun Pharma	A shares[3]	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma	A shares[3]	114,075	Individual	0.01%
Xu Xiaoliang	Yuyuan	A shares[3]	1,345,920	Individual	0.03%
Huang Zhen	Fosun Pharma	A shares[3]	45,500	Individual	0.00%
	Yuyuan	A shares[3]	2,077,200	Individual	0.05%

Notes:

(1) Pursuant to Division 7 of Part XV of the SFO, 5,921,160,734 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.

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

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

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

As at 31 December 2025, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of the substantial shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings	5,921,160,734[2]	72.50%
Fosun International Holdings[1]	5,921,160,734[2][3]	72.50%

Notes:

(1) Fosun International Holdings is owned as to 85.29% and 14.71% by Messrs. Guo Guangchang and Wang Qunbin, respectively.

(2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings and, therefore, Fosun International Holdings is deemed, or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.

(3) Mr. Guo Guangchang, by virtue of his ownership of shares in Fosun International Holdings as to 85.29%, is deemed or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.

Save as disclosed above, so far as was known to the Directors, as at 31 December 2025, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the LPD, the Company has maintained the prescribed public float under the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the Reporting Period.

PROFIT GUARANTEE

Profit Guarantee in Relation to the Subscription of Newly Increased Registered Capital in Luoyang Fengrui Fluorine Industry Co., Ltd. (the "**Target Company**")

Reference is made to the announcements of the Company dated 17 August 2025 and 29 August 2025 (the "**Announcements**"). Unless otherwise defined, the capitalized terms used herein shall have the same meanings as defined in the Announcements.

On 16 August 2025, Hainan Mining (a subsidiary of the Company, as the investor), Mr. Wang Zhongxi, Mr. Wang Chen, Baidi Investment, Zhongyuan Energy Minerals (the existing shareholders of the Target Company) and the Target Company entered into the Capital Increase Agreement, pursuant to which, Hainan Mining would subscribe for the Target Company's newly increased registered capital of RMB33.885 million with RMB300 million in cash, representing 15.7895% of the enlarged total share capital of the Target Company after the Capital Increase. The Capital Increase was completed on 29 August 2025. Upon the completion, the Company indirectly holds 15.7895% of the Target Company through Hainan Mining.

Pursuant to the Shareholder Agreement, the Ultimate Controllers of the Target Company provided a profit guarantee to Hainan Mining as follows: The cumulative Guaranteed Net Profit After Deducting Non-recurring Items realized by the Target Company for the Profit Guarantee Period (i.e. the financial year in which the Closing Date of the Capital Increase falls and the two consecutive financial years thereafter) shall not be less than RMB600 million. If the Actual Net Profit After Deducting Non-recurring Items is lower than the Guaranteed Net Profit After Deducting Non-recurring Items during the Profit Guarantee Period, Hainan Mining shall have the right, after the official release of the annual audit report for the last financial year of the Profit Guarantee Period, to deliver a written notice to the Ultimate Controlling Parties, demanding cash compensation for the Capital Increase within 30 Business Days from the date of receipt of such notice (the "**Cash Compensation**").

The amount of Cash Compensation shall be calculated as follows:

The amount of Cash Compensation = (Total Cumulative Guaranteed Net Profit After Deducting Non-recurring Items during the Profit Guarantee Period – Cumulative Actual Net Profit After Deducting Non-recurring Items during the Profit Guarantee Period) ÷ Total Cumulative Guaranteed Net Profit After Deducting Non-recurring Items during the Profit Guarantee Period × RMB1.9 billion × the percentage of equity interest in the Target Company held by Hainan Mining when the Cash Compensation becomes payable

There has been no change to the terms of the Profit Guarantee as at the LPD. As the profit guarantee does not provide a guarantee on the Guaranteed Net Profit After Deducting Non-recurring Items for any single financial year and the Profit Guarantee Period is still ongoing, the final fulfillment of the Profit Guarantee will be disclosed after the end of the last financial year of the Profit Guarantee Period. The Company will continue to monitor the status of the Profit Guarantee and make timely disclosures in compliance with the Rule 14.36B of the Listing Rules.

Further details were disclosed in the Announcements.

CONNECTED TRANSACTIONS

During the Reporting Period, the Company has entered into the following transactions with connected persons (as defined in the Listing Rules):

(A) Connected Transactions

On 14 March 2025, Fosun Joygo (Hainan) Technology Co., Ltd.* (復星開心購(海南)科技有限公司，"**Fosun Joygo**" , an indirect subsidiary of the Company), Mr. Huang Zhen, Mr. Tang Bin, Mr. Yao Yu and other certain existing shareholders of Guangzhou Taotall Technology Co., Ltd.* (廣州淘通科技股份有限公司, "**Guangzhou Taotall**", as the "**Sellers**"), and Hangzhou Tianyuan Pet Products Co., Ltd.* (杭州天元寵物用品股份有限公司, "**Hangzhou Tianyuan**", as the purchaser, together with the Sellers, the "**Parties**") entered into the Agreement on Issuing Shares and Paying Cash to Purchase Assets (the "**Sale and Purchase Agreement**"), pursuant to which, the Sellers intended to sell, and Hangzhou Tianyuan intended to purchase 89.7145% equity interest in Guangzhou Taotall. Among them, Fosun Joygo intended to sell 43.9688% equity interest in Guangzhou Taotall (the "**Disposal**") and Mr. Huang Zhen, Mr. Tang Bin and Mr. Yao Yu intended to sell 0.1189%, 0.1189% and 0.5115% equity interest in Guangzhou Taotall, respectively. On 28 May 2025, the Parties entered into a supplemental agreement to the Sale and Purchase Agreement (the "**Supplemental Agreement I**"), pursuant to which, the considerations received by Fosun Joygo, Mr. Huang Zhen, Mr. Tang Bin and Mr. Yao Yu are RMB338,560,000, RMB915,900, RMB915,900 and RMB3,938,300, respectively, which will be settled by cash only. On 5 September 2025, the Parties entered into the second supplemental agreement to the Sale and Purchase Agreement (the "**Supplemental Agreement II**"), pursuant to which, a) the considerations received by Fosun Joygo have been adjusted to RMB316,575,600, of which RMB291,764,400 will be paid in cash, and RMB24,811,200 will be used to subscribe for 1,109,128 A shares to be issued by Hangzhou Tianyuan, at a price of RMB22.37 per A share (the "**Subscription**"), accounting for 0.80% of the total number of issued shares of Hangzhou Tianyuan upon the completion of the Subscription (assuming no other changes to the total issued shares of Hangzhou Tianyuan except for the issuance of A shares to the Sellers pursuant to the Supplementary Agreement II); b) the considerations received by Mr. Huang Zhen, Mr. Tang Bin and Mr. Yao Yu have been adjusted to RMB856,400, RMB856,400 and RMB3,682,600, respectively, which will be settled by cash only. In order to improve the execution efficiency of the Disposal and ensure the completion of the Disposal can be progressed smoothly, on 18 March 2026, the Parties entered into the third supplemental agreement to the Sale and Purchase Agreement (the "**Supplemental Agreement III**") to adjust the payment method of the consideration received by Fosun Joygo. The consideration payable to Fosun Joygo remains unchanged at RMB316,575,600, but will be settled by Hangzhou Tianyuan by cash only and will not involve any subscription for the A Shares to be issued by Hangzhou Tianyuan.

Mr. Huang Zhen, Mr. Tang Bin and Mr. Yao Yu are parties of the Sale and Purchase Agreement, the Supplemental Agreement I, the Supplemental Agreement II and the Supplemental Agreement III, and Mr. Huang Zhen is an executive director of the Company, Mr. Tang Bin and Mr. Yao Yu are directors of significant subsidiaries of the Company. As such, they are connected persons of the Company, the entering into of the Sale and Purchase Agreement, the Supplemental Agreement I, the Supplemental Agreement II and the Supplemental Agreement III constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Upon completion of the Disposal, the Group will no longer hold any equity interest in Guangzhou Taotall. The transactions under above agreements have yet been completed as at the end of the Reporting Period. For details of the above connected transactions, please refer to the announcements of the Company dated 14 March 2025, 28 May 2025, 5 September 2025 and 18 March 2026.

(B) Continuing Connected Transactions

On 28 November 2025, Fosun Pharma (a subsidiary of the Company) and Chongqing Pharmaceutical Holdings Company Limited* (重藥控股股份有限公司, "**CQ Pharma Holdings**") entered into a mutual supply framework agreement (the "**Mutual Supply Framework Agreement**") in relation to (i) supply by Fosun Pharma and its subsidiaries ("**Fosun Pharma Group**") of its products to CQ Pharma Holdings and its subsidiaries ("**CQ Pharma Holdings Group**") including, among others, pharmaceutical products, raw materials and reagents ("**Supply of Sales Products**") from time to time during the term of the agreement; (ii) supply by CQ Pharma Holdings Group to Fosun Pharma Group of products including, among others, pharmaceutical products, raw materials and reagents ("**Purchase of Procurement Products**") from time to time during the term of the agreement; (iii) provision by Fosun Pharma Group to CQ Pharma Holdings Group of products promotion related services (the "**Fosun Pharma Services**") from time to time during the term of the agreement; and (iv) provision by CQ Pharma Holdings Group to Fosun Pharma Group of product warehousing, transportation and channel consulting related services (the "**CQ Pharma Services**") from time to time during the term of the agreement, for a term of three years from 1 January 2026 to 31 December 2028. The Mutual Supply Framework Agreement is a renewal of the previous mutual supply framework agreement entered into between Fosun Pharma and CQ Pharma Holdings.

CQ Pharma Holdings is a substantial shareholder of Chongqing Yao Pharmaceutical Company Limited* (重慶藥友製藥有限責任公司), an indirect non-wholly owned subsidiary of the Company and Fosun Pharma. Therefore, CQ Pharma Holdings is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. As a result, the transactions contemplated under the Mutual Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, pursuant to Rule 14A.101 of the Listing Rules, the Mutual Supply Framework Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. The transactions to be undertaken under the Mutual Supply Framework Agreement are of a revenue nature in the ordinary and usual course of business of the Group and do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. For details of the above continuing connected transactions, please refer to the announcement of the Company dated 28 November 2025.

The Company has complied and will continue to comply with relevant requirements pursuant to Chapter 14A of the Listing Rules in respect of connected transactions, including, among others, conducting an annual review of the continuing connected transactions. For the three financial years ending 31 December 2028, it is expected that the caps for relevant transactions during the term of the Mutual Supply Framework Agreement are as follow:

	Annual cap for the financial year ending 31 December		
Type of the Transactions	**2026 RMB million**	**2027 RMB million**	**2028 RMB million**
Supply of Sales Products	1,400	1,700	2,000
Purchase of Procurement Products	50	60	72
Fosun Pharma Services	5	6	7.2
CQ Pharma Services	30	36	43.2
Total	**1,485**	**1,802**	**2,122.4**

The relevant historical annual caps and actual transaction amounts incurred for 2025 under the previous mutual supply framework agreement are set out below:

Type of the Transactions	Actual amount of the Transactions 2025 RMB	Annual cap for the Transactions 2025 RMB
Supply of Sales Products	918,633,679	2,500,000,000
Purchase of Procurement Products	33,396,120	576,000,000
Fosun Pharma Services	–	7,200,000
CQ Pharma Services	2,551,496	28,800,000
Total	**954,581,295**	**3,112,000,000**

Terms

Supply of Sales Product

With respect to the sales products, the selling price shall be determined between the parties based on arm's length negotiation on normal commercial terms with reference to factors such as, the market prices of the sales products (or same type of products in the market), related cost of sales channels and the scale of sales; and such prices and other terms shall be similar to the prices and other terms on which Fosun Pharma Group may supply the sales products to independent third parties in comparable scale.

Purchase of Procurement Products

With respect to the procurement products, the selling price shall be determined between the parties based on arm's length negotiation on normal commercial terms with reference to market prices of the procurement products (or same type of products in the market); and such prices and other terms shall be similar to the prices and other terms on which Fosun Pharma Group may acquire the procurement products from independent third parties in comparable scale.

Fosun Pharma Services

The price at which the Fosun Pharma Services are provided shall be determined between the parties based on arm's length negotiation on normal commercial terms with reference to (i) content of the specific services, and (ii) price of the same type of or similar services provided on the market, and such prices and other terms shall be similar to the prices and other terms on which Fosun Pharma Group may provide the same type of services to independent third parties in comparable scale and form.

CQ Pharma Services

The price at which the CQ Pharma Services are provided shall be determined between the parties based on arm's length negotiation on normal commercial terms with reference to (i) content of the specific services, and (ii) price of the same type of or similar services provided on the market, and such prices and other terms shall be similar to the prices and other terms on which Fosun Pharma Group may obtain the same type of services to independent third parties in comparable scale and form.

For each transaction contemplated under the Mutual Supply Framework Agreement, the relevant member(s) of Fosun Pharma Group and the relevant member(s) of CQ Pharma Holdings Group will engage in discussions from time to time during the term of the Mutual Supply Framework Agreement. The parties shall enter into a specific agreement to set out the detailed terms and conditions for the relevant transaction pursuant to the terms of the Mutual Supply Framework Agreement.

The Board (including independent non-executive Directors) has reviewed the continuing connected transactions as described above and confirmed that in 2025, such transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company issued a letter to the Board, confirming (among which) in respect of the continuing connected transactions as mentioned above:

1. nothing has come to their attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board;

2. for transactions involving the provision of goods or services by the Fosun Pharma Group, nothing has come to their attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

3. nothing has come to their attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

4. nothing has come to their attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual cap.

MATERIAL TRANSACTIONS AND SIGNIFICANT INVESTMENTS HELD

On 13 June 2025, Yuyuan (the subsidiary of the Company), Shanghai Yuyijin Business Consulting Partnership (Limited Partnership)* (上海豫逸金商務諮詢合夥企業(有限合夥)), Heze Zhuying Enterprise Management Partnership (Limited Partnership)* (菏澤珠盈企業管理合夥企業(有限合夥)), Bank of Communications Financial Asset Investment Co., Ltd.* (交銀金融資產投資有限公司), (the then shareholders of Shanghai Yuyuan Jewelry Fashion Group Co., Ltd.* (上海豫園珠寶時尚集團有限公司), the "**Target Company**"), Bank of China Financial Asset Investment Co., Ltd.* (中銀金融資產投資有限公司) ("**BOC Investment**", as an investor) and the Target Company entered into the capital increase agreement (the "**Capital Increase Agreement**") and the shareholder agreement (the "**Shareholder Agreement**"), pursuant to which, the parties agreed BOC Investment would subscribe for the Target Company's newly increased registered capital of RMB96,352,578 with RMB400 million in cash (the "**Capital Increase**"), representing 3.5596% of the enlarged total share capital of the Target Company after the Capital Increase. At the same time, such parties agreed certain shareholders' rights, including (i) Yuyuan shall have the right (but not the obligation) to acquire all (but not part of) the equity interest in the Target Company held by BOC Investment either by itself or through a designated third party under the conditions agreed in the Shareholder Agreement; (ii) during the investment period (within 30 months from the investment commencement date, extendable by 2 years upon mutual agreement between BOC Investment and Yuyuan; should further extension be required, the specific extended period shall be determined through negotiations between BOC Investment and Yuyuan), in the event of circumstance agreed in the Shareholder Agreement, the BOC Investment may require Yuyuan or its designated third party to purchase all or part of its equity interest in the Target Company.

Upon completion of the Capital Increase, Yuyuan will hold 91.03% of the share capital of the Target Company, and the Target Company will remain a subsidiary of the Company. The Capital Increase has been completed as at the end of the Reporting Period. For details of the above major transaction, please refer to the announcement of the Company dated 13 June 2025 and the circular of the Company dated 25 September 2025.

Save for those disclosed in this report, the Group did not make other material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period. The Group did not hold significant investment during the Reporting Period, nor did it have any future plan for material investments or capital assets as at the end of the Reporting Period.

NON-COMPETITION UNDERTAKING

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

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

RELATED PARTY TRANSACTIONS

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

EVENTS AFTER THE REPORTING PERIOD

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

ENVIRONMENTAL POLICY AND THE PERFORMANCE

"Self-improvement, Teamwork, Performance and Contribution to Society" constitutes the cultural values of the Group. The Group always regards environmental protection, occupational health, work safety and quality management ("**EHS&Q**") as the important parts of our corporate social responsibility and has incorporated them in the Group's strategy for sustainable development. We revised the Fosun Group Environment, Health, Safety & Quality Policy (《復星集團安全質量環境政策》) in 2026 that specified the management requirements on water, energy and climate change, biodiversity, employee engagement, etc., and required companies under the Group to implement the policy.

To ensure the implementation of the policy, the Group has established the EHS&Q Department to supervise the implementation of EHS&Q by each member company and to inspect compliance operations of all member companies. The member companies responded positively, getting involved and improving the EHS&Q governance structure. To urge the implementation of a regional responsibility system, the Group issued the Regulations on the Line Management of Environment, Health, Safety & Quality (《上海復星高科技(集團)有限公司關於安全質量健康環保條線管理的規定》) that clearly stated that the year-end performance appraisal of the heads of the business segments and core member companies shall be linked to the environmental performance of the companies. It was revised in 2026 and quality line management regulations were added. In order to strictly implement the national objectives of energy conservation and emission reduction, carbon reduction and environmental protection, the Group has established a Carbon Neutralization Committee and EHS&Q Committee, which require member companies to strictly implement the requirements of laws and regulations, integrate the concept of sustainable development into each level, take quantitative indicators as the assessment indicators of management and employees, and further clarify the incentive and guarantee system.

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

Sticking to the principle of sustainable development, the Group supervises and guides its member companies to mitigate the impact of production and business activities on the environment and mankind in the following aspects: reducing emissions of greenhouse gases, solid waste, wastewater and atmospheric pollutants; effectively utilizing resource, and at the same time seeking opportunities to recycle wastes; optimizing the energy structure and improving the utilization efficiency of energy and water; adapting to or mitigating the impact of climate change on the Group's business and the impact of the Group's business on climate change; and responsibly protecting natural resources and biodiversity. In 2021, the Group put forward the goal of carbon neutralization: "comprehensively implement the carbon neutralization policy and strive to achieve carbon neutralization by 2050". In 2025, the Group set a medium-term emission reduction target for operations: "to reduce Scope 1 and Scope 2 GHG emission intensity (based on revenue) by 20% by 2034 as compared to the 2024 baseline". At the same time, the Group carried out research and deployment on biodiversity and the use of water resources, strengthened the management and control of resource utilization and carbon emission, proactively promoted green transformation and enabled the sustainable development of enterprises.

RELATIONSHIP WITH ITS EMPLOYEES, CUSTOMERS, SUPPLIERS AND INVESTORS

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

The Group attaches great importance to corporate social responsibility and established Fosun Foundation in November 2012 to actively participate in social welfare undertakings such as global emergency relief, rural revitalization, health, education, culture and art, and caring for children and adolescents. Fosun firmly adheres to its globalization strategy and tries to increase empathy and unites the world. Fosun wishes it could do its bit to make the world a community of common interests, common responsibility and common destiny.

The Company adopts a variety of ways to communicate with its employees, such as Fosun Morning Assembly, Focuth (星圈) platform, regular as well as ad-hoc performance reviews and feedback from management heads in different tiers with employees. These communication channels allow the Company to gain an in-depth understanding of the employee needs and at the same time to deliver the Company's strategies and culture to its employees, through which the latest information of the country, industries and enterprises is also shared with our employees. In addition, we provide diversified learning platforms and development opportunities, encourage employees to actively attend charitable activities for upholding Fosun's value and brand.

The Company issued Fosun Group Customer Satisfaction Management Regulation (《復星集團用戶滿意度管理制度》) and Fosun Group Mystery Shopper Management Regulations (Trial) (《復星集團神秘訪客管理制度》(試行)) to further improve the Group's user experience and product competitiveness. The Company has established the customer complaint management system and passed the ISO10002 Complaints Handling Management System certification, so as to further maintain a stable customer relationship and improve service awareness and capacity. The Group strictly abides by relevant laws and regulations such as the Product Quality Law of the PRC (《中華人民共和國產品質量法》), the Food Safety Law of the PRC (《中華人民共和國食品安全法》), EU General Food Law and French Public Health Act, etc. and actively promotes the establishment and certification of quality management system among member companies.

The basic principles of the Group for procurement practices are openness, fairness and impartiality. The supply chain digital platform (www.onelinkplus.com) empowers the supply chain management of the Group and member companies more simple, smart and prominent. We also establish a business ecosystem of mutual benefit and win-win cooperation with suppliers. The Group formulated and issued Fosun Group Supplier Code of Conduct Version 3.0 (《復星集團供應商行為準則V3.0》), based on V2.0, to further advocate and regulate the business ethics of suppliers.

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

For more details of the Group's environmental policy and the performance as well as the relationship with stakeholders, please refer to our separate 2025 Environmental, Social and Governance Report published on the websites of the Hong Kong Stock Exchange and the Company or visit the Company's ESG Page (https://en.fosun.com/esg/).

EQUITY-LINKED AGREEMENTS

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

DONATIONS

Details of donations of the Group during the Reporting Period are set out in the 2025 Environmental, Social and Governance Report of the Company.

MAJOR RISKS AND RESPONSIVE MEASURES

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

1. Strategic Risk

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

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

2. Market Risk

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

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

3. Credit Risk

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

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

4. Liquidity Risk

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

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

5. Insurance Risk

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

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

6. Compliance Risk

Compliance risk refers to the potential of an enterprise and its employees and agents being subject to legal obligations, regulatory penalties, financial or reputation losses due to non-compliant business management and professional conducts. With businesses spanning the globe, the Group is also subject to the laws and regulatory rules of different jurisdictions.

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

7. Operation Risk

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

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

8. Reputation Risk

Reputation risk refers to the risk of losses resulting from stakeholders' negative evaluations of the corporation, whether due to its own business operations and management or external events.

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

9. Capital Management

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

10. Risk Contagion

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

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

FUTURE DEVELOPMENT OF THE GROUP

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

AUDITORS

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

PERMITTED INDEMNITY PROVISION

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

On Behalf of the Board

Guo Guangchang
Chairman

30 March 2026

AWARDS AND RECOGNITION

AWARDS RECEIVED BY FOSUN IN 2025

January	Fosun International won three awards, namely, "Best Roadshow China", "Best Capital Market Communications" and "Best Investor Relations" at the 8th China IR Annual Awards jointly organized by Roadshow China and Excellent IR.
April	Fosun International ranked top 1% in S&P Global's Sustainability Yearbook 2025 (China Edition) for the second consecutive year.
May	Fosun 2025 Campus Recruitment Program won the Outstanding Campus Recruitment Case Award of Best Employer from Zhilian Zhaopin.
June	Fosun International was granted "Asia's Best CEO", "Sustainable Asia Award", "Best Corporate Communications Award" and "Best Environmental Responsibility" at the 15th Asian Excellence Award by Corporate Governance Asia.
	Fosun International was awarded the "Holding Group Brand of the Year Awards Asia 2025", "Best Sustainable Development Company Asia 2025" and "Best CSR Company Asia 2025" by Global Banking and Finance Review, a UK leading financial magazine.
July	Fosun International ranked 36th in the "China Top 500 Private Enterprises 2025" released by the All-China Federation of Industry and Commerce.
September	Fosun International recognized among Fortune China's 2025 "Most Admired Chinese Companies" List.
	Fosun International ranked 142nd in the list of "2025 China Top 500 Enterprises" released by China Enterprise Confederation (CEC) and China Enterprise Directors Association (CEDA).
October	Fosun International was listed as a "Good MPF Employer 2024–25" by Hong Kong Mandatory Provident Fund Schemes Authority and granted "e-Contribution Award" and "MPF Support Award".
November	Fosun International was granted the Gold Award and Best Sustainability Team at The Asset Corporate Sustainability Leadership Awards 2025 by The Asset, a renowned Asian financial magazine.
	Fosun International was granted the "ESG Leading Enterprise Awards" by the Bloomberg Businessweek/Chinese Edition.
	Fosun International received "ESG & Corporate Sustainability Excellence Award" from Hong Kong Economic Journal.
	Fosun's Rural Doctors Program was selected as a "2025 Responsible Brand Case" by China Newsweek.
December	Fosun International was honored with the highest accolade, the "Outstanding ESG Award", as well as awards for "Best in ESG Practices" and "Best in ESG Report" at the TVB ESG Awards 2025 organised by Television Broadcasts Limited.
	Fosun's Rural Doctors Program was listed among the "Top 10 China Philanthropy Project Brand Ranking (Corporate)" by Southern Weekly.

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

OPINION

We have audited the consolidated financial statements of Fosun International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 109 to 324, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

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

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of investment properties	
As at 31 December 2025, the carrying amount of investment properties, which are stated at fair value, amounted to approximately RMB97,135 million. Management engages external valuers to facilitate its determination of the fair values of all investment properties and the Group's policy is that property valuations are performed by external valuers on a regular basis. The valuation of the investment properties is highly dependent on estimates and assumptions, such as estimated rental, capitalisation rates, occupancy rates and market knowledge. The use of different estimates and assumptions could result in significantly different fair values. The Group's disclosures about the fair value measurement of investment properties are included in note 2.4 *Material accounting policies* and note 3 *Significant accounting judgements and estimates — estimation uncertainty (iv)*, which specify the policies regarding the fair value measurement of investment properties, and note 33 which specifically explains the fair value hierarchy and valuation techniques and the key inputs to the valuation of investment properties.	Amongst our audit procedures, we considered the objectivity, independence and expertise of the external valuers. We involved internal valuation specialists to assist us in evaluating the valuation techniques and assessing the underlying assumptions for selected samples, which included reference to the leasing contracts, external market rents and historical information of occupancy rates, and in respect of the capitalisation rates, our internal specialists assisted us in checking to the market data applied by real estate industry analysis. We also assessed the adequacy of the disclosures on the fair value measurement of investment properties.
Recoverability of properties under development and completed properties for sale	
The Group had properties under development and completed properties for sale of RMB33,255 million and RMB11,377 million, respectively, as at 31 December 2025. The carrying amounts of properties under development and completed properties for sale are stated at the lower of cost and net realisable value. Determination of net realisable values of the properties under development and completed properties for sale involves critical accounting estimates on the selling price, costs to make the sale and, for properties under development, the costs to completion. The Group's disclosures about the properties under development and completed properties for sale are included in note 2.4 *Material accounting policies and note 3 Significant accounting judgements and estimates — estimation uncertainty (x)*, and note 19 to the consolidated financial statements.	Our audit procedures included, among others, the following: – Obtained an understanding of the Group's internal controls and processes of assessing the recoverability of properties under development and completed properties for sale; – Evaluated the property construction cycle of properties under development, including but not limited to, reviewing budgets for estimated cost to completion; and – Evaluated management's assessment of the estimated selling price less the estimated cost to make the sale and the estimated cost to completion by checking the recent market transaction prices of properties with comparable locations and conditions, comparing the average historical costs to make the sales of the Group, comparing the latest estimated cost to completion to the budgets approved by management and examining the supporting documents such as construction contracts, internal correspondences and approvals.

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

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities	
The Group had significant insurance contract liabilities of RMB68,356 million as at 31 December 2025. We identified the valuation of insurance contract liabilities as a key audit matter, as it requires significant estimates and judgements. The valuation of insurance contract liabilities involves significant judgement over the appropriateness of the measurement approach, the determination of the coverage units and the uncertainty of future cash flows. Complex actuarial models and actuarial assumptions with highly judgmental nature are used to support the valuation of insurance contract liabilities. Key assumptions include discount rates, mortality, morbidity, expenses and lapse, etc. The Group's disclosures about the valuation for insurance contract liabilities are included in note 2.4 *Material accounting policies and note 3 Significant accounting judgements and estimates — estimation uncertainty (xii) to (xv)* which specifically explain the methodologies, and assumptions used in the valuation, and note 27 which disclose the details of the insurance contract liabilities recognised as at 31 December 2025.	With the support of our internal experts, we performed the following audit procedures: – Reviewed the Group's accounting policies in relation to the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of key controls over the valuation of insurance contract liabilities. – Evaluated the reasonableness of key judgements and assumptions. – Assessed the appropriateness of the valuation approaches of insurance contract liabilities. Performed independent recalculation on insurance contract liabilities of selected typical insurance products or groups of insurance contracts. – Tested the completeness and accuracy of the underlying data used in the valuation of insurance contract liabilities. – Evaluated the overall reasonableness of the insurance contract liabilities by performing movement analysis and assessing the impact of changes in key assumptions.

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

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence. (practising certificate number: P04882)

Ernst & Young
Certified Public Accountants

Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
TOTAL REVENUE	6	**173,425,313**	192,142,001
Revenue		**129,844,763**	154,092,852
Insurance revenue		**43,580,550**	38,049,149
Cost of sales		**(85,608,915)**	(106,690,289)
Insurance service expense		**(36,769,046)**	(30,721,290)
Net service expense from reinsurance contracts held		**(3,209,565)**	(3,131,338)
Financial expenses from insurance contracts issued	7	**(1,869,258)**	(1,171,990)
Financial income from reinsurance contracts held	8	**142,953**	180,041
Other income and gains	6	**13,172,994**	16,584,069
Selling and distribution expenses		**(19,465,945)**	(19,287,670)
Administrative expenses		**(24,883,597)**	(26,362,005)
Other expenses		**(27,330,175)**	(13,003,027)
Finance costs	9	**(12,989,898)**	(13,165,500)
Share of profits and losses of:			
Joint ventures		**(785,525)**	486,294
Associates		**4,587,463**	4,482,754
(LOSS)/PROFIT BEFORE TAX	10	**(21,583,201)**	342,050
Tax	12	**(1,127,489)**	(2,554,780)
LOSS FOR THE YEAR		**(22,710,690)**	(2,212,730)
Attributable to:			
Owners of the parent		**(23,395,762)**	(4,348,857)
Non-controlling interests		**685,072**	2,136,127
		(22,710,690)	(2,212,730)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
For loss for the year (RMB)	14	**(2.88)**	(0.53)
Diluted			
For loss for the year (RMB)	14	**(2.88)**	(0.53)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 **RMB'000**	2024 RMB'000
LOSS FOR THE YEAR	**(22,710,690)**	(2,212,730)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Finance reserve for insurance contracts issued	**(183,746)**	(1,681,779)
Income tax effect	**(104,796)**	140,265
	(288,542)	(1,541,514)
Finance reserve for reinsurance contracts held	**22,242**	74,128
Income tax effect	**–**	(9,782)
	22,242	64,346
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**1,026,912**	1,366,636
Changes in allowance for expected credit losses	**(85,576)**	95,974
Reclassification adjustments for gains on disposal included in the consolidated statement of profit or loss:	**(57,559)**	(174,003)
Income tax effect	**(141,709)**	(372,020)
	742,068	916,587
Fair value adjustments of hedging instruments in cash flow hedges:	**(175,799)**	75,955
Income tax effect	**54,944**	(22,036)
	(120,855)	53,919
Fair value adjustments of hedging of a net investment in foreign operations:	**(3,033,841)**	(283,944)
Income tax effect	**(20,873)**	71,373
	(3,054,714)	(212,571)
Share of other comprehensive income of associates	**207,579**	990,742
Share of other comprehensive income of joint ventures	**125,743**	(479,575)
Exchange differences on translation of foreign operations	**2,444,988**	(1,758,298)
Reclassification adjustment for disposal of partial interest of associates and disposal of foreign operations	**–**	(324,015)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**78,509**	(2,290,379)

	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE INCOME *(Continued)*		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Revaluation difference upon transfer from owner-occupied property to investment property:	(50,579)	(39,921)
Income tax effect	4,401	9,385
	(46,178)	(30,536)
Actuarial reserve relating to employee benefits:	68,567	(257,395)
Income tax effect	(12,130)	24,595
	56,437	(232,800)
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	203,437	552,880
Income tax effect	4,337	(152,758)
	207,774	400,122
Share of other comprehensive income of associates	126,504	(446,358)
Share of other comprehensive income of joint ventures	17,104	5,944
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	361,641	(303,628)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	440,150	(2,594,007)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(22,270,540)	(4,806,737)
Attributable to:		
Owners of the parent	(22,544,666)	(6,485,175)
Non-controlling interests	274,126	1,678,438
	(22,270,540)	(4,806,737)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 Dec 2025 RMB'000	31 Dec 2024 RMB'000
ASSETS			
Cash and bank balances	15	**61,092,407**	106,339,331
Reverse repurchase agreements	44	**1,693**	4,716,893
Loans and advances to customers	16	**158,333**	13,600,010
Trade and notes receivables	17	**13,375,429**	12,830,560
Inventories	18	**15,877,054**	17,168,445
Completed properties for sale	19	**11,377,491**	11,366,029
Properties under development	19	**33,254,582**	41,644,838
Contract assets and other assets	20	**128,834**	141,143
Due from related companies	21	**13,480,179**	19,255,040
Prepayments, other receivables and other assets	22	**31,110,660**	37,989,387
Assets classified as held for sale	23	**3,590,828**	1,055,930
Placements with and loans to banks and other financial institutions		**–**	498,673
Derivative financial instruments	24	**797,161**	2,588,867
Financial assets at fair value through profit or loss	25	**43,986,686**	45,486,417
Finance lease receivables	26	**–**	243,102
Reinsurance contract assets	27	**8,026,879**	7,763,106
Insurance contract assets	27	**723,121**	885,912
Debt investments at fair value through other comprehensive income	28	**102,812,097**	82,743,455
Debt investments at amortised cost	29	**3,081,068**	28,023,635
Policyholder account assets in respect of unit-linked contracts	30	**40,736,578**	32,370,137
Equity investments designated at fair value through other comprehensive income	31	**1,265,171**	1,002,602
Property, plant and equipment	32	**55,772,213**	55,021,557
Investment properties	33	**97,134,974**	92,297,042
Right-of-use assets	34	**22,886,648**	22,688,553
Exploration and evaluation assets	35	**1,178,404**	674,485
Mining rights	36	**1,260,010**	1,308,376
Oil and gas assets	37	**2,620,259**	1,739,467
Intangible assets	38	**38,388,241**	37,298,629
Investments in joint ventures	39	**13,939,230**	14,188,974
Investments in associates	40	**66,355,403**	69,721,653
Goodwill	41	**23,620,951**	25,902,699
Deferred tax assets	42	**8,196,101**	7,973,065
Total assets		**716,228,685**	796,528,012

	Notes	**31 Dec 2025 RMB'000**	31 Dec 2024 RMB'000
LIABILITIES			
Deposits from customers	43	**284,720**	83,421,172
Assets sold under agreements to repurchase	44	**–**	1,063,007
Accounts payable to brokerage clients		**2,582,520**	1,548,444
Financial liabilities at fair value through profit or loss	45	**8,085,306**	7,223,661
Liabilities directly associated with the assets classified as held for sale	23	**278,622**	78,657
Trade and notes payables	46	**20,049,389**	23,015,861
Contract liabilities	47	**5,726,110**	7,502,832
Tax payable		**9,809,608**	11,360,787
Due to banks and other financial institutions	48	**–**	2,263,972
Derivative financial instruments	24	**1,905,481**	3,328,223
Accrued liabilities and other payables	49	**90,104,173**	85,125,249
Due to related companies	21	**3,105,903**	2,485,588
Interest-bearing bank and other borrowings	50	**224,194,595**	214,104,630
Reinsurance contract liabilities	27	**214,875**	227,830
Insurance contract liabilities	27	**68,355,667**	61,716,554
Investment contract liabilities	51	**52,404,883**	41,011,865
Financial liabilities for unit-linked contracts	51	**40,736,578**	32,370,137
Due to the holding company	21	**259,427**	353,462
Deferred income	52	**1,253,176**	1,236,531
Deferred tax liabilities	42	**18,581,631**	19,550,634
Total liabilities		**547,932,664**	598,989,096
NET ASSETS		**168,296,021**	197,538,916
EQUITY			
Equity attributable to owners of the parent			
Share capital	53	**37,439,761**	37,372,529
Treasury shares		**(173,607)**	(246,519)
Reserves		**56,563,113**	80,977,152
		93,829,267	118,103,162
Non-controlling interests		**74,466,754**	79,435,754
Total equity		**168,296,021**	197,538,916

Guo Guangchang
Director

Gong Ping
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2025

2025	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024	37,372,529	(246,519)	(443,540)*	18,371,221*	(2,963,765)*	6,362,915*	64,523,413*	(4,873,092)*	118,103,162	79,435,754	197,538,916
(Loss)/profit for the year	–	–	–	–	–	–	(23,395,762)	–	(23,395,762)	685,072	(22,710,690)
Other comprehensive income for the year:											
Finance reserve from insurance contracts issued, net of tax	–	–	–	–	–	(54,112)	–	–	(54,112)	(234,430)	(288,542)
Finance reserve from reinsurance contracts held, net of tax	–	–	–	–	–	20,269	–	–	20,269	1,973	22,242
Equity investments designated at fair value through other comprehensive income											
Changes in fair value, net of tax	–	–	–	–	182,641	–	–	–	182,641	25,133	207,774
Debt investments at fair value through other comprehensive income											
Gains on fair value adjustment, net of tax	–	–	–	–	941,534	–	–	–	941,534	(72,848)	868,686
Changes in allowance for expected credit losses	–	–	–	–	(130,170)	–	–	–	(130,170)	53,685	(76,485)
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss, net of tax	–	–	–	–	(45,864)	–	–	–	(45,864)	(4,269)	(50,133)
Share of other comprehensive income of associates	–	–	–	–	390,303	–	–	–	390,303	(56,220)	334,083
Share of other comprehensive income of joint ventures	–	–	–	–	143,034	–	–	–	143,034	(187)	142,847
Fair value adjustments of the hedging instruments in cash flow hedges, net of tax	–	–	–	–	–	(122,183)	–	–	(122,183)	1,328	(120,855)
Fair value adjustments of hedging of a net investment in a foreign operation, net of tax	–	–	–	–	–	–	–	(3,068,877)	(3,068,877)	14,163	(3,054,714)
Revaluation difference upon transfer from owner-occupied property to investment property, net of tax	–	–	–	–	–	(19,673)	–	–	(19,673)	(26,505)	(46,178)
Actuarial reserve relating to employee benefits, net of tax	–	–	–	–	–	49,320	–	–	49,320	7,117	56,437
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	2,564,874	2,564,874	(119,886)	2,444,988
Total comprehensive income/(loss) for the year	–	–	–	–	1,481,478	(126,379)	(23,395,762)	(504,003)	(22,544,666)	274,126	(22,270,540)

2025	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	86,098	86,098
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	(39,946)	–	–	(39,946)	250,341	210,395
Distribution paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	(2,090,441)	(2,090,441)
Final 2024 dividends	–	–	–	–	–	–	(149,397)	–	(149,397)	–	(149,397)
Transfer from retained earnings	–	–	–	355,417	–	–	(355,417)	–	–	–	–
Share of other reserve of associates	–	–	–	–	–	48,182	–	–	48,182	71,945	120,127
Share of other reserve of joint ventures	–	–	–	–	–	(2,615)	–	–	(2,615)	1,543	(1,072)
Disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	36,626	–	–	36,626	38,905	75,531
Fair value adjustment on the share redemption option granted to non-controlling shareholders of subsidiaries	–	–	–	–	–	(288,145)	–	–	(288,145)	(58,165)	(346,310)
Equity-settled share-based payments of the Company (note 58)**	67,232	72,912	–	–	–	12,484	–	–	152,628	–	152,628
Equity-settled share-based payment of subsidiaries	–	–	–	–	–	–	–	–	–	279,191	279,191
Deemed acquisition of additional interests in a subsidiary	–	–	–	–	–	120,864	–	–	120,864	(122,364)	(1,500)
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(1,491,493)	–	–	(1,491,493)	(3,658,871)	(5,150,364)
Disposal of subsidiaries (note 56(c))	–	–	–	–	–	–	–	–	–	(41,308)	(41,308)
Re-purchase of shares	–	–	–	–	–	–	(115,933)	–	(115,933)	–	(115,933)
At 31 December 2025	37,439,761	(173,607)	(443,540)*	18,726,638*	(1,482,287)*	4,632,493*	40,506,904*	(5,377,095)*	93,829,267	74,466,754	168,296,021

* These reserve accounts comprise the consolidated other reserves of RMB56,563,113,000 (31 December 2024: RMB80,977,152,000) in the consolidated statement of financial position.

** According to the share award scheme announced by the Company, during the year of 2025, the Company issued and the employee benefit trust established by the Company allotted 15,213,000 new shares which were awarded to selected participants and will be vested based on certain vesting conditions. During the year ended 31 December 2025, 25,775,050 shares were vested.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2025

2024	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023	37,286,880	(326,634)	(443,540)	18,339,142	(6,123,527)	8,926,756	69,354,854	(2,077,143)	124,936,788	83,638,050	208,574,838
(Loss)/profit for the year	–	–	–	–	–	–	(4,348,857)	–	(4,348,857)	2,136,127	(2,212,730)
Other comprehensive income for the year:											
Finance reserve from insurance contracts issued, net of tax	–	–	–	–	–	(1,000,579)	–	–	(1,000,579)	(540,935)	(1,541,514)
Finance reserve from reinsurance contracts held, net of tax	–	–	–	–	–	56,300	–	–	56,300	8,046	64,346
Equity investments designated at fair value through other comprehensive income											
Changes in fair value, net of tax	–	–	–	–	346,218	–	–	–	346,218	53,904	400,122
Debt investments at fair value through other comprehensive income											
Gains on fair value adjustment, net of tax	–	–	–	–	869,514	–	–	–	869,514	102,553	972,067
Changes in allowance for expected credit losses	–	–	–	–	62,714	–	–	–	62,714	(27,783)	34,931
Reclassification adjustments for gain on disposal included in the consolidated statement of profit or loss, net of tax	–	–	–	–	(74,397)	–	–	–	(74,397)	(16,014)	(90,411)
Share of other comprehensive income of associates	–	–	–	–	518,231	–	–	–	518,231	26,153	544,384
Share of other comprehensive loss of joint ventures	–	–	–	–	915,971	(1,393,577)	–	–	(477,606)	3,975	(473,631)
Fair value adjustments of the hedging instruments in cash flow hedges, net of tax	–	–	–	–	–	57,789	–	–	57,789	(3,870)	53,919
Fair value adjustments of hedging of a net investment in a foreign operation, net of tax	–	–	–	–	–	–	–	(180,663)	(180,663)	(31,908)	(212,571)
Revaluation difference upon transfer from owner-occupied property to investment property, net of tax	–	–	–	–	–	(17,507)	–	–	(17,507)	(13,029)	(30,536)
Actuarial reserve relating to employee benefits, net of tax	–	–	–	–	–	(202,557)	–	–	(202,557)	(30,243)	(232,800)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(1,769,760)	(1,769,760)	11,462	(1,758,298)
Reclassification adjustment for disposal of partial interest of associates and disposal of foreign operations	–	–	–	–	521,511	–	–	(845,526)	(324,015)	–	(324,015)
Total comprehensive income/(loss) for the year	–	–	–	–	3,159,762	(2,500,131)	(4,348,857)	(2,795,949)	(6,485,175)	1,678,438	(4,806,737)

2024	Attributable to owners of the parent										
	Issued capital RMB'000 (note 53)	Treasury shares RMB'000	Other deficits RMB'000 (note 54(a))	Surplus reserve RMB'000 (note 54(b))	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	223,983	223,983
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	441,571	441,571
Distribution paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	(2,408,901)	(2,408,901)
Final 2023 dividends	–	–	–	–	–	–	(283,250)	–	(283,250)	–	(283,250)
Transfer from retained earnings	–	–	–	32,079	–	–	(32,079)	–	–	–	–
Share of other reserve of associates	–	–	–	–	–	24,470	–	–	24,470	(31,239)	(6,769)
Share of other reserve of joint ventures	–	–	–	–	–	(5,157)	–	–	(5,157)	(2,017)	(7,174)
Deemed disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	63,320	–	–	63,320	39,303	102,623
Disposal of partial interests in subsidiaries without losing control	–	–	–	–	–	272,300	–	–	272,300	1,211,684	1,483,984
Fair value adjustment on the share redemption option granted to non-controlling shareholders of subsidiaries	–	–	–	–	–	213,250	–	–	213,250	12,311	225,561
Equity-settled share-based payments of the Company (note 58)*	85,649	80,115	–	–	–	(12,981)	–	–	152,783	–	152,783
Equity-settled share-based payment of subsidiaries	–	–	–	–	–	–	–	–	–	49,386	49,386
Deemed acquisition of additional interests in a subsidiary	–	–	–	–	–	(704)	–	–	(704)	3,038	2,334
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(618,208)	–	–	(618,208)	(1,181,072)	(1,799,280)
Disposal of subsidiaries (note 56(c))	–	–	–	–	–	–	–	–	–	(4,101,186)	(4,101,186)
Liquidation of subsidiaries	–	–	–	–	–	–	–	–	–	(137,595)	(137,595)
Re-purchase of shares	–	–	–	–	–	–	(167,255)	–	(167,255)	–	(167,255)
At 31 December 2024	37,372,529	(246,519)	(443,540)	18,371,221	(2,963,765)	6,362,915	64,523,413	(4,873,092)	118,103,162	79,435,754	197,538,916

* According to the share award scheme announced by the Company, during the year of 2024, the Company issued and the employee benefit trust established by the Company allotted 21,768,000 new shares which were awarded to selected participants and will be vested based on certain vesting conditions. During the year ended 31 December 2024, 21,873,200 shares were vested.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
(Loss)/profit before tax		**(21,583,201)**	342,050
Adjustments for:			
Depreciation of items of property, plant and equipment	10	**4,528,277**	4,266,835
Depreciation of right-of-use assets	10	**3,279,248**	3,394,150
Amortisation of intangible assets	10	**2,658,697**	2,338,407
Amortisation of mining rights	10	**40,044**	15,666
Amortisation of oil and gas assets	10	**1,033,961**	694,333
Exploration expensed and written off	35	**89,393**	180,473
Provision for impairment of right-of-use assets	10	**113,558**	46,004
Provision for impairment of items of property, plant and equipment	10	**885,844**	39,785
Provision for impairment of intangible assets	10	**654,412**	286,860
Provision for impairment of goodwill	10	**3,082,337**	1,048,110
(Reversal of)/provision for impairment of debt investments at fair value through other comprehensive income	6/10	**(85,576)**	95,974
Provision for impairment of investments in associates	10	**475,314**	1,152,207
Provision for impairment of investments in associates classified as held for sale	10	**2,309,096**	–
Provision for impairment of receivables	10	**1,611,421**	473,600
Provison for/(reversal of) impairment of debt investments at amortised cost	10/6	**1,047,651**	(1,085)
Provision for inventories	10	**232,284**	300,587
Provision for impairment of completed properties for sale	10	**1,492,197**	531,388
Provision for impairment of property under development	10	**3,568,561**	623,027
(Reversal of)/provision for impairment of finance lease receivables	6/10	**(21,477)**	104,969
Provision for impairment of loans and advances to customers	10	**18,887**	38,648
Loss/(gain) on disposal of subsidiaries	56(c)	**86,401**	(3,221,579)
Gain on disposal/partial disposal of associates and foreign operations	6	**(811,709)**	(408,762)
Gain on deemed disposal of associates	6	**(22,607)**	(13,761)
Loss on deemed disposal of joint ventures	10	**451,308**	–
Subtotal carried forward		**5,134,321**	12,327,886

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities *(Continued)*			
Subtotal carried forward		**5,134,321**	12,327,886
Gain on disposal of right-of-use assets	34(c)	**(17,632)**	(99,688)
Gain on disposal of items of property, plant and equipment	6	**(147,601)**	(398,085)
Loss on disposal of debt investments at fair value through other comprehensive income	10	**199,110**	177,063
Gain on disposal of intangible assets	6	**(678,949)**	(668,306)
Loss on fair value adjustment of financial assets at fair value through profit or loss	10	**1,218,476**	3,867,101
Loss on fair value adjustment of investment properties	10	**6,244,060**	100,137
(Gain)/loss on derivative financial instruments	6/10	**(953,825)**	959,411
Interest expenses	9	**12,365,321**	12,717,988
Interest income	6	**(1,075,635)**	(1,342,874)
Dividends from equity investments designated at fair value through other comprehensive income	6	**(60,152)**	(142,871)
Interest income from debt investments at fair value through other comprehensive income	6	**(3,434,131)**	(2,791,447)
Dividends and interest from financial assets at fair value through profit or loss	6	**(2,513,823)**	(1,695,707)
Share of profits and losses of associates		**(4,587,463)**	(4,482,754)
Share of profits and losses of joint ventures		**785,525**	(486,294)
(Gain)/loss on disposal of joint ventures	6/10	**(647)**	7,471
(Gain)/loss on disposal of assets classified as held for sale	6/10	**(123,765)**	118,354
Equity-settled share-based payments	10	**425,251**	239,958
Subtotal carried forward		**12,778,441**	18,407,343

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Cash flows from operating activities *(Continued)*		
CASH INFLOW BEFORE WORKING CAPITAL CHANGES	12,778,441	18,407,343
Decrease in properties under development	2,503,805	4,054,386
Decrease in completed properties held for sale	464,930	4,178,858
Decrease/(increase) in trade and notes receivables	162,945	(858,690)
Decrease/(increase) in notes receivables included in debt investments at fair value through other comprehensive income	150,266	(76,803)
Increase in prepayments, other receivables and other assets	(1,898,518)	(874,157)
Decrease in inventories	1,878,523	2,544,612
(Increase)/decrease in reinsurance contract assets	(67,537)	4,940,296
(Increase)/decrease in reverse repurchase agreements	(5,422,115)	2,017,712
Decrease/(increase) in amounts due from related companies and the holding company	973,933	(3,474,458)
(Increase)/decrease in loans and advances to customers	(1,369,234)	2,458,937
Decrease in trade and notes payables	(3,510,703)	(2,021,019)
Increase in accrued liabilities and other payables	7,001,381	3,073,284
(Decrease)/increase in assets sold under agreements to repurchase	(1,075,406)	983,462
Increase/(decrease) in deferred income	16,789	(37,807)
Increase in amounts due to related companies and the holding company	784,556	608,200
Increase in accounts payable to brokerage clients	1,034,076	557,591
Decrease in placements with and loans to banks and other financial institutions	(67,616)	(25,619)
Increase in amounts due to banks and other financial institutions	1,593,891	1,678,022
Increase in deposits from customers	10,058,225	1,205,085
Decrease in restricted pre-sale proceeds of properties	326,066	548,948
Decrease in required reserve deposits	93,090	9,257
Increase in restricted cash	(434,720)	(1,042,900)
Changes in derivative financial instruments	(2,579,048)	(175,074)
Decrease in finance lease receivables	264,579	151,474
Increase in investment contract liabilities	7,388,848	3,428,532
Increase/(decrease) in insurance contract liability	1,597,144	(6,232,883)
Decrease in contract assets and other assets	12,309	45,946
Decrease in contract liabilities	(1,776,722)	(4,530,911)
CASH GENERATED FROM OPERATIONS	30,882,178	31,541,624
Tax paid	(4,295,685)	(4,656,876)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	26,586,493	26,884,748

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		**(6,938,465)**	(6,782,285)
Prepayment for addition of right-of-use assets		**(128,830)**	(118,888)
Increase of investment properties		**(1,807,634)**	(1,610,496)
Purchase of intangible assets		**(3,074,410)**	(3,635,492)
Purchase of exploration and evaluation assets		**(387,204)**	(306,306)
Purchase of oil and gas assets		**(639,154)**	(432,154)
Purchase of financial assets at fair value through profit or loss		**(107,399,610)**	(142,680,520)
Purchase of debt investments at fair value through other comprehensive income		**(39,674,439)**	(32,801,668)
Purchase of debt investments at amortised cost		**(1,625,608)**	(5,376,165)
(Increase)/decrease in deposits included in prepayments, other receivables and other assets		**(41,427)**	193,295
Proceeds from disposal of financial assets at fair value through profit or loss		**111,222,309**	146,331,879
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**64,316**	2,232,683
Proceeds from disposal of debt investments at fair value through other comprehensive income		**26,210,012**	21,626,836
Proceeds from maturity of debt investments at amortised cost		**1,896,660**	6,432,735
Proceeds from disposal of items of property, plant and equipment		**829,446**	1,171,652
Proceeds from disposal of intangible assets		**853,232**	1,150,283
Proceeds from disposal of finance lease receivables		**–**	200,000
Disposal of subsidiaries	56(c)	**(51,753,493)**	1,769,467
Proceeds from disposal of associates and disposal of partial interests in associates		**1,829,319**	1,021,466
Proceeds from disposal of joint ventures		**6,831**	26,546
Proceeds from disposal of assets of a disposal group classified as held for sale		**1,004,221**	2,764,179
Acquisition of subsidiaries	56(a)	**(1,653,453)**	(1,640,660)
Acquisition of associates		**(884,237)**	(846,401)
Acquisition of joint ventures		**(434,405)**	(231,518)
Dividends and interest received from debt investments		**3,247,231**	2,448,152
Dividends and interest received from equity investments		**2,573,975**	1,838,578
Dividends received from associates		**1,413,205**	1,744,018
Dividends received from joint ventures		**629,405**	307,967
Subtotal carried forward		**(64,662,207)**	(5,202,817)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES *(Continued)*			
Subtotal carried forward		**(64,662,207)**	(5,202,817)
Decrease in pledged bank balances and time deposits with original maturity of more than three months		**1,332,203**	2,639,889
Prepayments for proposed acquisitions of long-term assets		**(187,899)**	(136,583)
Proceeds received from disposal of investment properties		**1,656,003**	1,425,612
Interest received		**733,473**	1,146,932
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(61,128,427)**	(126,967)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling shareholders of subsidiaries		**2,231,014**	1,386,010
New bank and other borrowings		**162,122,287**	165,536,334
Principal portion of lease payments		**(4,217,500)**	(3,929,127)
Repayment of bank and other borrowings		**(158,356,588)**	(156,960,937)
Decrease/(increase) in restricted cash		**553,657**	(4,026,901)
Distribution paid to non-controlling shareholders of subsidiaries		**(2,064,295)**	(2,410,676)
Acquisition of additional interests in subsidiaries	56(b)	**(4,294,134)**	(1,796,946)
Disposal of partial interests in subsidiaries without losing control		**1,047,606**	1,483,984
Dividends paid to shareholders		**(203,179)**	(251,730)
Repurchase of shares		**(115,933)**	(167,255)
Interest paid		**(11,956,344)**	(12,282,545)
Settlement of financial liabilities at fair value through profit or loss		**–**	(849,260)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(15,253,409)**	(14,269,049)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(49,795,343)**	12,488,732
Cash and cash equivalents at beginning of year		**85,707,227**	73,218,495
Effect of foreign exchange rate changes, net		**6,279,126**	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	**42,191,010**	85,707,227

1. CORPORATE AND GROUP INFORMATION

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

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

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

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

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as 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 Group incurred a net loss of RMB22,710,690,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group had the assets expected to be recovered in no more than twelve months of RMB234,373,794,000, and liabilities expected to be settled in no more than twelve months of RMB247,859,868,000. The liabilities expected to be settled in no more than twelve months exceeded assets expected to be recovered in no more than twelve months by RMB13,486,074,000.

In view of these circumstances, the Group has been taking proactive and prudent liquidity and liability management actions including expanding diverse financing channels to enhance re-financing abilities and divestment of non-strategic and non-core assets to strengthen the cash reserve. Having taken into account the unused financing facilities and the expected cash flows from operating, investing and financing activities, including events after the reporting period as disclosed in note 67, the directors consider that it is appropriate to prepare the financial information on a going concern basis.

2.1 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 2025. 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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any significant impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10, and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below:

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below: *(Continued)*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use"requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below: *(Continued)*

Amendments to HKAS 21 Translation to a *Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS *Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets *(Continued)*

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) ; and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings	2 to 50 years
Plant and machinery	3 to 20 years
Office equipment	2 to 30 years
Motor vehicles	2 to 10 years
Leasehold improvements	The shorter of the lease terms and their useful lives
Freehold land	Not depreciated

Depreciation of mining infrastructure included in property, plant and equipment is calculated using the units of production basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with HKAS 16 Property, Plant and Equipment. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Trademarks

Trademarks with finite useful lives are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives of not exceeding 30 years. Trademarks with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of trademarks are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Intangible assets (other than goodwill) *(Continued)*

Medicine licences, technical know-how and operating concession rights

Medicine licences and technical know-how with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Medicine licences, technical know-how and operating concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of medicine licences, technical know-how and operating concession rights are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives not exceeding 20 years.

Business network

Business network is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of not exceeding 15 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Customer relationship

Customer relationship is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of not exceeding 15 years.

Exploration and evaluation assets

For mining rights

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing ore bodies and to expand the capacity of a mine. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred. When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to mining rights and are amortised on the units of production ("UOP") method based on the proven and probable mineral reserves. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

For oil and gas assets

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. An area of interest refers to an individual geological area which is considered to constitute a favourable environment for the presence of an oil or gas field, usually represented by an individual oil or gas field.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Exploration and evaluation assets *(Continued)*

For mining rights *(Continued)*

The successful efforts method requires all exploration and evaluation expenditure in relation to an area of interest to be expensed in the period it is incurred, except the costs of successful wells, the costs of acquiring interests in new exploration assets and pre-development costs where the rights to the tenure of the area of interest are current and the expenditure either:

– is expected to be recovered through sale or successful development and exploitation of the area of interest; or

– relates to an exploration discovery for which at balance date a reasonable assessment of the existence or otherwise of economically recoverable reserves is not yet completed, or additional appraisal work is underway or planned.

Pending assessment of the results of a well, the costs are initially capitalised then expensed or remain capitalised, depending on a review of the results in accordance with successful efforts accounting criteria. When an oil or gas field has been approved for development, the accumulated exploration and evaluation costs are transferred to oil and gas assets.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proven and probable reserves of the mines using the UOP method. Mining rights are written off to the consolidated statement of profit or loss if the mining property is abandoned.

Oil and gas assets

Development expenditure is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Costs are amortised only once production begins. Changes in factors such as estimates of proved and probable reserves that affect UOP calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 to 50 years
Buildings	1 to 48 years
Machinery	1 to 10 years
Furniture, fixtures and other equipment	1 to 5 years

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(a) Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in accrued liabilities and other payables and other long term payables.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of vehicles, furniture, laptop computers and telephones that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Sale and leaseback transactions with variable lease payments that do not depend on an index or a rate where the Group acts as a seller-lessee. For sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, lease liabilities are recognised at the commencement date of the leasebacks at the present value of expected lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the expected lease payments. Any differences between the payments made for the lease and the lease payments that reduce the carrying amount of lease liabilities are recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt investments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Assets held under reverse repurchase agreements

The amounts advanced under these agreements are recognised and presented as "financial assets held under reverse repurchase agreements". The Group may not take physical possession of assets purchased under such agreements. The difference between the purchasing price and reselling price is recognised as interest income over the term of the agreement using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

General approach *(Continued)*

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, accrued liabilities and other payables, due to the holding company, due to related companies, other long term payables, interest-bearing bank and other borrowings, financial liabilities at fair value through profit or loss, derivative financial instruments, due to banks and other financial institutions, deposits from customers, accounts payable to brokerage clients, placements from banks and other financial institutions and assets sold under agreements to repurchase.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Assets sold under agreements to repurchase

Assets sold under repurchase agreements continue to be recognised but a liability is recognised and presented as "assets sold under agreements to repurchase" for the proceeds from selling such assets. The Group may be required to provide additional collateral based on the fair value of the underlying assets and such non-cash collateral assets continue to be recognised on the balance sheet. The difference between the selling price and repurchasing price is recognised as interest expense over the term of the agreement using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.

- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derivative financial instruments and hedge accounting *(Continued)*

Initial recognition and subsequent measurement *(Continued)*

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the consolidated statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the consolidated statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the consolidated statement of profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Properties under development

Properties under development are stated at cost which includes all development expenditures, including land costs, construction costs, borrowing costs and other costs directly attributable to such properties during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle.

Properties under development are valued at the lower of cost and net realisable value at the end of each reporting period and any excess of cost over the net realisable value of an individual item of properties under development is accounted for as a provision. Net realisable value is based on estimated selling prices in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

Completed properties for sale

Completed properties for sale are recognised in the consolidated statement of financial position at the lower of cost and net realisable value. Net realisable value is estimated by the directors based on the prevailing market conditions. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Any excess of cost over the net realisable value of an individual item of completed properties for sale is accounted for as a provision.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Provisions *(Continued)*

The Group provides for warranties in relation to the sale of certain industrial products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liabilities arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(A) *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(B) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides benefits which are received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of each reporting period as a percentage of total estimated costs for each contract.

For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

(C) Rendering services

The revenue is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue from other sources

(A) Insurance revenue

The Group recognizes insurance revenue as it provides insurance contract services under groups of insurance contracts. The Group's classification and measurement of insurance contracts is explained in Note 2.4 MATERIAL ACCOUNTING POLICIES – Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held.

(B) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(C) Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(D) Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company and certain subsidiaries of the Group operate share incentive schemes and a share option scheme. Employees (including directors) receive remuneration in the form of share-based payments, whereby employees (including directors) render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the binomial option pricing model, further details of which are given in note 58 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense and capitalised employee benefit expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments *(Continued)*

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The Group provides the post-employment benefits mainly as follows: (i) defined contribution pension schemes for all employees of the companies in Chinese Mainland; (ii) employee benefits to qualified former employees ("Qualified SOE Employees") and qualified retirees ("Qualified Retirees") of former state-owned enterprises in Chinese Mainland; (iii) a pension scheme for all eligible employees of the companies in Hong Kong; (iv) accommodation benefits for all eligible employees of the companies in Chinese Mainland, details of which are set out below; (v) employee benefits to all eligible employees of the subsidiaries in Portugal; and (vi) employee benefits to all eligible employees of the subsidiary in France.

(i) Defined contribution pension schemes

The full-time employees of the companies in Chinese Mainland, other than Qualified SOE Employees and Qualified Retirees of former state-owned enterprises ("Former SOEs") as set out below, are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made. Contributions to these schemes are expensed as incurred.

(ii) Other employee benefits to Qualified SOE Employees and Qualified Retirees

The Group took over Qualified SOE Employees and Qualified Retirees from the Former SOEs upon the Group's acquisition of the Former SOEs in Chinese Mainland. A liability in respect of the retirement benefits of Qualified SOE Employees and Qualified Retirees was taken over by the Group from the former parent company of the Former SOEs upon taking up Qualified SOE Employees and Qualified Retirees. All the following retirement benefits are covered by the abovementioned liability taken over and the details of the retirement benefits are as follows:

Qualified SOE Employees

The Qualified SOE Employees consist of two different categories of employees:

(a) Qualified SOE Employees being made redundant by the Former SOEs before their statutory retirement age prior to the Group's acquisition of the Former SOEs

The Former SOEs paid basic salary and social benefit funds on a monthly basis to these Qualified SOE Employees until they reach their statutory retirement age as stipulated by the State Regulations. The Group is required to continue paying such monthly payments to these redundant Qualified SOE Employees until they reach their statutory retirement age as stipulated by the State Regulations.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits *(Continued)*

(ii) Other employee benefits to Qualified SOE Employees and Qualified Retirees *(Continued)*

Qualified SOE Employees (Continued)

(b) Qualified SOE Employees not being made redundant by the Former SOEs before their statutory retirement age prior to the Group's acquisition of the Former SOEs and entering into new employment contracts with the Group upon acquisition of the Former SOEs by the Group

The Former SOEs implemented early retirement plans for these Qualified SOE employees. The benefits of the early retirement plans of the Qualified SOE Employees were calculated based on factors including the number of years of qualified service with the Former SOEs, salary amount and other agreed terms for Qualified SOE Employees upon the Group's acquisition of the Former SOEs. The Group is required to pay these Qualified SOE Employees a redundancy payment if they opt for early retirement or are made redundant by the Group before their statutory retirement age as stipulated by the State Regulations. These Qualified SOE Employees are not entitled to early retirement benefits upon reaching their statutory retirement age.

Qualified Retirees

The Former SOEs also provided post-retirement benefits to their employees who were not covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. Upon being acquired by the Group, the Former SOEs had certain Qualified Retirees to whom the Former SOEs had an obligation to pay a fixed amount on a monthly basis until their death, where the Group is required to continue paying such monthly payments to these Qualified Retirees. The post-retirement benefits of Qualified Retirees were calculated based on the monthly pension multiplied by an estimated life expectancy of Qualified Retirees.

The Group recognises the liability taken over as a non-current liability at initial recognition, and subsequent payments of the retirement benefits to Qualified SOE Employees and Qualified Retirees are debited against the non-current liability. Payments are made by the Group to Qualified SOE Employees and Qualified Retirees, but the use of the fund is monitored and supervised jointly by the former parent company of the Former SOEs and the union. Except for the payment of the retirement benefits of the Qualified SOE Employees and the Qualified Retirees, the fund cannot be used for any other purpose including the transfer to the Group's consolidated statement of profit or loss or reserve without the joint approval from the former parent company of the Former SOEs, the union and the Municipal Labour & Social Security Bureau. The most recent actuarial valuation of the present value of the Qualified Retirees was carried out on December 31, 2025 by Towers Watson Consulting (Shenzhen) Co., Ltd., a fellow member of the Institute of Actuaries of China and is fully qualified under the Chinese laws and regulations, using projected unit credit method. The key actuarial assumptions adopted in the actuary report are discount rate, mortality rate, annual increase rate of the basic salary, annual increase rate of social insurance and housing fund company contributions and percentage of eligible actives that will actually be internal retirees. The Group has no plan assets for Qualified Retirees. As such, there does not exist any significant surplus or deficiency as shown by the market value of the plan assets, the contribution level expressed in percentage on the day of assessment or valuation.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits *(Continued)*

(iii) Pension scheme for all eligible employees of the companies in Hong Kong

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all employees of the companies in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(iv) Accommodation benefits for all eligible employees of the companies in Chinese Mainland

According to the relevant People's Republic of China ("PRC") rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administrated by a government agency are charged to the consolidated statement of profit or loss as and when they are incurred.

(v) Employee benefits to all eligible employees of the subsidiaries in Portugal

As per the collective labour agreement in force at the time for the insurance activity, the companies in Portugal undertook the commitment to make cash payments to complement the retirement pensions paid by the social security services to the employees hired prior to 22 June 1995, the date when the labour agreement became effective. These payments corresponded to a percentage, which grew with the number of years of employment, applied to the table of salaries in force at the date of retirement.

Following the new labour agreement for the insurance activity, signed at 23 December 2011, the previous defined benefit pension plan was replaced, regarding workers actively employed, effective 1 January 2012, with a plan of defined contributions, with the current value of liabilities for services rendered at 31 December 2011 being transferred to the individual account of each participant. This change has not been applied to pensions due to workers who were retired or pre-retired at 31 December 2011.

In addition, the former Império Bonança also committed itself to providing whole life medical assistance benefits to those in retirement or pre-retirement who had switched to that status between June 1998 and July 2005.

Contributions by the companies in Portugal to the defined contribution plan are made in accordance with the rules set forth in the collective labour agreement, and recorded as an expense in the period they are due as a charge to administrative expenses.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits *(Continued)*

(vi) Employee benefits to all eligible employees of the subsidiary in France

All eligible employees of the subsidiary in France receive certain short-term benefits, such as vacation pay, "13th month" bonuses, sick leave, health insurance, and unemployment insurance in France.

The post-employment benefit plans of the subsidiary in France are based on legal obligations in each host country and on its subsidiaries' compensation policies. Long-term benefit plans include both defined contribution and defined benefit plans.

(A) Defined contribution plans

Under defined contribution plans, the subsidiary in France pays contributions to an external fund that is responsible for paying the benefits. The payment of contributions releases the employer of its further obligation towards his employees. The main defined contribution plans consist of government-sponsored basic and supplementary pension plans in Europe and defined-contribution pension plans in North America.

Contributions to all of these plans are recognised as an expense for the period in which they are due.

(B) Defined benefit plans

Under defined benefit plans, the subsidiary in France has an obligation to pay benefits to employees either at the end of their employment or during their retirement. The defined benefit plans of the subsidiary in France are unfunded and are covered by provisions recorded in the financial statements.

The main defined benefit plans of the subsidiary in France concern indemnities payable to employees on retirement (France, Greece and Turkey) or when they leave the subsidiary in France (Italy and Japan). The most recent actuarial valuations of the present value of the mainly defined benefit plans were carried out as at December 31, 2025 by Willis Towers-Watson, a member of the Actuarial Society of France, using projected unit credit method. The key actuarial assumptions adopted in the actuary report are discount rate and expected rate of salary increase. The Group has no plan assets for the defined benefit plans of the subsidiary in France. As such, there does not exist any significant surplus or deficiency as shown by the market value of the plan assets, the contribution level expressed in percentage on the day of assessment or valuation.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The functional currencies of the Company and PRC subsidiaries are Hong Kong dollars ("HKD") and RMB, respectively. The financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and its subsidiaries incorporated outside Chinese Mainland are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates for the year.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held

(A) Classification of contracts

Contracts under which the Group transfers significant insurance risk are classified as insurance contracts, while those contracts issued which have the legal form of insurance contracts but do not transfer significant insurance risk are classified as financial liabilities and are referred to as investment contracts. Some insurance and investment contracts have DPF, which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed benefits, such as policyholder dividends or bonuses. The Group applies the same accounting policies for the recognition and measurement of obligations arising from investment contracts with DPF as it does for insurance contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Group to pay significant additional benefits to its customers and has a possibility of incurring a loss on a present value basis, the contract is considered as transferring significant insurance risk and is accounted for as an insurance contract issued. Reinsurance contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts held. Insurance contracts issued and reinsurance contracts held can also expose the Group to financial risk. For investment contracts that do not contain DPF, HKFRS 9 *Financial Instruments* is applied. Once a contract has been classified as an insurance, reinsurance or investment contract with DPF, reclassification is not subsequently performed unless the terms of the agreement are later amended.

(B) Separating components from insurance contracts issued and reinsurance contracts held

The Group assesses its insurance contracts issued and reinsurance contracts held to determine whether they contain components which must be accounted for under another HKFRS rather than HKFRS 17 (distinct non insurance components). After separating any distinct components, an entity must apply HKFRS 17 to all remaining components of the insurance contract.

At inception, the Group separates the following components from an insurance contract issued or a reinsurance contract held and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance contract as a stand-alone instrument; and

- distinct investment components (unless the component is an investment contract with DPF) – i.e. investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(C) Level of aggregation

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group divides portfolios of insurance contracts into groups of insurance contracts and applies the recognition and measurement requirements to the groups of insurance contracts. Insurance contracts issued more than one year apart are not included in the same group. The Group determines the group to which contracts belong by considering individual contracts. If the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same group, the Group may measure the set of contracts to determine the group.

The Group divides a portfolio of insurance contracts issued into a minimum of:

- A group of contracts that are onerous at initial recognition;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- A group of the remaining contracts in the portfolio.

The Group divides a portfolio of reinsurance contracts held into a minimum of:

- A group of contracts on which there is a net gain on initial recognition;
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition;
- A group of the remaining contracts in the portfolio.

(D) Recognition

The Group recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date;
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group recognizes a group of reinsurance contracts held from the earlier of the following:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date the Group recognizes an onerous group of underlying insurance contracts.

If a group of reinsurance contracts held provide proportionate coverage, the Group recognizes such group of reinsurance contracts held from the earlier of the following:

- the later date of the beginning of the coverage period of the group of reinsurance contracts held and the date that any underlying insurance contract is initially recognised; and
- the date the Group recognizes an onerous group of underlying insurance contracts.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(E) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows; and
- a risk adjustment for non-financial risk.

(F) Contract boundary

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the insurer (reinsurer) can compel the policyholder (cedant) to pay premiums or has a substantive obligation to provide insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the insurer (reinsurer) has the practical ability to reassess the risks of the particular policyholder (cedant) and can set a price or level of benefits that fully reflects those reassessed risks; or
- the insurer (reinsurer) has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

(G) Insurance acquisition cash flows

The Group recognizes an asset for insurance acquisition cash flows paid or payable before the related group of insurance contracts is recognised. The Group allocates insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group derecognizes an asset for insurance acquisition cash flows when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts. At the end of each reporting period, the Group assesses the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. If the Group identifies an impairment loss, the Group adjusts the carrying amount of the asset and recognizes the impairment loss in profit or loss. The Group recognizes in profit or loss a reversal of some or all of an impairment loss previously recognised and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) Measurement – insurance contracts not measured under the PAA

Initial measurement

On initial recognition, the Group measures a group of contracts as the total of: (a) the fulfilment cash flows and (b) the CSM.

The measurement of the fulfilment cash flows of a group of contracts does not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflows, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

- Changes relating to future services are adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous);

- Changes relating to current or past services are recognised in the insurance service result in profit or loss; and

- Effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses, except that such effects on the variable fees are adjusted against CSM (or recognised in profit or loss if the group is onerous) for insurance contracts with direct participation features.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) Measurement – insurance contracts not measured under the PAA *(Continued)*

Subsequent measurement (Continued)

The CSM of each group of contracts is calculated at each reporting date as follows.

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;

- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items;

- changes in fulfilment cash flows that relate to future services, except to the extent that:

  i) any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or

  ii) any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;

- the effect of any currency exchange differences on the CSM; and

- the amount recognised as insurance revenue for service provided in the period, which is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.

- For a group of contracts that is onerous at the start of a reporting period and becomes profitable subsequently that CSM is recognised during the reporting period, the total amount of recognised CSM is released to profit or loss if there are no more future coverage units.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) Measurement – insurance contracts not measured under the PAA *(Continued)*

Subsequent measurement (Continued)

Insurance contracts without direct participation features *(Continued)*

Changes in fulfilment cash flows that relate to future services mainly comprise:

- experience adjustments arising from premiums received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the period, determined as the payment expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the period;
- differences between (a) any loan to a policyholder expected to become repayable in the period, determined as the repayment expected at the start of the period plus any insurance finance income or expenses related to that expected repayment before it becomes repayable; and (b) the actual amount that becomes repayable in the period; and
- changes in the risk adjustment for non-financial risk that relate to future services.

To determine how to identify a change in discretionary cash flows, the basis is specified at inception of the contract. Changes in cash flows arising from the Group's discretion are regarded as relating to future services and accordingly adjust the CSM, these cash flows are determined based on the relevant contract terms, dividend and bonus philosophy.

Insurance contracts with direct participation features

Contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Group provides investment services under these contracts, in addition to insurance coverage.

When measuring a group of contracts with direct participation features, the Group adjusts the fulfilment cash flows for the changes in the obligation to pay policyholders. The changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items do not relate to future services and do not adjust the CSM.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) Measurement – insurance contracts not measured under the PAA *(Continued)*

Subsequent measurement (Continued)

Insurance contracts with direct participation features *(Continued)*

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

a) the effect of contracts added to the group in the period on the contractual service margin;

b) the change in the amount of the Group's share of the fair value of the underlying items, except to the extent that:

   i) if the Group mitigates the effect of financial risk using derivatives or reinsurance contracts held, when specified conditions are met, the Group may choose to recognise the related changes in the effect of the time value of money and financial risk on the amount of the Group's share of the underlying items as insurance finance income or expenses included in profit or loss. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

   ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss;

   iii) the increase in the amount of the Group's share of the fair value of the underlying items reverses the loss component of the liability for remaining coverage.

c) the changes in fulfilment cash flows relating to future service and do not vary based on the returns on underlying items, except to the extent that:

   i) if the Group mitigates the effect of financial risk using derivatives, reinsurance contracts held or non-derivative financial instruments measured at fair value through profit or loss, when specified conditions are met, the Group may choose to recognise the related changes in the effect of the time value of money and financial risk on the fulfilment cash flows as insurance finance income or expenses included in profit or loss. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

   ii) such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss;

   iii) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

d) the currency exchange differences in the period arising on the contractual service margin;

e) the amortisation of the contractual service margin in the period. The Group rationally determines the coverage units of the group of contracts in each period of the coverage period based on the pattern of provision of insurance contract services, and recognises insurance revenue accordingly over the current and future periods by amortizing the carrying amount of the contractual service margin as adjusted for (a) to (d) above.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(H) Measurement – insurance contracts not measured under the PAA *(Continued)*

Subsequent measurement (Continued)

Insurance contracts with direct participation features *(Continued)*

For insurance contracts with direct participation features for which the Group holds the underlying items, when the Group makes the accounting policy choice of disaggregating insurance finance income or expenses for the period between profit or loss and other comprehensive income, the Group recognises insurance finance income or expenses included in profit or loss at an amount that exactly match the income or expenses included in profit or loss for the underlying items, except for the accounting treatment of the insurance finance income or expenses mentioned in (b) and (c) above.

(I) Measurement – insurance contracts measured under the PAA

The Group generally uses the PAA to simplify the measurement of groups of contracts in the following circumstances:

- where the coverage period of each contract in the group of contracts is one year or less; or
- the Group reasonably expects that the resulting measurement of the LRC would not differ materially from the result of applying the accounting policies of contracts not measured under the PAA.

Initial measurement

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Group has elected the accounting policy choice to defer insurance acquisition cash flows through the LRC.

Subsequent measurement

Subsequently, the carrying amount of the LRC is increased by (i) any premiums received; and (ii) any amortisation of the insurance acquisition cash flows, and decreased by (i) insurance acquisition cash flows paid; (ii) the amount recognised as insurance revenue for coverage provided; and (iii) any investment component paid or transferred to the LIC. On initial recognition of each group of contracts, the Group expects that the time gap between providing each part of the coverage and the related premium due date is not significant . Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates). In subsequent periods, unless facts and circumstances indicate that the group of contracts is no longer onerous, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component.

The Group recognises the LIC of a group of insurance contracts for the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows are discounted (at current rates) to reflect the time value of money and the effect of financial risk.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(J) Reinsurance contracts held

For groups of reinsurance contracts held, the Group applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) the amount arising from assets or liabilities previously recognised for cash flows related to the group, before the group is recognised, (c) cash flows arising from the contracts in the group at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the reinsurance, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(J) Reinsurance contracts held *(Continued)*

Reinsurance of onerous underlying insurance contracts

The Group adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and

- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts held.

If the reinsurance contract held covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine a portion of losses recognised on the onerous group of contracts containing the insurance contracts covered by the reinsurance contract held.

A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premiums paid.

Reinsurance contracts held measured under the PAA

The Group applies the same accounting principles to measure a group of insurance contracts or reinsurance contracts held under the PAA.

If a loss-recovery component is established for a group of reinsurance contracts held measured under the PAA, the Group adjusts the carrying amount of the asset for remaining coverage of reinsurance contracts held.

(K) Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On the derecognition of a contract in a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;

- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future service, except where such changes are allocated to a loss component; and

- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(K) Derecognition and contract modification *(Continued)*

If a contract is derecognised because it is transferred to third party, then the CSM is also adjusted for the premium charged by the third party.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

(L) Presentation

Portfolios of insurance contracts issued and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held. Any assets recognised for insurance acquisition cash flows arising before the recognition of the related group of insurance contracts are included in the carrying amount of the related portfolios of insurance contracts.

The Group disaggregates amounts recognised in the consolidated statements of profit or loss and comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as "net expenses from reinsurance contracts held" in the insurance service result.

The Group has chosen to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – insurance contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each period represents the total of the changes in the LRC that relate to services for which the Group expects to receive consideration, excludes investment components and mainly comprises the following items:

- A release of the CSM, measured based on coverage units provided;
- Changes in the risk adjustment for non-financial risk relating to current services;
- Insurance acquisition cash flows recovery;
- Claims and other insurance service expenses incurred in the period, generally measured at the amounts expected at the beginning of the period; and
- Other amounts, including experience adjustments for premium receipts for current or past services.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(L) Presentation *(Continued)*

Insurance revenue – insurance contracts not measured under the PAA (Continued)

For insurance acquisition cash flows recovery , the Group allocates a portion of premiums related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts. The allocated amount is recognised as insurance revenue with the same amount recognised as insurance service expenses.

Insurance revenue – insurance contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium (excluding any investment component, if any) for providing services in the period. The Group allocates the expected premium to each period on the following bases:

- the passage of time; or
- the expected timing of incurred insurance service expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

Loss components

The Group establishes loss components of the LRC for onerous groups of contracts. The loss components determine the amounts that are presented in profit or loss as reversals of losses on onerous groups and are consequently excluded from determination of insurance revenue.

For contracts not measured under the PAA, when the fulfilment cash flows occur, they are allocated between the loss component and the LRC excluding the loss component on a systematic basis. Changes in estimates of fulfilment cash flows relating to future services and changes in the Group's share of the fair value of underlying items are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates or reinstates the CSM for the group of contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and mainly comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows: for contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on the basis of passage of time over the coverage period of the group of contracts;
- Losses on onerous contracts and reversals of such losses; and
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held *(Continued)*

(L) Presentation *(Continued)*

Net expenses from reinsurance contracts held

Net expenses from reinsurance contracts held mainly comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid as reinsurance expenses within net expenses from reinsurance contracts held for the coverage or other services received by the Group under groups of reinsurance contracts held. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

The amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts are considered as a reduction in the reinsurance premiums paid to the reinsurer.

For a group of reinsurance contracts held covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract held covering those contracts is entered into before or at the same time as those contracts are entered into; and

- for changes in fulfilment cash flows of the group of reinsurance contracts held relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance contracts and reinsurance contracts issued arising from the effects of the time value of money, financial risk and changes therein. This includes changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For certain portfolios, the Group has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

Amounts presented in other comprehensive income are accumulated in the insurance finance reserve. If the Group derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated other comprehensive income for the contract are reclassified to profit or loss.

The Group presents insurance finance income or expenses for all other contracts in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investment contracts

Investment contracts do not contain significant insurance risk to be considered insurance contracts and are accounted for as a financial liability, other than investment contracts with DPF which are excluded from the scope of HKFRS 9 and are accounted for as insurance contracts.

(A) Liabilities to subscribers of unit-linked products

Liabilities, associated with unit-linked investment contracts issued by the Group in which the risk is borne by the policyholder, are recognised at fair value and assessed on the basis of the fair value of investment portfolio assets allocated to each of the products, less the corresponding management costs and recognised in "financial liabilities for unit-linked contracts".

Investment portfolios allocated to unit-linked products comprise financial assets, including fixed-income securities, variable income securities, derivative instruments and deposits in credit institutions, which are recognised at fair value and whose corresponding unrealised capital gains and losses are recognised in the consolidated statement of profit or loss for the year.

(B) Liabilities to subscribers of other investment contracts

Liabilities to subscribers of other regulated products, classified as investment contracts under HKFRS 17, which do not include a discretionary profit sharing component, are valued in accordance with the requirements of HKFRS 9 and recognised in "Investment contract liabilities".

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

(ii) Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

The Group includes the renewal period as part of the lease term for leases of property due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operations if a replacement is not readily available.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements: *(Continued)*

(iii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iv) Consolidation of entities in which the Group holds less than a majority of voting rights

The Group considers that it controls Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") even though it owns less than 50% of the voting rights. This is because the Group was the single largest shareholder of Fosun Pharma with a 36.2% equity interest as at 31 December 2025. The remaining 63.8% of the equity shares in Fosun Pharma are widely held by many other shareholders. The Group controls the board of directors of Fosun Pharma and holds relatively larger voting rights than other dispersed public shareholders. Since the date of Fosun Pharma's domestic shares being listed on the Shanghai Stock Exchange, there has been no history and no expectation that the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

The Group considers that it controls Hainan Mining Co., Ltd. ("Hainan Mining") even though it owns less than 50% of the voting rights. This is because the Group was the largest shareholder of Hainan Mining with a 47.5% equity interest as at 31 December 2025. The Group holds relatively larger voting rights than other shareholders. Since the date of Hainan Mining's domestic shares being listed on the Shanghai Stock Exchange, there has been no history and no expectation that the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

(v) Deferred tax liabilities

Deferred tax liabilities are recognised for withholding corporate income taxes arising from the distributions of dividends from certain subsidiaries established in the Chinese mainland of the Group according to the relevant tax jurisdictions. Significant management judgement is required to determine whether to recognise such deferred tax liabilities based upon the plan of the dividend distribution from these subsidiaries in the foreseeable future. As at 31 December 2025, the management was of the opinion that it was not probable that those subsidiaries would make any profit distribution in the foreseeable future and accordingly no provision for the withholding tax has been made.

(vi) Classification of financial assets

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial assets' contractual cash flow characteristics: (1) management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and (2) management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements: *(Continued)*

(vii) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses and deductible temporary differences of RMB61,528,157,000 (2024:RMB43,843,883,000) carried forward. These losses related to the Company and its subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Company and its subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses and deductible temporary differences as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses and deductible temporary differences carried forward. Further details are contained in note 42 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB23,620,951,000 (31 December 2024: RMB25,902,699,000). Further details are given in note 41 to the financial statements.

(ii) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. For the year ended 31 December 2025, impairment losses in the amount of RMB4,438,224,000 (2024: RMB1,524,856,000) have been recognised as set out in note 10 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(iii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(iv) Estimation of fair value of investment properties

As described in note 33 to the financial statements, investment properties were revalued on 31 December 2025 on an open market value and existing use basis. Such valuations were based on certain assumptions which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the reporting period.

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2025 was RMB97,134,974,000 (31 December 2024: RMB92,297,042,000). Further details, including the key assumptions used for fair value measurement, are given in note 33 to the financial statements.

(v) Fair value of financial instruments determined using valuation techniques

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk, volatility and liquidity risks, etc, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 66 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(vi) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(vii) Useful lives of intangible assets (other than goodwill)

The Group determines the estimated useful lives for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(viii) Estimation of rehabilitation cost provisions

For mining rights

Provisions for the Group's obligations for land rehabilitation are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditure expected to be required to settle the obligation.

Estimates used in the provision for rehabilitation cost are subjective in nature and involve uncertainties and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

For oil and gas assets

The Group estimates the future removal costs of on- and offshore oil and gas platforms, production facilities, wells and pipelines at the time of installation of the assets. In most instances, removal of assets will occur in future years. This requires judgemental assumptions regarding removal data, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating costs, future removal technologies in determining the removal costs, and asset-specific discount rates to determine the present value of these cash flows.

(ix) Measurement of the expected credit loss allowance

The Group assesses the impairment of financial assets at amortised cost and debt investments at fair value through other comprehensive income ("FVOCI") using the ECL model. The application of the ECL model requires significant estimation, and consideration of all reasonable and relevant information including forward-looking information. When making such estimation, the Group estimates the expected changes of the debtor's credit risk based on historical repayment data along with economic policies, macro-economic indicators, and industrial risk.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(x) Net realisable value of inventories, properties under development and completed properties for sale

The net realisable value of inventories, properties under development and completed properties for sale is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at the end of each reporting period.

(xi) Contingent consideration for the acquisition of subsidiaries

The Group estimated the fair value of contingent consideration for the acquisition of subsidiaries by using the expected cash flows, to be discounted to the acquisition date at an appropriately chosen discount rate. Significant management judgement is required to determine the expected cash flows and discount rate. Management reassesses these estimates at the end of each reporting period.

(xii) Level of aggregation and recognition of group of insurance contracts

For contracts issued to which the Group does not apply the premium allocation approach, the judgements exercised in determining whether contracts are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

- based on the likelihood of changes in assumptions which, if they occurred, would result in the contracts becoming onerous; and

- using information about profitability estimation for the relevant group of products.

(xiii) Measurement of fulfilment cash flows not measured under the premium allocation approach

The asset or liability for groups of insurance contracts is measured as the total of fulfilment cash flows and CSM.

The fulfilment cash flows of insurance contracts (including investment contracts with DPF) represents the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for non-financial risk. The assumptions used and the techniques for estimating fulfilment cash flows and risk adjustment for non-financial risk are based on actual experience by each geographical market and policy form. The Group exercises significant judgement in making appropriate assumptions and techniques.

(xiv) Measurement of insurance contracts measured under the premium allocation approach

When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under HKFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below: *(Continued)*

(xv) Determination of coverage unit

The CSM of a group of contracts issued is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money.

The quantity of services provided by insurance contracts could include insurance coverage, investment-return service and investment-related service, as applicable. In assessing the services provided by insurance contracts, the terms and benefit features of the contracts are considered.

Relevant elements are considered in determining the quantity of service including among others, benefit payments and premiums. The Group applies judgement in these determinations.

Expected coverage period is derived based on the likelihood of an insured event occurring to the extent they affect the expected duration of contracts in the group. Determining the expected coverage period is judgemental since it involves making an expectation of when claims and lapse will occur.

(xvi) Valuation of the identifiable assets and liabilities through business combinations and the recognised corresponding goodwill or gain on bargain purchase

The Group completed certain business combinations during the year. The purchase prices are allocated between the fair values of the identifiable assets acquired and the liabilities assumed which result in the recognition of goodwill or gains on bargain purchase. Management, assisted by the external appraisers, evaluated the fair values of identifiable assets acquired and liabilities assumed and completed the purchase price allocation. The fair value determination in the accounting for business combinations relied on significant management estimation in respect of fair value assessments.

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2025 are set out below:

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries						
Asset Management segment						
上海復星高科技(集團)有限公司#^ (Shanghai Fosun High Technology (Group) Co., Ltd.) ("Fosun High Technology")	PRC/Chinese Mainland	RMB4,800,000,000	100.0%	–	100.0%	Investment holding
上海復星產業投資有限公司# (Shanghai Fosun Industrial Investment Co., Ltd.)	PRC/Chinese Mainland	RMB600,000,000	–	100.0%	100.0%	Investment holding
復星金融控股有限公司 (Fosun Financial Holdings Limited)	Hong Kong, China	HKD18,598,275,001	100.0%	–	100.0%	Investment holding
復星地產控股有限公司 (Fosun Property Holdings Limited)	Hong Kong, China	HKD1	100.0%	–	100.0%	Investment holding
上海復星創富投資管理股份有限公司# (Shanghai Fosun Capital Investment Management Co., Ltd.)	PRC/Chinese Mainland	RMB200,000,000	–	100.0%	100.0%	Capital investment and management
復地(集團)股份有限公司# (Shanghai Forte Land Co., Ltd.) ("Forte")	PRC/Chinese Mainland	RMB2,504,155,034	–	100.0%	100.0%	Property development
武漢復智房地產開發有限公司# (Wuhan Fuzhi Real Estate Development Co., Ltd.)	PRC/Chinese Mainland	RMB4,500,000,000	–	100.0%	100.0%	Property development
上海復星外灘商業有限公司# (Shanghai Fosun Bund Commercial Co., Ltd.)	PRC/Chinese Mainland	RMB7,000,000,000	–	100.0%	100.0%	Property development
浙江復星商業發展有限公司# (Zhejiang Fosun Commercial Development Co., Ltd.)	PRC/Chinese Mainland	RMB100,000,000	–	100.0%	100.0%	Property development
復星產業控股有限公司 (Fosun Industrial Holdings Limited)	Hong Kong, China	HKD500,000,000	100.0%	–	100.0%	Investment holding

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2025 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continued)*						
Asset Management segment (Continued)						
Fortune Star (BVI) Limited	Virgin Islands, British	USD1	–	100.0%	100.0%	Capital investment and management
上海復星工業技術發展有限公司# (Shanghai Fosun Industrial & Technology Development Co., Ltd.)	PRC/Chinese Mainland	RMB8,200,000,000	–	100.0%	100.0%	Capital investment and management
Health segment						
上海復星醫藥(集團)股份有限公司*/# (Shanghai Fosun Pharmaceutical (Group) Co., Ltd.) ("Fosun Pharma")	PRC/Chinese Mainland	RMB2,670,429,325	0.2%	36.0%	36.2%	Investment holding
上海復星健康科技(集團)有限公司# (Shanghai Fosun Health Technology (Group) Co., Ltd.)	PRC/Chinese Mainland	RMB5,827,835,909	–	85.8%	31.1%	Medical consultation
上海復星醫藥產業發展有限公司# (Shanghai Fosun Pharmaceutical Industrial Development Company Limited)	PRC/Chinese Mainland	RMB3,950,000,000	–	100.0%	36.2%	Investment holding
復星萬邦(江蘇)醫藥集團有限公司# (Jiangsu Wanbang Biopharmaceutical Co., Ltd.)	PRC/Chinese Mainland	RMB480,455,400	–	100.0%	36.2%	Manufacture and trading of medicine
湖北新生源生物工程有限公司# (Shine Star (Hubei) Biological Engineering Co., Ltd.)	PRC/Chinese Mainland	RMB51,120,000	–	51.0%	18.5%	Manufacture and trading of medicine
重慶藥友製藥有限責任公司# (YaoPharma Co., Ltd.)	PRC/Chinese Mainland	RMB196,540,000	–	61.0%	22.1%	Manufacture and trading of medicine
桂林南藥股份有限公司# (Guilin South Pharma Co., Ltd.)	PRC/Chinese Mainland	RMB285,030,300	–	96.9%	35.1%	Manufacture and trading of medicine
上海復宏漢霖生物技術股份有限公司# (Shanghai Henlius Biotech, Inc) ("Henlius")	PRC/Chinese Mainland	RMB543,494,900	–	63.4%	23.0%	Medical research

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2025 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continued)*						
Health segment (Continued)						
復星實業(香港)有限公司 (Fosun Industrial Co., Limited)	Hong Kong, China	USD621,446,075	–	100.0%	36.2%	Investment holding
佛山復星禪誠醫院有限公司# (Foshan Fosun Chancheng Hospital Company Limited）	PRC/Chinese Mainland	RMB50,000,000	–	87.4%	31.7%	Provision of healthcare services
蘇州二葉製藥有限公司# (Suzhou Erye Pharmaceutical Co. Ltd.)	PRC/Chinese Mainland	RMB300,000,000	–	90.0%	32.6%	Manufacture and trading of medicine
Gland Pharma Limited ("Gland Pharma")	India	Not Applicable	–	51.8%	18.8%	Manufacture and trading of medicine
Luz Saúde, S.A.	Portugal	EUR95,542,254	–	99.9%	84.9%	Provision of healthcare services
Intelligent Manufacturing Segment						
海南礦業股份有限公司*# (Hainan Mining Co., Ltd.)	PRC/Chinese Mainland	RMB1,998,248,251	–	47.5%	47.5%	Sale of iron and steel products
Happiness segment						
Club Med SAS	France	EUR149,704,804	–	100.0%	98.4%	Tourism
海南亞特蘭蒂斯商旅發展有限公司# (Hainan Atlantis Commerce And Tourism Development Co., Ltd.)	PRC/Chinese Mainland	RMB801,500,000	–	100.0%	98.4%	Tourism
上海豫園旅遊商城(集團)股份有限公司# (Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.) ("Yuyuan")	PRC/Chinese Mainland	RMB3,892,458,273	–	61.9%	61.9%	Retail
上海豫園珠寶時尚集團有限公司# (Shanghai Yuyuan Jewelry Fashion Group Co., Ltd.)	PRC/Chinese Mainland	RMB2,706,854,313	–	91.0%	56.4%	Retail of jewelry

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Particulars of the principal subsidiaries comprising the Group, associates and joint ventures of the Group at 31 December 2025 are set out below: *(Continued)*

Name of company	Place of incorporation/ registration and principal country of operation or place of business	Nominal value of registered capital	Attributable equity interest of the company			Principal activities
			Direct	Indirect	Effective	
Subsidiaries *(Continued)*						
Happiness segment (Continued)						
ST Hubert SAS	France	EUR44,303,277	–	100.0%	51.0%	Manufacturing and trading of dairy products
Lanvin Group Holdings Limited	Cayman Islands/Chinese Mainland	USD50,000	52.1%	19.8%	70.1%	Investment holding
Insurance segment						
鼎睿再保險有限公司 (Peak Reinsurance Company Limited)	Hong Kong, China	USD786,720,713	–	99.8%	99.8%	Reinsurance
Fidelidade – Companhia de Seguros, S.A.	Portugal	EUR509,263,524	–	85.0%	85.0%	Underwriting of life and non-life insurance
Associates						
國藥產業投資有限公司# (Sinopharm Industrial Investment Co., Ltd.) ("Sinopharm")	PRC/Chinese Mainland	RMB100,000,000	–	49.0%	17.8%	Distribution of pharmaceutical products
Banco Comercial Português, S.A.	Portugal	EUR3,000,000,000	–	20.0%	20.0%	Banking and financial services
Joint venture						
四川沱牌舍得集團有限公司#/& (Sichuan Tuopai Shede Group Co., Ltd.)	PRC/Chinese Mainland	RMB232,240,000	–	70.0%	43.3%	Manufacture and trading of wine and beverage

The English names of the above subsidiaries, associates and joint ventures are directly translated from their Chinese names.

The above table lists the subsidiaries, associates and joint ventures of the Group which, in the opinion of the directors of the Company, materially contribute to the net income of the Group or hold a material portion of the assets or liabilities of the Group, for the year ended 31 December 2025. To give details of other subsidiaries, associates and joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length. Further details of the debt securities of the principal subsidiaries of the Company are contained in note 50.

4. PARTICULARS OF THE PRINCIPAL COMPANIES COMPRISING THE GROUP, ASSOCIATES AND JOINT VENTURES *(Continued)*

Notes:

* Fosun Pharma continues to be accounted for as a subsidiary because the Group continues to be the single major shareholder of Fosun Pharma and holds relatively larger voting rights than other dispersed public shareholders, despite the fact that the Group's equity interest in this company was 36.2% as at 31 December 2025.

Hainan Mining Co., Ltd. continues to be accounted for as a subsidiary because the Group continues to be the largest major shareholder of Hainan Mining Co., Ltd. and holds relatively larger voting rights than other shareholders, despite the fact that the Group's equity interest in this company was 47.5% as at 31 December 2025.

\# These companies are registered as limited liability companies under PRC law.

& The Group, through Yuyuan held 70% equity interest in Sichuan Tuopai Shede Group Co., Ltd.(" Tuopai Shede") as at 31 December 2025. The remaining 30% equity interest is held by the People's Government of Shehong County. According to the articles of association of Tuopai Shede, the resolutions on the relevant activities required 100% shareholders' approval and Tuopai Shede was accounted for as a joint venture of the Group.

^ Wholly foreign-owned enterprise under PRC law.

5. OPERATING SEGMENT INFORMATION

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

(i) The Health segment engages in the research and development, manufacture, sale and trading of pharmaceutical and health products and providing medical services and health management;

(ii) The Happiness segment comprises principally the operation and investments in tourism and leisure, fashion consumer and lifestyle industries;

(iii) The Insurance segment mainly engages in the operation of and investment in the insurance businesses;

(iv) The Asset Management segment comprises principally the operation and investment of asset management, market investments, and investments in other companies of the Group; and

(v) The Intelligent Manufacturing segment comprises principally the operation of and investment in the intelligent manufacturing and iron, steel, new functional materials and ore production;

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

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

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

5. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2025

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations	Total
			Insurance	Asset Management			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	46,694,155	63,383,666	44,815,570	10,790,522	7,741,400	–	173,425,313
Inter-segment sales	1,305,889	1,364,717	1,122	257,683	–	(2,929,411)	–
Total revenue	48,000,044	64,748,383	44,816,692	11,048,205	7,741,400	(2,929,411)	173,425,313
Segment results							
Profit/(loss) before tax	5,506,178	(11,657,456)	3,143,848	(16,578,712)	(1,922,791)	(74,268)	(21,583,201)
Tax	(928,228)	(361,418)	(489,642)	800,242	(148,443)	–	(1,127,489)
Profit/(loss) for the year	4,577,950	(12,018,874)	2,654,206	(15,778,470)	(2,071,234)	(74,268)	(22,710,690)
Segment and total assets	135,211,023	185,324,760	225,337,139	151,031,666	28,138,014	(8,813,917)	716,228,685
Segment and total liabilities	66,276,135	150,223,778	213,148,777	113,099,091	11,367,652	(6,182,769)	547,932,664
Other segment information:							
Interest and dividend income	356,551	270,699	5,934,239	681,235	177,033	(336,016)	7,083,741
Other income and gains (excluding interest and dividend income)	1,430,416	1,401,770	2,928,390	259,567	72,140	(3,030)	6,089,253
(Provision for)/reversal of impairment recognised in the statement of profit or loss, net	(286,772)	(5,430,591)	81,904	(7,302,618)	(2,446,432)	–	(15,384,509)
Finance costs	(1,552,593)	(4,425,391)	(2,075,051)	(5,061,244)	(234,875)	359,256	(12,989,898)
Share of profits and losses of							
– Joint ventures	(10,842)	(1,018,601)	335,807	(91,883)	(6)	–	(785,525)
– Associates	1,973,471	(191,237)	101,110	2,892,854	(127,630)	(61,105)	4,587,463
Depreciation and amortisation	(3,847,990)	(4,617,867)	(924,495)	(547,070)	(1,602,805)	–	(11,540,227)
Research and development costs	(4,022,859)	(71,865)	(809)	(11,251)	(223,543)	17,597	(4,312,730)
Fair value loss on fair value adjustments of investment properties	–	(768,054)	(305,270)	(5,170,736)	–	–	(6,244,060)
Fair value gain/(loss) on financial assets at fair value through profit or loss	399,345	435,088	484,163	(2,503,427)	(37,920)	4,275	(1,218,476)
Investments in joint ventures	473,186	8,851,950	1,169,009	3,755,597	–	(310,512)	13,939,230
Investments in associates	27,979,833	5,404,592	1,655,471	29,636,819	3,827,025	(2,148,337)	66,355,403
Capital expenditure*	5,126,093	3,782,134	2,175,288	366,321	1,915,386	–	13,365,222

5. OPERATING SEGMENT INFORMATION *(Continued)*

Year ended 31 December 2024

	Health	Happiness	Wealth		Intelligent Manufacturing	Eliminations	Total
			Insurance	Asset Management			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:							
Sales to external customers	45,336,335	76,481,021	39,313,691	15,425,017	15,585,937	–	192,142,001
Inter-segment sales	1,216,609	229,055	149	375,178	–	(1,820,991)	–
Total revenue	46,552,944	76,710,076	39,313,840	15,800,195	15,585,937	(1,820,991)	192,142,001
Segment results							
Profit/(loss) before tax	3,974,572	(1,606,137)	3,373,232	(5,109,968)	(148,139)	(141,510)	342,050
Tax	(704,135)	(1,247,011)	(628,514)	237,641	(212,761)	–	(2,554,780)
Profit/(loss) for the year	3,270,437	(2,853,148)	2,744,718	(4,872,327)	(360,900)	(141,510)	(2,212,730)
Segment and total assets	130,092,179	187,879,179	190,995,255	268,119,519	27,895,626	(8,453,746)	796,528,012
Segment and total liabilities	63,499,932	135,984,614	179,729,336	214,822,257	10,496,567	(5,543,610)	598,989,096
Other segment information:							
Interest and dividend income	431,726	369,863	4,497,767	597,966	216,406	(140,829)	5,972,899
Other income and gains (excluding interest and dividend income)	1,191,801	3,439,827	2,779,567	3,134,886	75,258	(10,169)	10,611,170
Impairment losses recognised in the statement of profit or loss,net	(207,201)	(2,018,664)	(131,607)	(1,315,927)	(1,066,675)	–	(4,740,074)
Finance costs	(1,739,743)	(3,907,344)	(1,805,887)	(5,542,816)	(319,485)	149,775	(13,165,500)
Share of profits and losses of							
– Joint ventures	(184,112)	(11,835)	244,714	437,527	–	–	486,294
– Associates	1,861,052	109,301	(3,700)	2,760,950	(105,626)	(139,223)	4,482,754
Depreciation and amortisation	(3,242,316)	(4,608,522)	(859,186)	(716,496)	(1,282,871)	–	(10,709,391)
Research and development costs	(3,656,034)	(95,839)	(4,625)	(18,144)	(387,317)	4	(4,161,955)
Fair value (loss)/gain on fair value adjustments of investment properties	–	(17,045)	(297,933)	214,841	–	–	(100,137)
Fair value (loss)/gain on financial assets at fair value through profit or loss	(441,693)	991,115	595,540	(5,063,217)	51,062	92	(3,867,101)
Investments in joint ventures	40,900	9,401,414	702,836	4,354,915	6	(311,097)	14,188,974
Investments in associates	27,010,792	6,150,865	1,572,978	33,303,727	4,105,343	(2,422,052)	69,721,653
Capital expenditure*	6,461,643	2,928,286	1,655,882	134,842	2,592,022	–	13,772,675

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

5. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	**78,560,629**	97,366,241
Portugal	**26,989,266**	23,813,531
Other countries and regions	**67,875,418**	70,962,229
Total	**173,425,313**	192,142,001

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

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

	2025 RMB'000	2024 RMB'000
Chinese mainland	**209,481,157**	207,338,840
Portugal	**30,365,908**	25,148,906
Other countries and regions	**91,781,300**	98,147,607
Total	**331,628,365**	330,635,353

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 2025 and 2024.

6. REVENUE, OTHER INCOME AND GAINS

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

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

	Notes	2025 RMB'000	2024 RMB'000
Revenue			
Revenue from contracts with customers			
– Sale of goods	(1)	82,350,731	104,224,858
– Rendering of services	(2)	43,297,624	42,800,876
Subtotal		125,648,355	147,025,734
Revenue from other sources			
– Insurance revenue	(3)	43,580,550	38,049,149
– Rental income		2,924,276	2,998,840
– Interest income		1,755,818	4,548,672
Subtotal		48,260,644	45,596,661
Others			
– Less: Government surcharges		(483,686)	(480,394)
Total revenue		173,425,313	192,142,001

(1) Sale of goods:

	2025 RMB'000	2024 RMB'000
Pharmaceuticals and medical products	31,541,843	31,896,060
Properties	8,509,444	13,076,138
Gold and jewelleries	22,733,752	29,976,840
Ore products	1,490,189	1,532,825
Oil and gas	2,616,254	1,968,321
Fashion products	6,865,893	7,139,762
New functional materials	3,368,686	2,658,056
Others	5,224,670	15,976,856
Total	82,350,731	104,224,858

(2) Rendering of services:

	2025 RMB'000	2024 RMB'000
Tourism	18,235,319	17,754,658
Healthcare	12,378,413	11,629,608
Property agency	17,546	95,064
Property management	1,670,854	1,426,010
Asset management	398,143	595,792
Fee and commission income	1,476,765	2,492,085
Others	9,120,584	8,807,659
Total	43,297,624	42,800,876

6. REVENUE, OTHER INCOME AND GAINS *(Continued)*

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

		2025 RMB'000	2024 RMB'000
(3)	Insurance revenue:		
	Amounts relating to changes in liabilities for remaining coverage:		
	Expected incurred claims and other insurance service expenses	**7,933,563**	6,525,029
	Change in risk adjustment for non-financial risk	**471,183**	313,437
	CSM recognised for services provided	**2,764,036**	1,937,571
	Other amounts	**854,601**	493,198
	Amounts relating to recovery of insurance acquisition cash flow	**693,879**	672,268
	Contracts not measured under the PAA	**12,717,262**	9,941,503
	Contracts measured under the PAA	**30,863,288**	28,107,646
	Total	**43,580,550**	38,049,149
	Represented by:		
	Contracts measured under the fair value approach	**1,710,288**	1,394,771
	Contracts other than those to which fair value approach or modified retrospective approach are applied	**41,870,262**	36,654,378
	Total	**43,580,550**	38,049,149

Performance obligations

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

Sale of Goods

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

Sale of Completed Properties

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

Service Income

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

6. REVENUE, OTHER INCOME AND GAINS *(Continued)*

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

Disaggregated revenue information

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

Segments:

For the year ended 31 December 2025

	Health	Happiness	Wealth		Intelligent Manufacturing	Total
			Insurance	Asset Management		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services						
Sale of goods	**31,428,457**	**40,496,088**	**128**	**2,702,662**	**7,723,396**	**82,350,731**
Rendering of services	**15,416,282**	**22,547,308**	**541,549**	**4,698,715**	**93,770**	**43,297,624**
Total revenue from contracts with customers	**46,844,739**	**63,043,396**	**541,677**	**7,401,377**	**7,817,166**	**125,648,355**
Timing of revenue recognition						
Goods transferred at a point in time	**31,428,457**	**40,496,088**	**128**	**2,702,662**	**7,723,396**	**82,350,731**
Services transferred over time	**15,416,282**	**22,547,308**	**541,549**	**4,698,715**	**93,770**	**43,297,624**
Total revenue from contracts with customers	**46,844,739**	**63,043,396**	**541,677**	**7,401,377**	**7,817,166**	**125,648,355**

For the year ended 31 December 2024

	Health	Happiness	Wealth		Intelligent Manufacturing	Total
			Insurance	Asset Management		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services						
Sale of goods	31,555,692	53,241,945	762	3,951,610	15,474,849	104,224,858
Rendering of services	13,852,400	22,828,031	565,318	5,363,510	191,617	42,800,876
Total revenue from contracts with customers	45,408,092	76,069,976	566,080	9,315,120	15,666,466	147,025,734
Timing of revenue recognition						
Goods transferred at a point in time	31,555,692	53,241,945	762	3,951,610	15,474,849	104,224,858
Services transferred over time	13,852,400	22,828,031	565,318	5,363,510	191,617	42,800,876
Total revenue from contracts with customers	45,408,092	76,069,976	566,080	9,315,120	15,666,466	147,025,734

6. REVENUE, OTHER INCOME AND GAINS *(Continued)*

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

	2025 RMB'000	2024 RMB'000
Other income		
Interest income	**1,075,635**	1,342,874
Dividends and interest from financial assets at fair value through profit or loss	**2,513,823**	1,695,707
Dividends from equity investments designated at fair value through other comprehensive income (note 31)	**60,152**	142,871
Interest income from debt investments at fair value through other comprehensive income	**3,434,131**	2,791,447
Rental income	**21,994**	14,022
Government grants	**698,258**	859,315
Fee income relating to investment contracts	**1,288,481**	1,420,423
Others	**1,216,732**	1,569,514
Total other income	**10,309,206**	9,836,173
Gains		
Gain on disposal of subsidiaries (note 56(c))	**–**	3,221,579
Gain on disposal/partial disposal of associates and foreign operations	**811,709**	408,762
Gain on deemed disposal of associates	**22,607**	13,761
Gain on disposal of joint ventures	**647**	–
Gain on disposal of items of property, plant and equipment	**147,601**	398,085
Gain on disposal of items of intangible assets	**678,949**	668,306
Gain on disposal of assets classified as held for sale	**123,765**	–
Gain on derivative financial instruments	**953,825**	–
Gain on reversal of credit loss expense on debt investments measured at fair value through other comprehensive income	**85,576**	–
Gain on reversal of credit loss expense on finance lease receivables	**21,477**	–
Gain on disposal of right-of-use assets	**17,632**	–
Gain on reversal of credit loss expense of debt investments at amortised cost	**–**	1,085
Exchange gain, net	**–**	2,036,318
Total gains	**2,863,788**	6,747,896
Total other income and gains	**13,172,994**	16,584,069
Total revenue, other income and gains	**186,598,307**	208,726,070

7. FINANCIAL EXPENSES FROM INSURANCE CONTRACTS ISSUED

	2025 RMB'000	2024 RMB'000
Interest accreted to insurance contracts and effect of changes in financial assumptions	**(1,748,771)**	(3,246,735)
Net foreign exchange (expense)/income	**(304,233)**	392,966
Total financial expenses from insurance contracts issued	**(2,053,004)**	(2,853,769)
Represented by:		
Amounts recognised in profit and loss	**(1,869,258)**	(1,171,990)
Amounts recognised in other comprehensive income	**(183,746)**	(1,681,779)

8. FINANCIAL INCOME FROM REINSURANCE CONTRACTS HELD

	2025 RMB'000	2024 RMB'000
Interest accreted to reinsurance contracts and effect of changes in financial assumptions	**174,577**	257,599
Net foreign exchanges expenses	**(9,382)**	(3,430)
Total financial income from reinsurance contracts issued	**165,195**	254,169
Represented by:		
Amounts recognised in profit and loss	**142,953**	180,041
Amounts recognised in other comprehensive income	**22,242**	74,128

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings (including convertible bonds)	**11,896,638**	12,581,216
Incremental interest on other long term payables (note 49)	**18,270**	31,411
Interest on lease liabilities (note 34)	**1,042,213**	956,124
	12,957,121	13,568,751
Less: Interest capitalised, in respect of bank and other borrowings (note 19 and note 32)	**(591,800)**	(850,763)
Interest expenses, net	**12,365,321**	12,717,988
Interest on discounted notes	**8,557**	8,257
Bank charges and other financial costs	**616,020**	439,255
Total finance costs	**12,989,898**	13,165,500

10. (LOSS)/PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of sales:			
Cost of inventories sold		**53,794,548**	75,858,465
Cost of services provided		**31,814,367**	30,831,824
		85,608,915	106,690,289
Insurance service expense		**36,769,046**	30,721,290
Staff costs (including directors' and chief executive's remuneration and five highest paid employees as set out in note 11):			
Wages and salaries		**26,802,708**	26,154,759
Accommodation benefits:			
Defined contribution fund		**1,280,059**	1,075,492
Retirement costs:			
Defined contribution fund		**1,293,251**	1,432,478
Defined benefit fund		**169,723**	60,616
Equity-settled share-based payments (note 58)		**425,251**	239,958
Total staff costs		**29,970,992**	28,963,303
Research and development costs		**4,312,730**	4,161,955
Auditor's remuneration		**12,800**	11,800
Depreciation of items of property, plant and equipment	32	**4,528,277**	4,266,835
Depreciation of right-of-use assets	34	**3,279,248**	3,394,150
Amortisation of mining rights	36	**40,044**	15,666
Amortisation of oil and gas assets	37	**1,033,961**	694,333
Amortisation of intangible assets	38	**2,658,697**	2,338,407
Impairment of financial assets, net:			
– Impairment of receivables		**1,611,421**	473,600
– (Reversal of)/provision for impairment of debt investments measured at fair value through other comprehensive income		**(85,576)**	95,974
– Provision for loans and advances to customers	16	**18,887**	38,648
– Provision for/(reversal of) impairment of debt investments at amortised cost		**1,047,651**	(1,085)
– (Reversal of)/provision for impairment of finance lease receivables	26	**(21,477)**	104,969
Provision for inventories		**232,284**	300,587
Provision for impairment of completed properties for sale		**1,492,197**	531,388

10. (LOSS)/PROFIT BEFORE TAX *(Continued)*

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

	Notes	**2025 RMB'000**	2024 RMB'000
Provision for impairment of properties under development		**3,568,561**	623,027
Provision for impairment of items of property, plant and equipment	32	**885,844**	39,785
Provision for impairment of investments in associates		**475,314**	1,152,207
Provision for impairment of investments in associates classified as held for sale		**2,309,096**	–
Provision for impairment of intangible assets	38	**654,412**	286,860
Provision for impairment of right of use assets	34	**113,558**	46,004
Provision for impairment of goodwill	41	**3,082,337**	1,048,110
Lease payment not included in the measurement of lease liabilities		**397,438**	512,539
Loss on fair value adjustment of financial assets at fair value through profit or loss		**1,218,476**	3,867,101
Loss on disposal of debt investments at fair value through other comprehensive income		**199,110**	177,063
(Gain)/loss on derivative financial instruments		**(953,825)**	959,411
Loss on fair value adjustment of investment properties		**6,244,060**	100,137
(Gain)/loss on disposal of assets classified as held for sale		**(123,765)**	118,354
Loss on disposal of joint ventures		**–**	7,471
Loss on deemed disposal of joint ventures		**451,308**	–
Loss/(gain) on disposal of subsidiaries		**67,025**	(3,221,579)
Exchange loss/(gain), net		**878,784**	(2,036,318)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. (2024: Nil).

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Directors' Fees	**–**	–
Other emoluments:		
Salaries, allowances and benefits in kind	**34,347**	34,397
Performance related bonus*	**139,166**	53,759
Pension scheme contributions	**486**	483
Total	**173,999**	88,639

* The executive directors of the Company are entitled to performance related bonus which is determined based on internal appraisal of various performance indicators.

During 2025 and 2024, certain directors were granted share awards and share options in respect of their services to the Group under the share award scheme and share option scheme, respectively, of the Company. The Group has recognised an amount of RMB55,984,000 as expenses during the year ended 31 December 2025 (2024: RMB58,840,000), further details of which are set out in note 58 to the financial statements. The fair value of the share award and share option, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

There were no emoluments paid by the Group or receivable by the directors or past directors as an inducement to join the Group, or upon joining the Group, or as compensation for loss of office during the year.

(i) Independent non-executive directors

There were no fees paid to independent non-executive directors during the year (2024: Nil). The other emoluments excluding the equity-settled share award and share option scheme expenses of independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Zhang Shengman	**687**	684
Zhang Huaqiao	**687**	684
David T. Zhang	**687**	684
Lee Kai-Fu	**687**	684
Tsang King Suen Katherine	**687**	684
Total	**3,435**	3,420

The expenses recognised for the share awards and share options granted for the year ended 2025 are as followings: Mr. Zhang Shengman: RMB102,000 (2024: RMB85,000), Mr. Zhang Huaqiao: RMB102,000 (2024: RMB85,000), Mr. David T. Zhang: RMB102,000 (2024: RMB85,000), Mr. Lee Kai-Fu: RMB102,000 (2024: RMB85,000) and Ms. Tsang King Suen Katherine: RMB102,000 (2024: RMB85,000).

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(ii) Executive directors', non-executive directors' and chief executive's remuneration

(a) Remuneration excluding expenses for equity-settled share award and share option scheme

	Fees RMB'000	Salaries, allowances, and benefits in kind RMB'000	Performance related bonus RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
31 December 2025					
Executive directors:					
Guo Guangchang	–	5,668	28,344	88	34,100
Wang Qunbin	–	5,578	27,250	88	32,916
Chen Qiyu	–	5,282	30,014	88	35,384
Xu Xiaoliang	–	5,197	32,509	63	37,769
Gong Ping	–	3,103	9,388	88	12,579
Huang Zhen	–	3,044	3,218	–	6,262
Pan Donghui	–	3,040	8,443	71	11,554
Subtotal	–	30,912	139,166	486	170,564
Non-executive directors:					
Yu Qingfei (resigned as non-executive director on 11 April 2025)	–	–	–	–	–
Li Shupei (resigned as non-executive director on 27 November 2025)	–	–	–	–	–
Li Fuhua	–	–	–	–	–
Luo Yuanli (appointed as non-executive director on 16 June 2025)	–	–	–	–	–
Subtotal	–	–	–	–	–
Total	–	30,912	139,166	486	170,564
31 December 2024					
Executive directors:					
Guo Guangchang	–	5,669	4,915	87	10,671
Wang Qunbin	–	5,579	4,823	87	10,489
Chen Qiyu	–	5,282	14,197	87	19,566
Xu Xiaoliang	–	5,199	9,772	63	15,034
Gong Ping	–	3,106	6,900	87	10,093
Huang Zhen	–	3,096	5,987	–	9,083
Pan Donghui	–	3,046	7,165	72	10,283
Subtotal	–	30,977	53,759	483	85,219
Non-executive directors:					
Yu Qingfei (resigned as non-executive director on 11 April 2025)	–	–	–	–	–
Li Shupei (resigned as non-executive director on 27 November 2025)	–	–	–	–	–
Li Fuhua	–	–	–	–	–
Subtotal	–	–	–	–	–
Total	–	30,977	53,759	483	85,219

11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(ii) Executive directors', non-executive directors' and chief executive's remuneration *(Continued)*

(b) Remuneration of expenses for equity-settled share award and share option scheme

The expenses recognised for the share awards and share options granted for the year ended 31 December 2025 are as followings: Mr. Guo Guangchang: nil (2024: nil), Mr. Wang Qunbin: nil (2024: nil), Mr. Chen Qiyu: RMB13,831,000 (2024: RMB15,985,000), Mr. Xu Xiaoliang: RMB19,070,000 (2024: RMB16,570,000), Mr. Gong Ping: RMB7,468,000 (2024: RMB8,668,000), Mr. Huang Zhen: RMB6,896,000 (2024: RMB6,461,000), Mr. Pan Donghui: RMB8,203,000 (2024: RMB10,694,000), Mr. Yu Qingfei: RMB5,000 (2024: RMB35,000), Mr. Li Shupei: nil (2024: nil), Mr. Li Fuhua: nil (2024: nil), Luo Yuanli: nil.

There was no arrangement under which a director waived or agreed to waive any remuneration and/or emoluments during the year.

(iii) Five highest paid employees

The five highest paid employees during the year included five directors (2024: five directors), details of whose remuneration are set out in note 11(ii) above. There were no highest paid employees who are neither a director nor chief executive of the Company for the year of 2025 (2024: Nil).

During 2025, no non-director highest paid employees (2024: Nil) were granted share award and share option in respect of their services to the Group, further details of which are included in the disclosures in note 58 to the financial statements. The fair value of the share award and share option, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

12. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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 for insurance companies of 8.25% (2024: 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% (2024: 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 30.5% (2024: 31.5%).

12. TAX *(Continued)*

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France is based on a rate of 25.83% (2024: 25.83%).

The provision for income tax of Hauck Aufhäuser Lampe Privatbank AG ("HAL") and its subsidiaries which was incorporated in Germany which were disposed by the end of June 2025 based on a rate of 31.83% (2024: 31.88%).

The provision for income tax of Gland Pharma Limited ("Gland Pharma"), which is incorporated in India, is based on a statutory rate of 25.17% in 2025 (2024: 25.17%).

The provision for income tax of entities incorporated in the Chinese Mainland was based on a statutory rate of 25% (2024: 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 2025 and 2024 are as follows:

	2025 **RMB'000**	2024 RMB'000
Current – Portugal, Hong Kong and others (excluding Pillar Two income taxes)	**1,329,602**	2,030,965
Current – Chinese Mainland		
– Income tax in the Chinese Mainland for the year	**948,972**	1,409,641
– LAT in the Chinese Mainland for the year	**563,750**	(214,986)
Pillar Two income taxes – current tax*	**54,491**	90,578
Deferred (note 42)	**(1,769,326)**	(761,418)
Tax expenses for the year	**1,127,489**	2,554,780

* The current tax expense mainly relates to Peru.

12. TAX *(Continued)*

A reconciliation between the tax expenses and loss before tax excluding share of profits and losses of associates and joint ventures at the applicable statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate is as follows:

	Portugal, Hong Kong and others RMB'000	Chinese Mainland RMB'000	Total RMB'000
2025			
Loss before tax excluding share of profits and losses of associates and joint ventures	(5,148,266)	(20,236,873)	(25,385,139)
Tax at the applicable tax rate	(711,378)	(5,059,218)	(5,770,596)
Different tax rates for specific entities	217,086	82,934	300,020
Tax effect of:			
Income not subject to tax	(1,213,134)	(42,021)	(1,255,155)
Influence of the change of tax rate on the deferred income tax balance	1,092	(24)	1,068
Expenses not deductible for tax	2,182,906	723,741	2,906,647
Tax losses and temporary differences not recognised	1,289,192	4,843,280	6,132,472
Tax losses utilised	(440,212)	(293,711)	(733,923)
Over provision in prior years	(289,877)	85,072	(204,805)
Tax incentives on eligible expenditures	(5,341)	(642,067)	(647,408)
Subtotal	1,030,334	(302,014)	728,320
Provision for LAT for the year	–	208,767	208,767
Deferred tax effect of provision for LAT	–	(52,192)	(52,192)
Prepaid LAT for the year	–	354,983	354,983
Tax effect of prepaid LAT	–	(88,746)	(88,746)
Decrease in deferred LAT in deferred tax liabilities (note 42)	–	(23,643)	(23,643)
Total	1,030,334	97,155	1,127,489

12. TAX *(Continued)*

A reconciliation between the tax expenses and loss before tax excluding share of profits and losses of associates and joint ventures at the applicable statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate is as follows: *(Continued)*

	Portugal, Hong Kong and others RMB'000	Chinese Mainland RMB'000	Total RMB'000
2024			
Loss before tax excluding share of profits and losses of associates and joint ventures	(1,747,535)	(2,879,463)	(4,626,998)
Tax at the applicable tax rate	666,167	(719,866)	(53,699)
Different tax rates for specific entities	335,446	(341,113)	(5,667)
Tax effect of:			
Income not subject to tax	(712,519)	(148,755)	(861,274)
Influence of the change of tax rate on the deferred income tax balance	(9,435)	(4,765)	(14,200)
Expenses not deductible for tax	1,747,967	436,405	2,184,372
Tax losses and temporary differences not recognised	298,181	2,177,671	2,475,852
Tax losses utilised	(374,578)	(212,355)	(586,933)
Over provision in prior years	(77,524)	(3,754)	(81,278)
Tax incentives on eligible expenditures	(552)	(306,642)	(307,194)
Subtotal	1,873,153	876,826	2,749,979
Provision for LAT for the year	–	(348,777)	(348,777)
Deferred tax effect of provision for LAT	–	87,784	87,784
Prepaid LAT for the year	–	133,791	133,791
Tax effect of prepaid LAT	–	(33,468)	(33,468)
Decrease in deferred LAT in deferred tax liabilities (note 42)	–	(34,529)	(34,529)
Total	1,873,153	681,627	2,554,780

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 RMB354,983,000 (2024: RMB133,791,000).

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 RMB219,067,000 (2024: RMB279,377,000) 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 RMB10,300,000 LAT provision (2024: RMB628,154,000) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

13. DIVIDENDS

	2025 RMB'000	2024 RMB'000
2024 final dividend declared in 2025 – HKD0.02 per ordinary share (2023 final dividend declared in 2024 – HKD0.038 per ordinary share)	**149,397**	283,250

A final dividend of HKD0.02 per ordinary share for the year ended 31 December 2024 was declared and approved by the shareholders at the annual general meeting of the Company on 5 June 2025, amounting to a total of approximately HKD163,024,000 (equivalent to RMB149,397,000).

The directors did not propose any dividend for the year ended 31 December 2025.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the 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 8,124,486,263 (2024: 8,135,469,557) in issue during the year.

The calculation of the diluted loss per share amount is based on the amount used in the calculation of the basic loss per share as the impact of cash dividend attributable to the share award scheme is anti-dilutive. 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 loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss attributable to ordinary equity holders of the parent	**(23,395,762)**	(4,348,857)
Less: Cash dividends distributed to the share award scheme	**(664)**	(1,081)
Adjusted loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(23,396,426)**	(4,349,938)

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

The calculations of basic and diluted loss per share are based on: *(Continued)*

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**8,124,486,263**	8,135,469,557
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	**–**	–
– Share option scheme	**–**	–
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**8,124,486,263**	8,135,469,557
Basic loss per share (RMB)	**(2.88)**	(0.53)
Diluted loss per share (RMB)	**(2.88)**	(0.53)

The potential ordinary shares of the share option scheme are excluded from the calculation of diluted loss 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 during the years ended 31 December 2025 and 2024.

Because the absolute value of diluted loss per share amount is decreased when taking into account of the share award scheme, which had an anti-dilutive effect on the basic losses per share for the years ended 31 December 2025 and 2024, and were ignored in the calculation of diluted loss per share.

15. CASH AND BANK BALANCES AND TERM DEPOSITS

	Notes	2025 RMB'000	2024 RMB'000
Cash on hand		**55,892**	49,636
Cash at banks, unrestricted		**42,135,118**	85,657,591
Cash and cash equivalents		**42,191,010**	85,707,227
Pledged bank balances	(1)	**14,684,757**	15,236,274
Time deposits with original maturity of more than three months		**3,270,127**	4,030,161
Restricted pre-sale proceeds	(2)	**571,745**	897,811
Required reserve deposits	(3)	**374,768**	467,858
Total		**61,092,407**	106,339,331

Notes:

		2025 RMB'000	2024 RMB'000
(1)	Pledged bank balances to secure interest-bearing bank and other borrowings (note 50)	**10,345,144**	10,898,801
	Bank balances as various deposits	**4,339,613**	4,337,473

(2) In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amounts of pre-sale proceeds of properties as guarantee deposits for the construction of related properties. The deposits can only be used for purchases of construction materials and payments of construction fees for the relevant property projects when approval from the PRC State-Owned Land and Resource Bureau is obtained.

(3) Required reserve deposits amounting to RMB374,768,000 (2024: RMB467,858,000) are placed by Shanghai Fosun High Technology Group Finance Co., Ltd. ("Finance Company"), an indirect subsidiary of the Company, with the People's Bank of China ("PBOC"). The reserve deposits with the PBOC are not available for use in the Group's daily operations.

(4) The Group has certain deposits in Tebon Securities Co., Ltd., an associate of the ultimate controlling shareholder. The balance as at 31 December 2025 was RMB22,020,000 (2024: RMB69,622,000).

(5) The Group has certain deposits in Banco Comercial Português, S.A., an associate of the Group. The balance as at 31 December 2025 was RMB272,929,000 (2024: RMB177,607,000).

In the preparation of the consolidated statement of cash flows, pledged bank balances, time deposits with original maturity of more than three months, restricted pre-sale proceeds from properties and required reserve deposits have been excluded from cash and cash equivalents.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short- term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

16. LOANS AND ADVANCES TO CUSTOMERS

	2025 RMB'000	2024 RMB'000
Corporate loans and advances		
– Loans and advances	**152,871**	10,561,468
Personal loans		
– Mortgages	**–**	762,870
– Other	**5,566**	2,529,187
Subtotal	**5,566**	3,292,057
Total	**158,437**	13,853,525
Allowance for impairment		
– Corporate loans and advances	**(104)**	(249,677)
– Personal loans	**–**	(3,838)
Subtotal	**(104)**	(253,515)
Loans and advances to customers, net	**158,333**	13,600,010

	2025 RMB'000	2024 RMB'000
Gross loans and advances to customers	**158,437**	13,853,525
Allowance for impairment		
– Individually assessed	**(104)**	(210,327)
– Collectively assessed	**–**	(43,188)
Subtotal	**(104)**	(253,515)
Loans and advances to customers, net	**158,333**	13,600,010

16. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

The movements in the allowance for impairment of loans and advances to customers are as follows:

	Note	2025 RMB'000	2024 RMB'000
As at 1 January		**253,515**	343,640
Allowance for impairment losses	10	**18,887**	38,648
Amount written off as uncollectible		**(9,594)**	(115,262)
Disposal of subsidiaries		**(286,822)**	–
Exchange differences		**24,118**	(13,511)
At 31 December		**104**	253,515

17. TRADE AND NOTES RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**13,138,686**	12,447,980
Notes receivable	**236,743**	382,580
Total	**13,375,429**	12,830,560

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

	2025 RMB'000	2024 RMB'000
Outstanding balances with ages:		
Within 90 days	**10,620,451**	9,743,382
91 to 180 days	**1,173,886**	1,181,966
181 to 365 days	**980,500**	1,117,818
1 to 2 years	**574,890**	513,707
2 to 3 years	**205,979**	268,022
Over 3 years	**357,444**	289,518
Subtotal	**13,913,150**	13,114,413
Less:		
Loss allowance for trade receivables	**774,464**	666,433
Total	**13,138,686**	12,447,980

17. TRADE AND NOTES RECEIVABLES *(Continued)*

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 **RMB'000**	2024 RMB'000
At the beginning of the year	**666,433**	656,668
Amount written off as uncollectible	**(166,014)**	(140,435)
Disposal of subsidiaries	**(18,399)**	(63,826)
Impairment losses, net	**270,223**	214,008
Exchange realignment	**22,221**	18
At the end of the year	**774,464**	666,433

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, the balances are grouped based on credit risk characteristics and the ageing analysis. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Less than 6 months	**6 to 12 months**	**1 to 2 years**	**Over 2 years**	**Total**
31 December 2025					
Expected credit loss rate	**1.58%**	**6.11%**	**32.89%**	**60.16%**	
Gross carrying amount (RMB'000)	**11,794,337**	**980,500**	**574,890**	**563,423**	**13,913,150**
Expected credit losses (RMB'000)	**186,569**	**59,898**	**189,056**	**338,941**	**774,464**
31 December 2024					
Expected credit loss rate	1.65%	5.45%	16.01%	61.59%	
Gross carrying amount (RMB'000)	10,925,348	1,117,818	513,707	557,540	13,114,413
Expected credit losses (RMB'000)	179,842	60,962	82,263	343,366	666,433

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

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

As at 31 December 2025, the Group's trade and notes receivables with a carrying amount of RMB322,687,000 (31 December 2024: RMB446,485,000) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**2,888,399**	2,855,025
Work in progress	**2,185,395**	2,287,178
Finished goods	**10,964,541**	12,054,065
Spare parts and consumables	**256,652**	240,281
Subtotal	**16,294,987**	17,436,549
Less: provision for inventories	**(417,933)**	(268,104)
Total	**15,877,054**	17,168,445
The inventories pledged to secure interest-bearing bank and other borrowings are as follows:		
Net book value pledged (note 50)	**841,146**	801,819

19. COMPLETED PROPERTIES FOR SALE AND PROPERTIES UNDER DEVELOPMENT

	2025 RMB'000	2024 RMB'000
Completed properties for sale		
Gross carrying amount	**13,347,891**	12,245,166
Provision for impairment	**(1,970,400)**	(879,137)
Total	**11,377,491**	11,366,029
Properties under development		
Land cost	**23,624,892**	31,780,555
Construction costs	**7,767,136**	4,428,080
Capitalised finance costs	**5,222,479**	5,789,786
Subtotal	**36,614,507**	41,998,421
Provision for impairment	**(3,359,925)**	(353,583)
Total	**33,254,582**	41,644,838

19. COMPLETED PROPERTIES FOR SALE AND PROPERTIES UNDER DEVELOPMENT *(Continued)*

The properties pledged to secure interest-bearing bank and other borrowings and other liabilities are as follows:

	2025 **RMB'000**	2024 RMB'000
Completed properties for sale		
Net book value pledged (note 50)	**3,123,866**	5,390,922
Properties under development		
Net book value pledged (note 50)	**22,354,525**	25,358,815
Additions to properties under development include:		
Interest expense capitalised in respect of bank and other borrowings (note 9)	**565,823**	818,981

The Group's properties under development are mainly situated in PRC.

20. CONTRACT ASSETS AND OTHER ASSETS

	2025 **RMB'000**	2024 RMB'000
Contract assets		
Sales of industrial products	**–**	–
Provision of research and development services	**116,367**	127,553
Other assets		
Right-of-return assets	**12,467**	13,590
Others	**–**	–
Subtotal	**12,467**	13,590
Total	**128,834**	141,143

The expected timing of recovery or settlement for contract assets and other assets as at 31 December 2025 is as follows:

	2025 **RMB'000**	2024 RMB'000
Within one year	**128,834**	141,143
More than one year	**–**	–
Total	**128,834**	141,143

21. BALANCES WITH SHAREHOLDERS AND RELATED COMPANIES

	Notes	2025 RMB'000	2024 RMB'000
Due from related companies:			
Associates	(i)/(ii)	**2,942,803**	3,042,261
Joint ventures	(iii)	**11,486,760**	16,212,779
Subtotal		**14,429,563**	19,255,040
Impairment allowance		**(949,384)**	–
Total		**13,480,179**	19,255,040

Notes:

(i) As at 31 December 2025, the amount due from associates included RMB1,227,515,000(31 December 2024: RMB1,447,762,000), which was non-trade in nature, unsecured, interest-free and repayable on demand. The amount due from associates also included RMB6,104,000(31 December 2024: RMB433,460,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year.

(ii) As at 31 December 2025, the amount due from associates included RMB1,709,184,000(31 December 2024: RMB1,161,039,000), which was trade in nature, interest-free and repayable on demand.

(iii) As at 31 December 2025, the amount due from joint ventures included RMB6,669,237,000(31 December 2024: RMB8,488,389,000), which was non-trade in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2025, the amount due from joint ventures included RMB4,812,319,000 (31 December 2024: RMB7,721,693,000), which was non-trade in nature, unsecured, bore interest at a fixed interest rate of 3.50% – 3.85% per annum and repayable on demand. The amount due from joint ventures included RMB5,204,000 (31 December 2024: RMB2,697,000), which was trade in nature, interest-free and repayable on demand.

As at 31 December 2025, the amount due from joint ventures included RMB4,812,319,000(31 December 2024: RMB4,652,691,000) was pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

	Notes	2025 RMB'000	2024 RMB'000
Due to the holding company	(iv)	**259,427**	353,462
Due to related companies:			
Associates	(v)/(vi)	**2,490,779**	1,919,351
Joint ventures	(vii)	**615,124**	566,237
Total		**3,105,903**	2,485,588

(iv) As at 31 December 2025, the balance due to the holding company included an amount of RMB257,294,000(31 December 2024: RMB351,274,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year.

(v) As at 31 December 2025, the amount due to associates included an amount of RMB538,239,000(31 December 2024: RMB325,512,000), which was non-trade in nature, unsecured, interest-free and repayable on demand. The balance due to associates as at 31 December 2025 included the amount of RMB1,745,385,000 (31 December 2024: RMB1,442,890,000), which was non-trade in nature, unsecured, interest-free and will not be repaid within one year.

21. BALANCES WITH SHAREHOLDERS AND RELATED COMPANIES *(Continued)*

Notes: *(Continued)*

(vi) As at 31 December 2025, the balance due to associates included an amount of RMB207,155,000(31 December 2024: RMB150,949,000), which was trade in nature, interest-free and repayable on demand.

(vii) As at 31 December 2025, the balance due to joint ventures included an amount of RMB615,124,000(31 December 2024: RMB566,237,000), which was non-trade in nature, unsecured, interest-free and repayable on demand.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 **RMB'000**	2024 RMB'000
Prepayments consist of:		
Prepayments for purchase of pharmaceutical materials	**474,540**	726,181
Prepayments for purchase of construction materials	**8,589**	8,275
Prepayments for purchase of tourism services	**727,136**	682,574
Prepayments for purchase of equipment and others	**1,282,900**	939,184
Prepaid tax	**3,752,475**	3,347,669
Prepaid expenses	**2,461,236**	1,994,597
Prepayments for the proposed equity investments	**316,264**	1,466,280
Prepayments for the acquisition of the land	**–**	103,288
Deposits	**1,223,413**	3,303,838
Other receivables consist of:		
Funding provided to third parties	**4,488,344**	4,753,866
Tax recoverable	**1,153,683**	1,093,832
Receivable for consideration of disposal of equity investments	**2,226,872**	4,470,598
Accounts receivable for direct insurance operations	**4,582,660**	4,535,305
Accounts receivable for other reinsurance operations	**1,029,449**	956,424
Others	**9,170,145**	11,271,395
	32,897,706	39,653,306
Impairment allowance	**(1,787,046)**	(1,663,919)
Total	**31,110,660**	37,989,387

At 31 December 2025, none of the Group's prepayment, other receivables and other assets (31 December 2024: RMB2,472,810,000) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

23. ASSETS/LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	2025 **RMB'000**	2024 RMB'000
Carrying amount of the assets classified as held for sale	**3,590,828**	1,055,930
Liabilities directly associated with the assets classified as held for sale	**278,622**	78,657
Assets		
Cash and bank balances	**19,988**	–
Trade and notes receivables	**56,975**	–
Inventories	**8,533**	–
Prepayments, deposits and other receivables	**277,883**	46,610
Property, plant and equipment	**171,457**	170,774
Investment properties	**160,805**	727,663
Right of use assets	**132,117**	–
Intangible assets (note38)	**9,225**	–
Investments in associates (Note)	**2,664,754**	74,968
Deferred tax assets	**89,091**	35,915
Total	**3,590,828**	1,055,930
Liabilities		
Trade and notes payables	**40,330**	–
Accrued liabilities and other payables	**230,210**	78,657
Deferred income	**3,120**	–
Deferred tax liabilities	**4,962**	–
Liabilities directly associated with the assets classified as held for sale	**278,622**	78,657

Note: The investments in associates classified as assets held for sale mainly include the investment in Chongqing Rural Commercial Bank amounting to RMB1,892,585,000. During the year of 2025, the Group decided to dispose all of its equity interests in Chongqing Rural Commercial Bank and has taken active actions to identify potential buyers. The investment in Chongqing Rural Commercial Bank is available for immediate sale in its present condition through the secondary market and the disposal is considered to qualify for recognition as a completed sale within 2026. Therefore, the Group's investment in Chongqing Rural Commercial Bank was reclassified from investments in associates to assets classified as held for sale and was measured at the lower of carrying amount of RMB3,996,761,000 and the fair value less costs to sell of RMB1,892,585,000 calculated based on the closing share price as at 31 December 2025. Consequently, an impairment loss for the investment in Chongqing Rural Commercial Bank of RMB2,104,176,000 was recognized in the Group's consolidated financial statements for the year ended 31 December 2025 in accordance with HKFRS 5.

As at 31 December 2025, the Group's investments in associates classified as assets held for sale with a carrying amount of RMB1,228,952,000 (31 December 2024: nil) were pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

24. DERIVATIVE FINANCIAL INSTRUMENTS

31 December 2025

	Fair value	
	Assets RMB'000	Liabilities RMB'000
Derivatives held for trading		
Currency derivatives		
Currency forwards, futures and swaps, and cross-currency interest rate swaps	24,409	171,744
Interest rate derivatives		
Interest rate swaps	–	57,655
Interest rate futures	6,474	1,171
Equity derivatives	–	1,527,162
Other derivatives	640,415	4,307
Subtotal	671,298	1,762,039
Qualifying for hedge accounting		
Currency derivatives		
Currency forwards, futures and swaps	119,538	143,490
Interest rate derivatives		
Interest rate swaps	6,325	(48)
Subtotal	125,863	143,442
Total	797,161	1,905,481

24. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

31 December 2024

	Fair value Assets RMB'000	Fair value Liabilities RMB'000
Derivatives held for trading		
Currency derivatives		
Currency forwards, futures and swaps, and cross-currency interest rate swaps	1,221,106	1,656,409
Interest rate derivatives		
Interest rate swaps	464,626	241,817
Interest rate futures	10,828	–
Interest rate options	16,025	15,558
Equity derivatives	2,144	1,144,658
Other derivatives	405,118	58,776
Subtotal	2,119,847	3,117,218
Qualifying for hedge accounting		
Currency derivatives		
Currency forwards, futures and swaps	122,218	170,432
Interest rate derivatives		
Interest rate swaps	40,678	40,573
Other derivatives	306,124	–
Subtotal	469,020	211,005
Total	2,588,867	3,328,223

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Listed investments, at fair value	**16,580,574**	16,846,922
Other unlisted investments, at fair value	**27,406,112**	28,639,495
Total	**43,986,686**	45,486,417
Analysed as:		
Equity investments	**35,915,998**	35,064,510
Debt investments	**8,070,688**	10,421,907
Total	**43,986,686**	45,486,417

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

As at 31 December 2025, the Group's financial assets at fair value through profit or loss with a carrying amount of RMB1,984,745,000 (31 December 2024: RMB39,494,000) were pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

As at 31 December 2025, none of the Group's financial assets at fair value through profit or loss (31 December 2024: RMB41,856,000) were pledged to secure assets sold under agreements to repurchase, as set out in note 44 to the financial statements.

26. FINANCE LEASE RECEIVABLES

Total future minimum lease receivables under finance leases and their present values are as follows:

	2025 **RMB'000**	2024 RMB'000
Gross lease receivables:		
Within one year	–	61,449
In the second year	–	220,026
In the third to fifth years, inclusive	–	74,671
Total minimum finance lease receivables	–	356,146
Unearned finance income	–	(69,088)
Future value-added tax	–	(9,781)
Provision for lease receivables	–	(34,175)
Total	–	243,102

As at 31 December 2025, none of the Group's finance lease receivables (2024: RMB216,626,000) were pledged to secure interest-bearing bank and other borrowings, as set out in note 50 to the financial statements.

The movements in the allowance for impairment of finance lease receivables are as follows:

	2025 **RMB'000**	2024 RMB'000
At 1 January	**34,175**	60,524
Additions (note 10)	–	104,969
Reversal (note 10)	**(21,477)**	–
Written off	**(12,698)**	(131,318)
At 31 December	–	34,175

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

2025	Non-Measured by the premium allocation approach				Measured by the premium allocation approach					
	Liability for remaining coverage				Liability for remaining coverage		Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurring claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2025	15,453,446	600,869	18,812,789	34,867,104	4,325,714	–	21,633,740	889,996	26,849,450	61,716,554
Insurance contract assets as at 1 January 2025	2,280,739	(67,652)	(1,328,366)	884,721	1,191	–	–	–	1,191	885,912
Net insurance contract liabilities/(assets) as at 1 January 2025	13,172,707	668,521	20,141,155	33,982,383	4,324,523	–	21,633,740	889,996	26,848,259	60,830,642
Insurance revenue	(12,717,262)	–	–	(12,717,262)	(30,863,288)	–	–	–	(30,863,288)	(43,580,550)
Contracts under the fair value transition approach	(1,580,207)	–	–	(1,580,207)	–	–	–	–	–	(1,580,207)
Contracts other than those to which fair value approach or modified retrospective approach are applied	(11,137,055)	–	–	(11,137,055)	(30,863,288)	–	–	–	(30,863,288)	(42,000,343)
Insurance services expense	(1,016,845)	(136,120)	11,586,715	10,433,750	5,693,567	4,007	20,550,759	86,963	26,335,296	36,769,046
Incurred claims and other expenses	–	(288,622)	8,763,125	8,474,503	–	–	20,655,043	454,812	21,109,855	29,584,358
Amortisation of insurance acquisition cash flows	693,879	–	–	693,879	5,693,567	–	–	–	5,693,567	6,387,446
Losses on onerous contracts and reversals of those losses	–	152,502	–	152,502	–	4,007	–	–	4,007	156,509
Changes to liabilities for incurred claims	–	–	1,112,866	1,112,866	–	–	(104,284)	(367,849)	(472,133)	640,733
Investment components	(1,710,724)	–	1,710,724	–	–	–	–	–	–	–
Insurance service result	(13,734,107)	(136,120)	11,586,715	(2,283,512)	(25,169,721)	4,007	20,550,759	86,963	(4,527,992)	(6,811,504)
Insurance finance income or expenses	931,866	36,171	1,265,500	2,233,537	–	–	(179,304)	(1,229)	(180,533)	2,053,004
Effect of movements in exchange rates	1,667,894	15,299	(429,548)	1,253,645	299,076	138	1,917,814	79,224	2,296,252	3,549,897
Total changes in the statement of comprehensive income	(11,134,347)	(84,650)	12,422,667	1,203,670	(24,870,645)	4,145	22,289,269	164,958	(2,412,273)	(1,208,603)
Cash flows:										
Premiums received	13,859,208	–	–	13,859,208	31,364,145	–	–	–	31,364,145	45,223,353
Insurance acquisition cash flow	(3,124,978)	–	–	(3,124,978)	(5,777,663)	–	–	–	(5,777,663)	(8,902,641)
Claims and other insurance service expenses paid, including investment components	–	–	(9,639,660)	(9,639,660)	–	–	(18,670,545)	–	(18,670,545)	(28,310,205)
Total cash flow	10,734,230	–	(9,639,660)	1,094,570	25,586,482	–	(18,670,545)	–	6,915,937	8,010,507
Net insurance contract liabilities/(assets) as at 31 December 2025	12,772,590	583,871	22,924,162	36,280,623	5,040,360	4,145	25,252,464	1,054,954	31,351,923	67,632,546
Insurance contract liabilities as at 31 December 2025	15,221,759	560,720	21,220,384	37,002,863	5,013,779	4,145	25,279,926	1,054,954	31,352,804	68,355,667
Insurance contract assets 31 December 2025	2,449,169	(23,151)	(1,703,778)	722,240	(26,581)	–	27,462	–	881	723,121

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2024	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Liability for remaining coverage				Liability for remaining coverage	Liabilities for incurred claims			
	Excluding loss component RMB'000	Loss component RMB'000	Liabilities for incurring claims RMB'000	Sub-total RMB'000	Excluding loss component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2024	16,742,342	626,187	19,580,211	36,948,740	3,971,667	21,057,407	833,481	25,862,555	62,811,295
Insurance contract assets as at 1 January 2024	2,751,597	(122,889)	(1,731,307)	897,401	926,212	(19,816)	–	906,396	1,803,797
Net insurance contract liabilities/(assets) as at 1 January 2024	13,990,745	749,076	21,311,518	36,051,339	3,045,455	21,077,223	833,481	24,956,159	61,007,498
Insurance revenue	(9,941,503)	–	–	(9,941,503)	(28,107,646)	–	–	(28,107,646)	(38,049,149)
Contracts under the fair value transition approach	(1,394,771)	–	–	(1,394,771)	–	–	–	–	(1,394,771)
Contracts other than those to which fair value approach or modified retrospective approach are applied	(8,546,732)	–	–	(8,546,732)	(28,107,646)	–	–	(28,107,646)	(36,654,378)
Insurance services expense	(3,348,858)	(169,685)	11,291,634	7,773,091	5,003,510	17,897,151	47,538	22,948,199	30,721,290
Incurred claims and other expenses	–	(319,019)	7,204,260	6,885,241	–	19,056,345	409,535	19,465,880	26,351,121
Amortisation of insurance acquisition cash flows	672,268	–	–	672,268	5,003,510	–	–	5,003,510	5,675,778
Losses on onerous contracts and reversals of those losses	–	149,334	–	149,334	–	–	–	–	149,334
Changes to liabilities for incurred claims	–	–	66,248	66,248	–	(1,159,194)	(361,997)	(1,521,191)	(1,454,943)
Investment components	(4,021,126)	–	4,021,126	–	–	–	–	–	–
Insurance service result	(13,290,361)	(169,685)	11,291,634	(2,168,412)	(23,104,136)	17,897,151	47,538	(5,159,447)	(7,327,859)
Insurance finance income or expenses	1,585,397	58,679	269,544	1,913,620	–	904,773	35,376	940,149	2,853,769
Effect of movements in exchange rates	(533,551)	30,451	272,285	(230,815)	(115,914)	(713,427)	(26,399)	(855,740)	(1,086,555)
Total changes in the statement of comprehensive income	(12,238,515)	(80,555)	11,833,463	(485,607)	(23,220,050)	18,088,497	56,515	(5,075,038)	(5,560,645)
Cash flows:									
Premiums received	15,131,730	–	–	15,131,730	29,621,325	–	–	29,621,325	44,753,055
Insurance acquisition cash flow	(3,711,253)	–	–	(3,711,253)	(5,122,207)	–	–	(5,122,207)	(8,833,460)
Claims and other insurance service expenses paid, including investment components	–	–	(13,003,826)	(13,003,826)	–	(17,531,980)	–	(17,531,980)	(30,535,806)
Total cash flow	11,420,477	–	(13,003,826)	(1,583,349)	24,499,118	(17,531,980)	–	6,967,138	5,383,789
Net insurance contract liabilities/(assets) as at 31 December 2024	13,172,707	668,521	20,141,155	33,982,383	4,324,523	21,633,740	889,996	26,848,259	60,830,642
Insurance contract liabilities as at 31 December 2024	15,453,446	600,869	18,812,789	34,867,104	4,325,714	21,633,740	889,996	26,849,450	61,716,554
Insurance contract assets 31 December 2024	2,280,739	(67,652)	(1,328,366)	884,721	1,191	–	–	1,191	885,912

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(2) The analysis of contractual service margin for insurance contracts not measured under the premium allocation approach is as follows:

2025			CSM		
	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Contracts under fair value transition approach RMB'000	Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2025	29,027,462	2,094,516	2,673,638	1,071,488	34,867,104
Insurance contract assets as at 1 January 2025	1,504,715	(211,792)	–	(408,202)	884,721
Net insurance contract liabilities/(assets) as at 1 January 2025	27,522,747	2,306,308	2,673,638	1,479,690	33,982,383
Changes that relate to current services	(670,813)	(114,031)	(380,370)	(2,383,666)	(3,548,880)
Contractual service margin recognised for services provided	–	–	(380,370)	(2,383,666)	(2,764,036)
Changes in risk adjustment for non-financial risk	–	(114,031)	–	–	(114,031)
Experience adjustments	(670,813)	–	–	–	(670,813)
Changes that relate to future services	(3,427,466)	451,147	444,267	2,684,554	152,502
Contracts initially recognised in the period	(2,078,174)	476,084	–	1,648,575	46,485
Changes in estimates that adjust the contractual service margin	(1,482,480)	2,234	444,267	1,035,979	–
Changes in estimates that do not adjust the contractual service margin	133,188	(27,171)	–	–	106,017
Changes that relate to past services	1,516,532	(403,666)	–	–	1,112,866
Adjustments to liabilities for incurred claims	1,516,532	(403,666)	–	–	1,112,866
Insurance service result	(2,581,747)	(66,550)	63,897	300,888	(2,283,512)
Insurance finance income or expenses	1,906,184	136,606	50,025	140,722	2,233,537
Effect of movements in exchange rates	990,539	9,299	233,451	20,356	1,253,645
Total changes in the statement of comprehensive income	314,976	79,355	347,373	461,966	1,203,670
Cash flows:					
Premiums received	13,859,208	–	–	–	13,859,208
Insurance acquisition cash flow	(3,124,978)	–	–	–	(3,124,978)
Claims and other insurance service expenses paid, including investment components	(9,639,660)	–	–	–	(9,639,660)
Total cash flow	1,094,570	–	–	–	1,094,570
Net insurance contract liabilities/(assets) as at 31 December 2025	28,932,293	2,385,663	3,021,011	1,941,656	36,280,623
Insurance contract liabilities as at 31 December 2025	30,539,155	2,088,404	3,021,011	1,354,293	37,002,863
Insurance contract assets at 31 December 2025	1,606,862	(297,259)	–	(587,363)	722,240

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(2) The analysis of contractual service margin for insurance contracts not measured under the premium allocation approach is as follows: *(Continued)*

2024			CSM		
	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Contracts under fair value transition approach RMB'000	Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Insurance contract liabilities as at 1 January 2024	30,749,427	1,987,841	3,365,572	845,900	36,948,740
Insurance contract assets as at 1 January 2024	1,415,291	(155,182)	–	(362,708)	897,401
Net insurance contract liabilities/(assets) as at 1 January 2024	29,334,136	2,143,023	3,365,572	1,208,608	36,051,339
Changes that relate to current services	(435,718)	(10,705)	(876,505)	(1,061,066)	(2,383,994)
Contractual service margin recognised for services provided	–	–	(876,505)	(1,061,066)	(1,937,571)
Changes in risk adjustment for non-financial risk	–	(10,705)	–	–	(10,705)
Experience adjustments	(435,718)	–	–	–	(435,718)
Changes that relate to future services	(1,834,561)	491,830	228,450	1,263,615	149,334
Contracts initially recognised in the period	(1,668,650)	382,996	–	1,332,122	46,468
Changes in estimates that adjust the contractual service margin	(236,622)	76,679	228,450	(68,507)	–
Changes in estimates that do not adjust the contractual service margin	70,711	32,155	–	–	102,866
Changes that relate to past services	431,037	(364,789)	–	–	66,248
Adjustments to liabilities for incurred claims	431,037	(364,789)	–	–	66,248
Insurance service result	(1,839,242)	116,336	(648,055)	202,549	(2,168,412)
Insurance finance income or expenses	1,788,617	31,162	37,295	56,546	1,913,620
Effect of movements in exchange rates	(177,415)	15,787	(81,174)	11,987	(230,815)
Total changes in the statement of comprehensive income	(228,040)	163,285	(691,934)	271,082	(485,607)
Cash flows:					
Premiums received	15,131,730	–	–	–	15,131,730
Insurance acquisition cash flow	(3,711,253)	–	–	–	(3,711,253)
Claims and other insurance service expenses paid, including investment components	(13,003,826)	–	–	–	(13,003,826)
Total cash flow	(1,583,349)	–	–	–	(1,583,349)
Net insurance contract liabilities/(assets) as at 31 December 2024	27,522,747	2,306,308	2,673,638	1,479,690	33,982,383
Insurance contract liabilities as at 31 December 2024	29,027,462	2,094,516	2,673,638	1,071,488	34,867,104
Insurance contract assets at 31 December 2024	1,504,715	(211,792)	–	(408,202)	884,721

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(3) The analysis of reinsurance contract assets for remaining coverage and liabilities for incurred claims is as follows:

2025	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Assets for remaining coverage				Asset for remaining coverage	Assets for incurred claims			
	Excluding loss-recovery component RMB'000	Loss-recovery component RMB'000	Assets for incurred claims RMB'000	Sub-total RMB'000	Excluding loss-recovery component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Reinsurance contract liabilities as at 1 January 2025	1,312,346	(7,146)	(1,077,370)	227,830	–	–	–	–	227,830
Reinsurance contract assets as at 1 January 2025	1,439,765	218,487	219,103	1,877,355	1,727,582	3,910,798	247,371	5,885,751	7,763,106
Net reinsurance contract assets/(liabilities) as at 1 January 2025	127,419	225,633	1,296,473	1,649,525	1,727,582	3,910,798	247,371	5,885,751	7,535,276
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(1,881,501)	(32,472)	1,389,760	(524,213)	(5,140,046)	2,450,528	6,870	(2,682,648)	(3,206,861)
Effect of changes in non-performance risk of reinsurers	390	–	(125)	265	–	(2,939)	(30)	(2,969)	(2,704)
Reinsurance investment components	(298,178)	–	298,178	–	–	–	–	–	–
Reinsurance service result	(2,179,289)	(32,472)	1,687,813	(523,948)	(5,140,046)	2,447,589	6,840	(2,685,617)	(3,209,565)
Reinsurance finance income or expenses	(22,654)	(678)	100,542	77,210	–	83,602	4,383	87,985	165,195
Effect of movements in exchange rates	3,181	(4,473)	(32,427)	(33,719)	125,874	311,284	20,727	457,885	424,166
Total changes in the statement of comprehensive income	(2,198,762)	(37,623)	1,755,928	(480,457)	(5,014,172)	2,842,475	31,950	(2,139,747)	(2,620,204)
Cash flows:									
Premiums paid	1,829,138	–	–	1,829,138	5,056,958	–	–	5,056,958	6,886,096
Amounts received	–	–	(1,562,415)	(1,562,415)	–	(2,426,749)	–	(2,426,749)	(3,989,164)
Total cash flow	1,829,138	–	(1,562,415)	266,723	5,056,958	(2,426,749)	–	2,630,209	2,896,932
Net reinsurance contract assets/(liabilities) as at 31 December 2025	(242,205)	188,010	1,489,986	1,435,791	1,770,368	4,326,524	279,321	6,376,213	7,812,004
Reinsurance contract liabilities as at 31 December 2025	(1,143,160)	(228)	1,358,263	214,875	–	–	–	–	214,875
Reinsurance contract assets 31 December 2025	(1,385,365)	187,782	2,848,249	1,650,666	1,770,368	4,326,524	279,321	6,376,213	8,026,879

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(3) The analysis of reinsurance contract assets for remaining coverage and liabilities for incurred claims is as follows: *(Continued)*

2024	Non-Measured by the premium allocation approach				Measured by the premium allocation approach				
	Assets for remaining coverage				Asset for remaining coverage	Assets for incurred claims			
	Excluding loss-recovery component RMB'000	Loss-recovery component RMB'000	Assets for incurred claims RMB'000	Sub-total RMB'000	Excluding loss-recovery component RMB'000	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Sub-total RMB'000	Total RMB'000
Reinsurance contract liabilities as at 1 January 2024	532,845	(15,924)	(222,511)	294,410	–	2,808,806	–	2,808,806	3,103,216
Reinsurance contract assets as at 1 January 2024	(1,926,646)	240,276	4,399,272	2,712,902	2,144,073	4,043,431	217,171	6,404,675	9,117,577
Net reinsurance contract assets/(liabilities) as at 1 January 2024	(2,459,491)	256,200	4,621,783	2,418,492	2,144,073	1,234,625	217,171	3,595,869	6,014,361
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(1,657,200)	(31,636)	1,204,759	(484,077)	(5,277,322)	2,587,591	26,727	(2,663,004)	(3,147,081)
Effect of changes in non-performance risk of reinsurers	1,321	–	(2,727)	(1,406)	–	16,267	882	17,149	15,743
Reinsurance investment components	3,522	–	(3,522)	–	–	–	–	–	–
Reinsurance service result	(1,652,357)	(31,636)	1,198,510	(485,483)	(5,277,322)	2,603,858	27,609	(2,645,855)	(3,131,338)
Reinsurance finance income or expenses	43,595	(2,419)	44,055	85,231	–	160,420	8,518	168,938	254,169
Effect of movements in exchange rates	(7,828)	3,488	32,574	28,234	(96,531)	91,086	(5,927)	(11,372)	16,862
Total changes in the statement of comprehensive income	(1,616,590)	(30,567)	1,275,139	(372,018)	(5,373,853)	2,855,364	30,200	(2,488,289)	(2,860,307)
Cash flows:									
Premiums paid	4,203,500	–	–	4,203,500	4,957,362	–	–	4,957,362	9,160,862
Amounts received	–	–	(4,600,449)	(4,600,449)	–	(179,191)	–	(179,191)	(4,779,640)
Total cash flow	4,203,500	–	(4,600,449)	(396,949)	4,957,362	(179,191)	–	4,778,171	4,381,222
Net reinsurance contract assets/(liabilities) as at 31 December 2024	127,419	225,633	1,296,473	1,649,525	1,727,582	3,910,798	247,371	5,885,751	7,535,276
Reinsurance contract liabilities as at 31 December 2024	1,312,346	(7,146)	(1,077,370)	227,830	–	–	–	–	227,830
Reinsurance contract assets 31 December 2024	1,439,765	218,487	219,103	1,877,355	1,727,582	3,910,798	247,371	5,885,751	7,763,106

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(4) The analysis of contractual service margin for reinsurance contracts not measured under the premium allocation approach is as follows:

2025		CSM		
	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Reinsurance contract liabilities as at 1 January 2025	267,611	(12,600)	(27,181)	227,830
Reinsurance contract assets as at 1 January 2025	1,786,684	120,567	(29,896)	1,877,355
Net reinsurance contract assets/(liabilities) as at 1 January 2025	**1,519,073**	**133,167**	**(2,715)**	**1,649,525**
Changes that relate to current services	**124,829**	**(3,150)**	**(326,211)**	**(204,532)**
Contractual service margin recognised for services provided	–	–	(326,211)	(326,211)
Changes in risk adjustment for non-financial risk	–	(3,150)	–	(3,150)
Experience adjustments	124,829	–	–	124,829
Changes that relate to future services	**(464,691)**	**103,534**	**328,685**	**(32,472)**
Contracts initially recognised in the period	(476,797)	94,255	350,070	(32,472)
Changes in estimates that adjust the contractual service margin	12,106	9,279	(21,385)	–
Changes that relate to past services	**(263,201)**	**(24,008)**	**–**	**(287,209)**
Effect of changes in non-performance risk of reinsurers	265	–	–	265
Reinsurance service result	**(602,798)**	**76,376**	**2,474**	**(523,948)**
Reinsurance finance income or expenses	59,372	7,917	9,921	77,210
Effect of movements in exchange rates	(29,264)	(4,315)	(140)	(33,719)
Total changes in the statement of profit or loss and OCI	**(572,690)**	**79,978**	**12,255**	**(480,457)**
Cash flows:				
Premiums paid	1,829,138	–	–	1,829,138
Amounts received	(1,562,415)	–	–	(1,562,415)
Total cash flow	**266,723**	**–**	**–**	**266,723**
Net reinsurance contract assets/(liabilities) as at 31 December 2025	**1,213,106**	**213,145**	**9,540**	**1,435,791**
Reinsurance contract liabilities as at 31 December 2025	230,040	(10,139)	(5,026)	214,875
Reinsurance contract assets 31 December 2025	1,443,146	203,006	4,514	1,650,666

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(4) The analysis of contractual service margin for reinsurance contracts not measured under the premium allocation approach is as follows: *(Continued)*

2024			CSM	
	Estimates of the present value of future cash flows RMB'000	Risk adjustment for non-financial risk RMB'000	Contracts other than those to which fair value approach or modified retrospective approach are applied RMB'000	Total RMB'000
Reinsurance contract liabilities as at 1 January 2024	300,974	(15,542)	8,978	294,410
Reinsurance contract assets as at 1 January 2024	2,608,177	107,725	(3,000)	2,712,902
Net reinsurance contract assets/(liabilities) as at 1 January 2024	2,307,203	123,267	(11,978)	2,418,492
Changes that relate to current services	(54,226)	(12,391)	(344,278)	(410,895)
Contractual service margin recognised for services provided	–	–	(344,278)	(344,278)
Changes in risk adjustment for non-financial risk	–	(12,391)	–	(12,391)
Experience adjustments	(54,226)	–	–	(54,226)
Changes that relate to future services	(407,174)	23,506	352,032	(31,636)
Contracts initially recognised in the period	(396,932)	16,522	348,774	(31,636)
Changes in estimates that adjust the contractual service margin	(10,242)	6,984	3,258	–
Changes that relate to past services	(34,554)	(6,992)	–	(41,546)
Effect of changes in non-performance risk of reinsurers	(1,406)	–	–	(1,406)
Reinsurance service result	(497,360)	4,123	7,754	(485,483)
Reinsurance finance income or expenses	79,776	3,859	1,596	85,231
Effect of movements in exchange rates	26,403	1,918	(87)	28,234
Total changes in the statement of profit or loss and OCI	(391,181)	9,900	9,263	(372,018)
Cash flows:				
Premiums paid	4,203,500	–	–	4,203,500
Amounts received	(4,600,449)	–	–	(4,600,449)
Total cash flow	(396,949)	–	–	(396,949)
Net reinsurance contract assets/(liabilities) as at 31 December 2024	1,519,073	133,167	(2,715)	1,649,525
Reinsurance contract liabilities as at 31 December 2024	267,611	(12,600)	(27,181)	227,830
Reinsurance contract assets 31 December 2024	1,786,684	120,567	(29,896)	1,877,355

27. INSURANCE/REINSURANCE CONTRACT ASSETS AND LIABILITIES *(Continued)*

(5) The effect of the measurement components of insurance contracts arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognised in the period is as follows:

2025	**Insurance contracts issued**		
	Non-onerous contracts RMB'000	**Onerous contracts RMB'000**	**Total RMB'000**
Insurance acquisition cash flows	**(705,038)**	**(25,476)**	**(730,514)**
Claims and other directly attributable expenses	**(9,974,819)**	**(1,011,654)**	**(10,986,473)**
Estimates of present value of cash outflows	**(10,679,857)**	**(1,037,130)**	**(11,716,987)**
Estimates of present value of cash inflows	**12,781,246**	**1,013,915**	**13,795,161**
Risk adjustment for non-financial risk	**(452,814)**	**(23,270)**	**(476,084)**
CSM	**(1,648,575)**	**–**	**(1,648,575)**
Losses recognised on initial recognition	**–**	**(46,485)**	**(46,485)**

2024	Insurance contracts issued		
	Non-onerous contracts RMB'000	Onerous contracts RMB'000	Total RMB'000
Insurance acquisition cash flows	(645,525)	(10,046)	(655,571)
Claims and other directly attributable expenses	(8,392,232)	(320,996)	(8,713,228)
Estimates of present value of cash outflows	(9,037,757)	(331,042)	(9,368,799)
Estimates of present value of cash inflows	10,737,160	300,289	11,037,449
Risk adjustment for non-financial risk	(367,281)	(15,715)	(382,996)
CSM	(1,332,122)	–	(1,332,122)
Losses recognised on initial recognition	–	(46,468)	(46,468)

(6) The disclosure of when the CSM of insurance/reinsurance contracts is expected to be in profit or loss in future years is as follows:

Insurance contracts issued	**2025 RMB'000**	2024 RMB'000
Within 3 years	**1,564,869**	1,321,054
More than 3 years	**3,397,798**	2,832,274
Total	**4,962,667**	4,153,328

Reinsurance contracts held	**2025 RMB'000**	2024 RMB'000
Within 3 years	**24,536**	11,817
More than 3 years	**(14,996)**	(14,532)
Total	**9,540**	(2,715)

28. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Bonds		
Government bonds	46,310,518	35,787,562
Corporate bonds	53,810,693	44,959,608
Financial bonds	1,829,378	1,076,127
Notes receivable	861,508	920,158
Total	102,812,097	82,743,455
Listed debt investments, at fair value	96,105,074	77,666,798
Unlisted debt investments, at fair value	6,707,023	5,076,657
Total	102,812,097	82,743,455

Analysis of the movements of allowance for ECLs:

	2025 RMB'000	2024 RMB'000
As at the beginning of the year	842,577	800,166
Charge for the year	61,194	165,586
Reversal	(72,947)	–
Amounts written off	(73,823)	(69,612)
Foreign exchange adjustments	69,938	(53,563)
At the end of the year	826,939	842,577

29. DEBT INVESTMENTS AT AMORTISED COST

	Note	2025 RMB'000	2024 RMB'000
Debt investments			
Bonds			
Government bonds		1,456,536	12,594,568
Financial bonds		–	10,333,428
Corporate bonds		33,971	337,246
Loans receivable	(i)	2,692,388	4,994,823
Subtotal		4,182,895	28,260,065
Impairment allowance		(1,101,827)	(236,430)
Total		3,081,068	28,023,635

At 31 December 2025, none of the Group's debt investments at amortised cost (31 December 2024: RMB487,148,000) were pledged for refinancing operations and none of those (31 December 2024: RMB8,565,873,000) were restricted as a result of the security lending business.

Note:

(i) The details of the loans receivable from related parties are set out as follows :

- As at 31 December 2025, the amount of loans receivable from joint ventures included RMB1,129,048,000, which is unsecured, bears interest at a fixed interest rate of 3.50% per annum and is repayable on demand.
- As at 31 December 2025, the amount of loans receivable from joint ventures included RMB177,306,000, which is unsecured, interest-free and is repayable on demand.
- As at 31 December 2025, the amount of loans receivable from associates included RMB322,443,000, which is unsecured, bears interest at a fixed interest rate of 5%–12% per annum and is repayable on demand.

30. POLICYHOLDER ACCOUNT ASSETS IN RESPECT OF UNIT-LINKED CONTRACTS

	2025 **RMB'000**	2024 RMB'000
Financial assets designated as at fair value through profit or loss:		
Debt instruments	**21,327,906**	19,147,512
Equity instruments	**1,206,585**	993,378
Investment funds	**13,124,704**	9,066,041
Other derivatives	**1,317,775**	966,679
Sight deposits	**1,577,238**	511,000
Term deposits	**9,035**	8,601
Others	**2,173,335**	1,676,926
Total	**40,736,578**	32,370,137

The above assets are held for policyholders of unit-linked products.

31. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 **RMB'000**	2024 RMB'000
Listed equity investments, at fair value	**1,042,755**	750,135
Unlisted equity investments, at fair value	**222,416**	252,467
Total	**1,265,171**	1,002,602

In 2025, the Group disposed certain equity investments designated at fair value through other comprehensive income at the fair value of RMB88,796,000 (2024: RMB2,280,537,000), resulting from an adjustment in its investment strategy.

The dividend income related to equity investments designated at fair value through other comprehensive income recognised for the year was RMB60,152,000 (2024: RMB142,871,000) as disclosed in note 6.

32. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Mining infrastructure RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:								
At 1 January 2024	36,904,533	14,992,234	3,917,666	469,448	1,959,000	1,281,068	7,807,336	67,331,285
Additions	1,788,817	682,056	445,351	29,594	530,448	–	4,441,992	7,918,258
Transfer from construction in progress	2,444,777	2,445,250	349,849	15,795	581,491	–	(5,837,162)	–
Transfer from investment properties (note 33)	50,817	–	–	–	–	–	–	50,817
Transfer to investment properties (note 33)	–	–	–	–	–	–	(612,835)	(612,835)
Acquisition of subsidiaries	–	348,728	7,006	573	54,698	–	1,680	412,685
Disposal of subsidiaries (note 56(c))	(2,162,742)	(359,261)	(482,517)	(50,867)	(22,847)	–	(31,887)	(3,110,121)
Disposals	(1,449,103)	(883,158)	(605,940)	(55,712)	(366,897)	–	(114,641)	(3,475,451)
Included in assets classified as held for sale (note 23)	(178,006)	–	–	–	–	–	(56,932)	(234,938)
Exchange realignment	(824,642)	(215,730)	(110,693)	(25,339)	(129,340)	–	(93,258)	(1,399,002)
At 31 December 2024 and 1 January 2025	**36,574,451**	**17,010,119**	**3,520,722**	**383,492**	**2,606,553**	**1,281,068**	**5,504,293**	**66,880,698**
Additions	**1,390,322**	**1,005,377**	**366,780**	**75,305**	**398,172**	**23,093**	**3,102,664**	**6,361,713**
Transfer from construction in progress	**1,461,464**	**2,438,443**	**159,222**	**3,218**	**659,931**	**–**	**(4,722,278)**	**–**
Transfer from investment properties (note 33)	**170,406**	**–**	**–**	**–**	**–**	**–**	**–**	**170,406**
Transfer from properties under development	**69,965**	**–**	**–**	**–**	**–**	**–**	**–**	**69,965**
Transfer to investment properties (note 33)	**(15,917)**	**–**	**–**	**–**	**–**	**–**	**(739)**	**(16,656)**
Transfer to mining rights (note 36)	**–**	**–**	**–**	**–**	**–**	**–**	**(2,113)**	**(2,113)**
Acquisition of subsidiaries (note 56(a))	**52,918**	**30,412**	**2,265**	**–**	**129**	**–**	**–**	**85,724**
Disposal of subsidiaries (note 56(c))	**(238,488)**	**(32,154)**	**(299,790)**	**(1,636)**	**(71,441)**	**–**	**–**	**(643,509)**
Disposals	**(394,482)**	**(776,215)**	**(360,235)**	**(28,074)**	**(421,573)**	**–**	**(86,245)**	**(2,066,824)**
Included in assets classified as held for sale	**(133,598)**	**(179,905)**	**(22,890)**	**(2,081)**	**(1,509)**	**–**	**(202)**	**(340,185)**
Exchange realignment	**846,855**	**128,507**	**186,509**	**39,473**	**137,089**	**553**	**(133,160)**	**1,205,826**
At 31 December 2025	**39,783,896**	**19,624,584**	**3,552,583**	**469,697**	**3,307,351**	**1,304,714**	**3,662,220**	**71,705,045**

32. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Mining infrastructure RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation:								
At 1 January 2024	4,635,670	4,917,991	1,086,943	313,334	559,437	151,610	–	11,664,985
Charge for the year (note 10)	1,358,965	1,517,792	668,062	63,007	618,849	40,160	–	4,266,835
Disposal of subsidiaries (note 56(c))	(651,163)	(180,859)	(336,121)	(41,312)	–	–	–	(1,209,455)
Disposals	(938,491)	(677,879)	(535,356)	(50,684)	(438,784)	–	–	(2,641,194)
Exchange realignment	(261,221)	(149,781)	(71,676)	(18,460)	(70,459)	–	–	(571,597)
At 31 December 2024 and 1 January 2025	**4,143,760**	**5,427,264**	**811,852**	**265,885**	**669,043**	**191,770**	**–**	**11,509,574**
Charge for the year (note 10)	**1,400,628**	**1,975,136**	**460,351**	**65,287**	**592,615**	**34,260**	**–**	**4,528,277**
Transfer to investment properties (note 33)	**(10,325)**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,325)**
Disposal of subsidiaries (note 56(c))	**(88,729)**	**(19,398)**	**(173,594)**	**(1,152)**	**–**	**–**	**–**	**(282,873)**
Disposals	**(186,078)**	**(554,295)**	**(274,478)**	**(26,027)**	**(349,597)**	**–**	**–**	**(1,390,475)**
Included in assets classified as held for sale	**(49,022)**	**(170,113)**	**(21,628)**	**(1,645)**	**(1,328)**	**–**	**–**	**(243,736)**
Exchange realignment	**280,116**	**89,246**	**104,795**	**29,267**	**85,148**	**33**	**–**	**588,605**
At 31 December 2025	**5,490,350**	**6,747,840**	**907,298**	**331,615**	**995,881**	**226,063**	**–**	**14,699,047**
Impairment loss:								
At 1 January 2024	140,405	185,591	14,498	6,156	755	888	91,306	439,599
Charge for the year (note 10)	(32,140)	35,980	4,171	170	9,128	–	22,476	39,785
Disposals	(34,416)	(22,590)	(2,405)	(232)	(974)	–	–	(60,617)
Included in assets classified as held for sale (note 23)	(64,164)	–	–	–	–	–	–	(64,164)
Exchange realignment	(3,346)	(1,094)	(269)	(40)	(935)	–	648	(5,036)
At 31 December 2024 and 1 January 2025	**6,339**	**197,887**	**15,995**	**6,054**	**7,974**	**888**	**114,430**	**349,567**
Charge for the year (note 10)	**(2,958)**	**679,452**	**2,077**	**–**	**227**	**–**	**207,046**	**885,844**
Transfer to investment properties (note 33)	**(2,845)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,845)**
Disposals	**(183)**	**(1,788)**	**(646)**	**(4)**	**(467)**	**–**	**(4,425)**	**(7,513)**
Exchange realignment	**6,759**	**3,316**	**(3,700)**	**–**	**2,288**	**–**	**69**	**8,732**
At 31 December 2025	**7,112**	**878,867**	**13,726**	**6,050**	**10,022**	**888**	**317,120**	**1,233,785**
Net book value:								
At 31 December 2025	**34,286,434**	**11,997,877**	**2,631,559**	**132,032**	**2,301,448**	**1,077,763**	**3,345,100**	**55,772,213**
At 31 December 2024	32,424,352	11,384,968	2,692,875	111,553	1,929,536	1,088,410	5,389,863	55,021,557

32. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(1) The net book values of property, plant and equipment pledged as security for interest-bearing bank and other borrowings granted to the Group are as follows (note 50):

	2025 RMB'000	2024 RMB'000
Buildings	12,998,580	13,261,266
Plant and machinery	778,075	300,544
Construction in progress	470,701	1,596,326
Total	14,247,356	15,158,136

(2) Capitalised interest expenses included in construction in progress of the Group are as follows (note 9):

	2025 RMB'000	2024 RMB'000
Interest expenses capitalised	25,977	31,782

(3) As at 31 December 2025, the Group was in the process of applying for property certificates of plant and office buildings with a net book value of RMB1,657,748,000 (31 December 2024: RMB1,474,118,000).

33. INVESTMENT PROPERTIES

	Notes	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January		92,297,042	93,340,801
Additions		1,807,634	1,610,283
Acquisition of subsidiaries		5,844,000	–
Transfer from properties under development		4,842,949	166,000
Transfer from property, plant and equipment	32	3,486	612,835
Transfer to property, plant and equipment	32	(170,406)	(50,817)
Transfer to assets classified as held for sale		–	(727,663)
Loss on fair value adjustments	10	(6,244,060)	(100,137)
Disposal of subsidiaries	56(c)	(642,280)	(691,142)
Disposal		(1,656,003)	(1,359,840)
Transfer to unit-linked assets		(89,954)	(65,571)
Exchange realignment		1,142,566	(437,707)
Carrying amount at 31 December		97,134,974	92,297,042

The Group's investment properties consist of commercial properties, which are located in the Chinese Mainland, the United States of America, Japan, Italy, the United Kingdom, Portugal and other countries in Europe. The directors of the Company have determined that the investment properties are commercial assets based on the nature, characteristics and risks of these properties.

33. INVESTMENT PROPERTIES *(Continued)*

The Group engages external appraisers to assist with its determination of the fair values of investment properties and the Group's policy is that property valuations are performed by the external appraisers on a regular basis. Selection criteria of the appraiser include market knowledge, reputation, independence and whether professional standards are maintained. The management of the Company has discussions with the appraiser on the valuation assumptions and valuation results when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 34 to the financial statements.

At 31 December 2025, the Group's certain investment properties with a net carrying amount of RMB69,073,152,000 (2024: RMB65,090,847,000) were pledged to secure interest-bearing bank and other borrowings and other liabilities, as set out in note 50 to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2025 using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**97,134,974**	**97,134,974**

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Recurring fair value measurement for:				
Commercial properties	–	–	92,297,042	92,297,042

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: nil).

33. INVESTMENT PROPERTIES *(Continued)*

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Location of company	Valuation techniques	Significant unobservable inputs	2025 Range	2024 Range
Chinese Mainland	Direct comparison approach, direct capitalisation approach and discounted cash flow approach	Comparable property price-per sq.m.	**RMB2,780 to RMB357,848**	RMB9,667 to RMB375,711
		Term yield	**4.5% to 7.0%**	3.1% to 7.0%
		Market rent:		
		– per sq.m. and per month	**RMB12 to RMB4,563**	RMB34 to RMB4,415
		Market yield	**5.0% to 8.5%**	3.1% to 9%
		Occupancy rate	**32% to 100%**	45% to 100%
The United States of America	Direct comparison approach, direct capitalisation approach and discounted cash flow approach	Terminal capitalisation rate	**6.00%**	5.50%
		Discount rate	**7.25%**	6.75%
		Market rent:		
		– per sq.ft. and per annual (Year 1) annum	**USD40 to USD125**	USD60 to USD151.3
		Occupancy rate	**85%**	88%
Japan	Direct capitalisation approach and discounted cash flow approach	Capitalisation rate	**3.8% to 5.5%**	3.8% to 5.6%
		Market rent:		
		– per sq.m. and per month	**JPY903 to JPY8,255**	JPY903 to JPY8,221
		Discount rate	**3.6% to 5.3%**	3.6% to 5.3%
		Occupancy rate	**100%**	100%
		Terminal Capitalisation rate	**4.0% to 5.7%**	4.0% to 5.7%
The United Kingdom	Term and reversionary approach	Term yield	**0.08% to 8.78%**	1.86% to 9.00%
		Market yield	**7.15% to 10.96%**	7.9% to 26.15%
		Market rent:		
		– per sq.ft. and per annual	**GBP5.0 to GBP54.5**	GBP3.2 to GBP60.0
		Occupancy rate	**66.3%**	83.7%
Italy	Discounted cash flow approach	Terminal capitalisation rate:	**4.00%**	3.95%
		Discount rate	**3.75% to 4.75%**	3.75% to 5.5%
		Market rent:		
		– per sq.m. and per annum	**EUR667 to EUR1,797**	EUR650 to EUR1,806
		Occupancy rate	**70%**	76%

33. INVESTMENT PROPERTIES *(Continued)*

The direct comparison approach is a method of valuation based on comparing the property of the Group to be assessed directly with other comparable properties which have been recently changed hands or leased. These premises are generally located in the surrounding areas or in another market which is comparable to the property of the Group. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price/rent likely to be achieved by the property under consideration.

The term and reversion method is a method by capitalising the rental from existing tenancies and the reversionary income potential at an appropriate market yield for the remaining term of the land use rights of the property of the Group. The capitalisation rate is derived from the relationship between the market rent and the market capital value of other similar properties in the locality.

The direct capitalisation approach is a method measures the fair value of the property by capitalising the rental from existing tenancies and the reversionary income potential at a market yield rate. The capitalisation rate is derived from the relationship between the market rent and the market capital value of other similar properties in the locality.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase/(decrease) in the estimated market rent or market selling price would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the term yield and market yield in isolation would result in a significant decrease/(increase) in the fair value of the investment properties.

34. LEASES

The Group as a lessee

The Group has lease contracts for various items of land, buildings, machinery, furniture, fixtures, and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1 and 48 years, while leases of machinery generally have lease terms between 1 and 10 years. Furniture, fixtures and other equipment generally have lease terms of 1 to 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. The lease contracts with variable lease payments are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land	Buildings	Machinery	Furniture, fixtures and other equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	4,952,221	17,325,337	610,773	964,104	23,852,435
Additions	422,638	3,626,171	132,950	215,601	4,397,360
Acquisition of subsidiaries	22,611	15,512	–	–	38,123
Depreciation charge (note 10)	(120,246)	(2,988,997)	(150,318)	(134,589)	(3,394,150)
Disposals	(303,750)	(449,782)	(6,997)	(31,505)	(792,034)
Disposals of subsidiaries (note 56(c))	(635,474)	(104,670)	(411)	(15,131)	(755,686)
Impairment (note 10)	–	(46,004)	–	–	(46,004)
Exchange realignment	(62,266)	(518,614)	(16,438)	(14,173)	(611,491)
As at 31 December 2024 and 1 January 2025	**4,275,734**	**16,858,953**	**569,559**	**984,307**	**22,688,553**
Additions	**160,989**	**3,317,649**	**248,425**	**345,463**	**4,072,526**
Acquisition of subsidiaries	**–**	**51,565**	**–**	**–**	**51,565**
Depreciation charge (note 10)	**(124,022)**	**(2,590,851)**	**(189,494)**	**(374,881)**	**(3,279,248)**
Disposals	**(32,159)**	**(467,367)**	**4,658**	**(31,909)**	**(526,777)**
Disposals of subsidiaries (note 56(c))	**(5,915)**	**(788,448)**	**(320)**	**(15,054)**	**(809,737)**
Impairment (note 10)	**(81,585)**	**(31,973)**	**–**	**–**	**(113,558)**
Transfer to assets classified as held for sale	**(104,282)**	**(42,545)**	**–**	**(4,253)**	**(151,080)**
Exchange realignment	**35,259**	**863,969**	**41,347**	**13,829**	**954,404**
As at 31 December 2025	**4,124,019**	**17,170,952**	**674,175**	**917,502**	**22,886,648**

34. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(a) Right-of-use assets *(Continued)*

The net book values of right-of-use assets pledged as security for interest-bearing bank and other borrowings granted to the Group are as follows: (note 50)

	2025 **RMB'000**	2024 RMB'000
Right-of-use assets	**1,928,392**	1,950,638
Total	**1,928,392**	1,950,638

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Notes	**2025** **RMB'000**	2024 RMB'000
At 1 January		**20,198,821**	20,547,027
Additions		**3,908,081**	3,960,302
Acquisition of subsidiaries		**64,828**	6,753
Disposals		**(569,112)**	(587,972)
Disposals of subsidiaries	56(c)	**(748,614)**	(104,264)
Accretion of interest recognised during the year	9	**1,042,213**	956,124
Payments		**(4,217,500)**	(3,929,127)
Exchange realignment		**1,166,186**	(650,022)
At 31 December	49	**20,844,903**	20,198,821

The lease liabilities are included in accrued liabilities and other payables in note 49. The maturity analysis of lease liabilities is disclosed in note 66 to the financial statements.

The Group entered the lease in respect of certain leasehold properties from the associates and joint ventures. The amounts of lease liabilities by the Group to the related parties under the leases were determined with reference to the amounts charged by the third parties. Included in the Group's lease liabilities are amounts due to the Group's associates and joint ventures of RMB94,033,000 (2024: RMB97,660,000) and nil (2024: RMB404,000), respectively.

34. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,042,213	956,124
Depreciation charge of right-of-use assets	3,279,248	3,394,150
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2025 and low value leases	337,640	454,986
Variable lease payments not included in the measurement of lease liabilities	59,798	57,553
Impairment of right-of-use assets	113,558	46,004
Gain on disposal of right-of-use assets	(17,632)	(99,688)
Total	4,814,825	4,809,129

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 57 and 59, respectively, to the financial statements.

The Group as a lessor

The Group leases its investment properties consisting of several commercial properties around the world under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB2,946,270,000 (2024: RMB3,012,862,000), details of which are included in note 6 to the financial statements.

At 31 December 2025, the undiscounted minimum lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	2,365,225	2,478,030
After one year but within two years	2,045,544	1,958,695
After two years but within three years	1,671,170	1,536,532
After three years but within four years	1,406,930	1,364,583
After four years but within five years	1,186,938	1,256,813
After five years	5,821,292	6,382,924
Total	14,497,099	14,977,577

35. EXPLORATION AND EVALUATION ASSETS

	2025 RMB'000	2024 RMB'000
At 1 January	674,485	542,140
Additions	387,204	306,306
Acquisition of subsidiaries	226,003	–
Exploration assets expensed and written off	(89,393)	(180,473)
Exchange realignment	(19,895)	6,512
At 31 December	1,178,404	674,485

36. MINING RIGHTS

	2025 RMB'000	2024 RMB'000
Cost:		
At 1 January	2,251,999	2,239,356
Transfer from construction in progress	2,113	–
Exchange realignment	(10,608)	12,643
At 31 December	2,243,504	2,251,999
Accumulated amortisation:		
At 1 January	655,538	639,872
Amortisation for the year (note 10)	40,044	15,666
Exchange realignment	(173)	–
At 31 December	695,409	655,538
Impairment loss:		
At 1 January and 31 December	288,085	288,085
Net book value:		
At 31 December	1,260,010	1,308,376
At 1 January	1,308,376	1,311,399

37. OIL AND GAS ASSETS

	2025 RMB'000	2024 RMB'000
Cost:		
At 1 January	4,802,192	4,305,072
Additions	639,154	432,154
Acquisition of subsidiaries	1,224,185	–
Decommissioning provision	109,581	–
Exchange realignment	(141,574)	64,966
At 31 December	6,633,538	4,802,192
Accumulated amortisation:		
At 1 January	2,292,475	1,576,532
Amortisation for the year (note 10)	1,033,961	694,333
Exchange realignment	(64,442)	21,610
At 31 December	3,261,994	2,292,475
Impairment loss:		
At 1 January	770,250	753,780
Exchange realignment	(18,965)	16,470
At 31 December	751,285	770,250
Net book value:		
At 31 December	2,620,259	1,739,467
At 1 January	1,739,467	1,974,760

38. INTANGIBLE ASSETS

	Medicine licences RMB'000	Trademarks RMB'000	Business network and customer relationship RMB'000	Patents, technical know-how and operating concession rights RMB'000	Deferred development costs RMB'000	Others RMB'000	Total RMB'000
Cost:							
At 1 January 2024	4,155,308	16,259,805	2,369,856	9,867,475	4,070,564	9,088,621	45,811,629
Additions	83,408	1,407	–	273,818	1,911,439	1,235,602	3,505,674
Acquisition of subsidiaries	308,703	–	–	31,243	208,741	10,070	558,757
Disposals of subsidiaries (note 56(c))	–	(26,740)	(160,297)	(378,821)	–	(410,671)	(976,529)
Disposals	–	(167)	–	(17,145)	–	(713,913)	(731,225)
Transfer	396,349	–	–	715,247	(1,113,331)	1,735	–
Exchange realignment	3,902	(379,163)	55,005	138,137	–	(263,360)	(445,479)
At 31 December 2024 and 1 January 2025	**4,947,670**	**15,855,142**	**2,264,564**	**10,629,954**	**5,077,413**	**8,948,084**	**47,722,827**
Additions	**23,625**	**1,174**	**–**	**107,566**	**1,979,163**	**2,057,989**	**4,169,517**
Acquisition of subsidiaries (note 56(a))	**–**	**–**	**–**	**–**	**–**	**700**	**700**
Disposals of subsidiaries (note 56(c))	**–**	**(94,686)**	**(59,655)**	**(64,739)**	**–**	**(411,899)**	**(630,979)**
Disposals	**(7,495)**	**(95,682)**	**–**	**(492,691)**	**(1,385)**	**(1,878,707)**	**(2,475,960)**
Transfer	**–**	**–**	**–**	**795,139**	**(880,162)**	**85,023**	**–**
Transfer to assets classified as held for sale (note23)	**–**	**(5,589)**	**–**	**–**	**–**	**(13,038)**	**(18,627)**
Exchange realignment	**(8,420)**	**742,248**	**(42,348)**	**(103,408)**	**5,899**	**743,689**	**1,337,660**
At 31 December 2025	**4,955,380**	**16,402,607**	**2,162,561**	**10,871,821**	**6,180,928**	**9,531,841**	**50,105,138**
Accumulated depreciation:							
At 1 January 2024	555,022	205,301	1,165,819	2,808,288	1,711	3,505,378	8,241,519
Provided during the year (note 10)	206,688	68,778	159,080	690,846	–	1,213,015	2,338,407
Disposals of subsidiaries (note 56(c))	–	(11,531)	(129,588)	(163,911)	–	(203,044)	(508,074)
Disposals	–	–	–	(8,804)	–	(599,842)	(608,646)
Exchange realignment	(1,261)	(3,567)	(4,457)	178,544	–	(116,926)	52,333
At 31 December 2024 and 1 January 2025	**760,449**	**258,981**	**1,190,854**	**3,504,963**	**1,711**	**3,798,581**	**9,515,539**
Provided during the year (note 10)	**322,799**	**69,001**	**268,695**	**748,725**	**–**	**1,249,477**	**2,658,697**
Disposals of subsidiaries (note 56(c))	**–**	**–**	**(55,247)**	**(290)**	**–**	**(227,540)**	**(283,077)**
Disposals	**(3,393)**	**(67)**	**–**	**(487,939)**	**–**	**(1,385,366)**	**(1,876,765)**
Transfer to assets classified as held for sale (note 23)	**–**	**(4,842)**	**–**	**–**	**–**	**(4,560)**	**(9,402)**
Exchange realignment	**(1,772)**	**11,887**	**(30,364)**	**(68,963)**	**(471)**	**432,977**	**343,294**
At 31 December 2025	**1,078,083**	**334,960**	**1,373,938**	**3,696,496**	**1,240**	**3,863,569**	**10,348,286**

38. INTANGIBLE ASSETS *(Continued)*

	Medicine licences RMB'000	Trademarks RMB'000	Business network and customer relationship RMB'000	Patents, technical know-how and operating concession rights RMB'000	Deferred development costs RMB'000	Others RMB'000	Total RMB'000
Impairment loss:							
At 1 January 2024	64,000	94,491	–	194,030	179,820	247,406	779,747
Charge for the year (note 10)	–	183,544	–	–	35,112	68,204	286,860
Disposal	–	–	–	–	–	(55,684)	(55,684)
Disposals of subsidiaries (note 56(c))	–	–	–	(83,758)	–	(4,741)	(88,499)
Exchange alignment	–	(10,352)	–	(3,712)	–	299	(13,765)
At 31 December 2024 and 1 January 2025	**64,000**	**267,683**	**–**	**106,560**	**214,932**	**255,484**	**908,659**
Charge for the year (note 10)	**–**	**349,107**	**–**	**–**	**28,135**	**277,170**	**654,412**
Disposal	**–**	**(94,957)**	**–**	**(6,482)**	**–**	**(112,474)**	**(213,913)**
Disposals of subsidiaries (note 56(c))	**–**	**–**	**–**	**–**	**–**	**(3,739)**	**(3,739)**
Exchange alignment	**–**	**33,465**	**–**	**1,900**	**452**	**(12,625)**	**23,192**
At 31 December 2025	**64,000**	**555,298**	**–**	**101,978**	**243,519**	**403,816**	**1,368,611**
Net book value:							
At 31 December 2025	**3,813,297**	**15,512,349**	**788,623**	**7,073,347**	**5,936,169**	**5,264,456**	**38,388,241**
At 31 December 2024	4,123,221	15,328,478	1,073,710	7,018,431	4,860,770	4,894,019	37,298,629

At 31 December 2025, certain of the Group's intangible assets with a net carrying amount of RMB293,535,000 (2024: RMB302,993,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (note 50).

38. INTANGIBLE ASSETS *(Continued)*

Impairment testing of intangible assets with indefinite useful lives

Certain intangible assets of the Group have indefinite useful lives as the extension costs are low and the intangible assets can be used indefinitely. The Group performs impairment tests for those intangible assets with indefinite useful lives based on individual intangible assets or the respective cash-generating unit depending on whether the recoverable amount of each individual intangible asset can be reliably estimated.

Trademarks

The recoverable amounts of the trademarks have been determined based on the fair values less costs to sell using the relief from royalty method or based on the value-in-use calculations using cash flow projections derived from the financial budgets covering periods ranging from five to ten years approved by management. The royalty rates applied in the relief from the royalty method range from 1.5% to 5.0%. The discount rates used in the relief from royalty calculations or applied to the cash flows projections in the value-in-use calculations are in the range of 8.60% to 16.75%. Cash flows beyond the period of the financial budget are extrapolated using the estimated long-term growth rates of 1.84% to 2.00% which are also estimates of the rates of inflation.

Medicine licences

The recoverable amounts of medicine licences have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a nine-year approved by management. The discount rates applied to the cash flow projections are in the range of 15.62% to 17.34%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.00%, which is also an estimate of the rate of inflation.

Operating concession rights

The recoverable amounts of operating concession rights have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a nine-year period approved by senior management. The discount rate applied to the cash flow projection is 14.97%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.00%, which is also an estimate of the rate of inflation.

Assumptions were used in the value-in-use or fair value less cost of disposal calculation for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of indefinite-life intangible assets:

Budgeted gross margins – Management determined budgeted gross margins based on past performance and its expectations for the development of the market.

Discount rates – The discount rates used are the rates of return on investment required by the Group.

Royalty rates – The royalty rates are determined based on comparable or similar transactions.

Growth rates – The growth rates beyond the forecast period are the rates of inflation.

The values assigned to key assumptions are consistent with historical experience of the Group and external information sources.

39. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	13,939,230	14,188,974
Total	13,939,230	14,188,974

The Group's amounts due from joint ventures and amounts due to joint ventures are disclosed in note 21 to the financial statements.

Particulars of the Group's principal joint ventures of the Group are set out in note 4 to the financial statements.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' profit for the year	(785,525)	486,294
Share of the joint ventures' other comprehensive income	142,847	(473,631)
Share of the joint ventures' total comprehensive income	(642,678)	12,663
Aggregate carrying amount of the Group's investments in the joint ventures	13,939,230	14,188,974

40. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Measured using the equity method		
Share of net assets	56,188,583	57,847,061
Goodwill on acquisition	5,544,700	5,961,592
Subtotal	61,733,283	63,808,653
Provision for impairment	(2,854,010)	(2,398,722)
Total	58,879,273	61,409,931
Measured at fair value through profit or loss	7,476,130	8,311,722
Total	66,355,403	69,721,653
Net book value pledged (note 50)	18,801,090	18,872,272

40. INVESTMENTS IN ASSOCIATES *(Continued)*

Particulars of the Group's principal associates of the Group are set out in note 4 to the financial statements.

The Group's amounts due from associates and amounts due to associates are disclosed in note 21 to the financial statements.

Sinopharm Industrial Investment Co., Ltd. ("Sinopharm") is considered a material associate of the Group and is accounted for using the equity method.

The following table illustrates the summarised financial information of Sinopharm adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2025 **RMB'000**	2024 RMB'000
Current assets	**345,698,870**	346,125,795
Non current assets	**44,605,129**	46,638,366
Current liabilities	**(246,659,174)**	(250,306,731)
Non current liabilities	**(9,200,064)**	(15,450,885)
Net assets	**134,444,761**	127,006,545
Net assets attributable to the owners of the parent	**42,594,596**	40,069,326

	2025 **RMB'000**	2024 RMB'000
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**49%**	49%
Group's share of net assets of the associate, excluding goodwill	**20,871,352**	19,633,970
Carrying amount of the investment	**20,871,352**	19,633,970
Revenues	**575,167,877**	584,507,930
Total comprehensive income for the year	**10,835,839**	10,407,952
Profit for the year attributable to owners of the parent	**3,597,871**	3,546,132
Other comprehensive income	**16,629**	(6,445)
Dividend received	**525,471**	671,413

40. INVESTMENTS IN ASSOCIATES *(Continued)*

The following table illustrates the aggregate financial information of the Group's associates using the equity method that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	**2,824,506**	2,745,149
Share of the associates' other comprehensive income	**325,935**	545,668
Share of the associates' total comprehensive income	**3,150,441**	3,290,817
Aggregate carrying amount of the Group's investments in the associates using the equity method	**38,007,921**	41,775,961

41. GOODWILL

	Notes	**2025 RMB'000**	2024 RMB'000
Cost:			
At 1 January		**28,299,387**	30,911,230
Acquisition of subsidiaries	56(a)	**277,376**	86,778
Purchase price adjustment		**–**	5,621
Disposal of subsidiaries	56(c)	**(161,340)**	(2,399,651)
Exchange alignment		**738,219**	(304,591)
At 31 December		**29,153,642**	28,299,387
Accumulated impairment:			
At 1 January		**2,396,688**	1,363,332
Charge for the year	10	**3,082,337**	1,048,110
Exchange alignment		**53,666**	(14,754)
At 31 December		**5,532,691**	2,396,688
Net book value:			
At 31 December		**23,620,951**	25,902,699
At 1 January		**25,902,699**	29,547,898

41. GOODWILL *(Continued)*

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the corresponding subsidiary acquired as the acquired subsidiary is the only cash-generating unit that can benefit from synergy of the acquisition. The impairment test is based on the recoverable amount of the acquired subsidiary to which the goodwill is allocated.

The carrying amounts of goodwill for the acquired subsidiaries are from the following segments:

	Health	Happiness	Wealth		Intelligent Manufacturing	Total
			Insurance	Asset management		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2025	**14,487,376**	**6,396,401**	**1,027,524**	**351,445**	**1,358,205**	**23,620,951**
2024	14,009,051	8,961,967	943,383	628,490	1,359,808	25,902,699

The recoverable amount of each cash-generating unit is determined based on a value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a period ranging from five to ten years. The discount rates applied to the cash flow projections range from 5.5% to 23.5% (2024: 5.1% to 18.2%). Cash flows beyond the period of the financial budget are extrapolated using the estimated long-term growth rates of 1.0% to 3.08%.

Assumptions were used in the value-in-use calculation of the cash-generating units as at 31 December 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – Management determined budgeted gross margins based on past performance and its expectations for the development of the market.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Growth rate – The growth rates beyond the forecast period are the rates of inflation.

For the year ended 31 December 2025, the impairment for the goodwill primarily allocated to two cash generating units, namely, Baihe Jiayuan Network Group Co., Ltd. ("Baihe") and HCo Lux S.à r.l. ("HCo").

As at 31 December 2025, the carrying amount of goodwill arising from the acquisition of Baihe was RMB354,356,000 (after impairment loss recognised during the year ended 31 December 2025). Baihe is principally engaged in the marriage and wedding industry in Chinese Mainland. The continual decline in marriage rate and other market conditions impacted the performance results of Baihe. The recoverable amount of Baihe, as determined on a value in use basis using cash flow projections approved by management of the Group, was estimated to be lower than its carrying amount as at 31 December 2025. Accordingly, an impairment loss for goodwill of RMB1,939,863,000 was recognised for the year ended 31 December 2025.

As at 31 December 2025, the carrying amount of goodwill arising from the acquisition of HCo was RMB278,682,000 (after impairment loss recognised during the year ended 31 December 2025). HCo, through its wholly owned subsidiary, St Hubert SAS, operated healthy butter spread business in Europe. The market competition impacted the performance results of HCo. The recoverable amount of HCo, as determined on a value in use basis using cash flow projections approved by management of the Group, was estimated to be lower than its carrying amount as at 31 December 2025. Accordingly an impairment loss for goodwill of RMB519,644,000 was recognised for the year ended 31 December 2025.

The impairment loss of goodwill recognised was included in "Other expenses" in the consolidated statement of profit or loss.

42. DEFERRED TAX

Movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Accruals and provisions RMB'000	Fair value adjustments arising from equity investments at fair value through profit or loss RMB'000	Fair value adjustments arising from debt investments at fair value through other comprehensive income RMB'000	Fair value adjustments arising from equity investments designated at fair value through other comprehensive income RMB'000	Additional LAT provisions RMB'000	Lease liabilities RMB'000	Insurance and reinsurance contracts RMB'000	Others RMB'000	Total RMB'000
At 31 December 2023	4,272,177	2,723,355	99,175	719,025	214,028	2,303,369	3,490,254	1,130,335	820,579	15,772,297
Disposal of subsidiaries (note 56(c))	(160,230)	(108,506)	–	–	–	(17,858)	–	–	141,710	(144,884)
Deferred tax credited/(charged) to reserves during the year	49,311	12,010	–	(340,294)	(152,758)	–	–	(9,239)	11,883	(429,087)
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 12)	1,080,182	(144,052)	5,992	6,091	–	(124,946)	162,967	(81,525)	444,659	1,349,368
Included in assets classified as held for sale (note 23)	–	–	–	–	–	–	–	–	(35,915)	(35,915)
Exchange realignment	(142,880)	85,567	46,229	(132,174)	(44,902)	–	(182,199)	(35,450)	(300,528)	(706,337)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	5,098,560	2,568,374	151,396	252,648	16,368	2,160,565	3,471,022	1,004,121	1,082,388	15,805,442
Acquisition of subsidiaries (note 56(a))	**312,167**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**312,167**
Disposal of subsidiaries (note 56(c))	**(278,471)**	**(21,306)**	**11,433**	**7**	**–**	**–**	**–**	**–**	**(1,119)**	**(289,456)**
Deferred tax credited/(charged) to reserves during the year	**2,671**	**(14,981)**	**730**	**(141,204)**	**4,337**	**–**	**–**	**(17,356)**	**4,115**	**(161,688)**
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 12)	**318,634**	**4,060**	**(346,878)**	**344**	**–**	**44,113**	**61,310**	**(207,435)**	**114,599**	**(11,253)**
Included in assets classified as held for sale	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(108,998)**	**(108,998)**
Exchange realignment	**72,364**	**(44,148)**	**299,730**	**140,533**	**(302,588)**	**–**	**252,137**	**98,149**	**166,492**	**682,669**
Gross deferred tax assets at 31 December 2025	**5,525,925**	**2,491,999**	**116,411**	**252,328**	**(281,883)**	**2,204,678**	**3,784,469**	**877,479**	**1,257,477**	**16,228,883**

42. DEFERRED TAX *(Continued)*

Movements in deferred tax assets and liabilities are as follows: *(Continued)*

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Fair value adjustments arising from equity investments at fair value through profit or loss RMB'000	Fair value adjustments arising from debt investments at fair value through other comprehensive income RMB'000	Revaluation of investment properties RMB'000	Deemed disposal of associates RMB'000	Deferred LAT RMB'000	Right-of-use assets RMB'000	Insurance and reinsurance contracts RMB'000	Others RMB'000	Total RMB'000
At 31 December 2023	11,452,257	2,979,312	260,898	5,315,955	1,360,430	–	3,355,772	890,504	2,331,817	27,946,945
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 12)	(455,453)	845,615	–	15,245	–	(34,529)	86,998	(36,334)	166,408	587,950
Deferred tax (credited)/charged to reserves during the year	(59,799)	–	31,726	(9,385)	–	–	–	(139,722)	59,071	(118,109)
Acquisition of subsidiaries	–	–	7,773	–	–	–	–	–	–	7,773
Disposal of subsidiaries (note 56(c))	(390,072)	–	–	–	–	–	–	–	83,370	(306,702)
Exchange realignment	(42,279)	(53,699)	71,196	(315,289)	848	297	(174,147)	(16,064)	(205,709)	(734,846)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	10,504,654	3,771,228	371,593	5,006,526	1,361,278	(34,232)	3,268,623	698,384	2,434,957	27,383,011
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year (note 12)	(415,246)	(12,249)	–	(1,156,216)	217,408	(23,643)	71,631	(1,256)	(461,008)	(1,780,579)
Deferred tax (credited)/charged to reserves during the year	–	(44)	505	(4,401)	–	–	–	87,440	21,876	105,376
Acquisition of subsidiaries (note 56(a))	–	–	–	421,389	–	–	–	–	–	421,389
Disposal of subsidiaries (note 56(c))	–	–	–	(14,728)	–	–	–	–	(15,575)	(30,303)
Included in liabilities classified as held for sale	–	–	–	–	–	–	–	–	(4,962)	(4,962)
Exchange realignment	72,222	34,790	13,483	(46,235)	(1,280)	(342)	241,897	47,987	157,959	520,481
Gross deferred tax liabilities at 31 December 2025	10,161,630	3,793,725	385,581	4,206,335	1,577,406	(58,217)	3,582,151	832,555	2,133,247	26,614,413

42. DEFERRED TAX *(Continued)*

For presentation purposes, certain deferred tax assets and liabilities amounting to RMB8,032,782,000 (2024: RMB7,832,377,000) have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 **RMB'000**	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**8,196,101**	7,973,065
Net deferred tax liabilities recognised in the consolidated statement of financial position	**18,581,631**	19,550,634

Deferred tax assets have not been recognised in respect of the following items as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the following items can be utilised:

	2025 **RMB'000**	2024 RMB'000
Tax losses	**51,702,291**	39,574,359
Deductible temporary differences	**9,825,866**	4,269,524
Total	**61,528,157**	43,843,883

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding corporate income tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding corporate income tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable withholding rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and joint ventures established in Chinese Mainland in respect of earnings generated from 1 January 2008. At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of unrecognised deferred tax liabilities (i.e., withholding taxes relating to such temporary differences) was approximately RMB2,735,945,000 at 31 December 2025 (2024: RMB3,633,030,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

43. DEPOSITS FROM CUSTOMERS

	2025 RMB'000	2024 RMB'000
Demand deposits		
– Corporate deposits	284,720	63,346,400
– Personal deposits	–	9,488,741
Subtotal	284,720	72,835,141
Time deposits		
– Corporate deposits	–	4,404,075
– Personal deposits	–	6,181,956
Subtotal	–	10,586,031
Total	284,720	83,421,172

Deposits from customers which are related parties are disclosed in note 61 to the financial statements.

Included in the Group's deposits from customers are amounts from the Group's associates and joint ventures in the Finance Company, a subsidiary of the Group of RMB15,036,000 (2024: RMB659,451,000) and RMB55,736,000 (2024: RMB10,813,000), respectively.

44. REVERSE REPURCHASE AGREEMENTS AND ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

(i) Reverse repurchase agreements

	2025 RMB'000	2024 RMB'000
Total	1,693	4,716,893

(ii) Assets sold under agreements to repurchase

	2025 RMB'000	2024 RMB'000
Bonds	–	1,063,007
Total	–	1,063,007

As at 31 December 2025, none of liabilities classified as assets sold under agreements to repurchase were secured by financial assets at fair value through profit or loss of the group (31 December 2024: RMB41,856,000).

45. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Gold leases*	**7,520,747**	6,624,470
Others	**564,559**	599,191
Total	**8,085,306**	7,223,661

* Yuyuan, a subsidiary of the Group, signed gold lease contracts with banks, pursuant to which Yuyuan will lease in gold and return the same quantity of gold to the banks. Financial liabilities at fair value through profit or loss mainly represent the fair value of the gold to be returned under the gold lease agreements between Yuyuan and the banks as at 31 December 2025.

46. TRADE AND NOTES PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**18,442,673**	19,772,155
Notes payable	**1,606,716**	3,243,706
Total	**20,049,389**	23,015,861

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

	2025 RMB'000	2024 RMB'000
Outstanding balances with ages:		
Within 90 days	**11,798,193**	12,897,302
91 to 180 days	**1,487,623**	1,501,898
181 to 365 days	**2,366,964**	1,780,167
1 to 2 years	**955,634**	2,047,453
2 to 3 years	**562,521**	361,471
Over 3 years	**1,271,738**	1,183,864
Total	**18,442,673**	19,772,155

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

47. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Contract liabilities	**5,726,110**	7,502,832

The Group receives payments from customers based on the billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts from property sales and resorts operation.

The following table shows the amounts of the revenue recognised in each reporting period related to contract liabilities carried forward.

	2025 RMB'000	2024 RMB'000
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	**6,472,594**	10,345,882

The following table includes the transaction prices allocated to the remaining unsatisfied performance obligations as at the end of each reporting period.

	2025 RMB'000	2024 RMB'000
Expected to be recognised within one year	**3,920,324**	6,864,047
Expected to be recognised after one year	**1,819,253**	1,723,997
Total	**5,739,577**	8,588,044

48. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025 RMB'000	2024 RMB'000
Due to European Central Bank	–	646,241
Due to:		
Banks in Germany	–	523,796
Banks in other European countries	–	1,093,935
Banks in other countries and regions	–	–
Subtotal	–	1,617,731
Total	–	2,263,972

49. ACCRUED LIABILITIES AND OTHER PAYABLES

	Notes	2025 RMB'000	2024 RMB'000
Expected to be settled no more than 12 months:			
Advances from customers		**11,215,486**	7,969,266
Dividends payable to non-controlling shareholders of subsidiaries		**46,844**	46,242
Payables related to:			
Purchases of property, plant and equipment		**1,758,108**	2,042,876
Deposits received		**1,573,997**	2,785,996
Payroll		**5,375,208**	5,421,304
Accrued interest expenses		**1,230,770**	1,272,206
Value-added tax		**1,085,175**	1,390,849
Accrued utilities		**72,049**	89,714
Accounts payable for direct insurance operations		**2,283,446**	1,977,457
Accounts payable for other reinsurance operations		**4,276,196**	4,194,238
Acquisition of subsidiaries		**93,443**	1,508,400
Funding from third parties for business development		**4,433,245**	5,656,713
Other accrued expenses		**4,258,581**	4,578,258
Lease liabilities	34	**2,780,405**	2,711,602
Borrowings from non-financial institutions		**1,740,730**	2,463,986
Others		**18,989,332**	11,468,461
Subtotal		**61,213,015**	55,577,568
Expected to be settled more than 12 months:			
Payables for rehabilitation	(i)	**490,185**	256,955
Payables for employee benefits	(ii)	**824,550**	1,319,331
Payables for acquisition of additional interests in subsidiaries		**6,500**	68,923
Share redemption options granted to non-controlling shareholders of subsidiaries		**352,026**	1,690,914
Lease liabilities	34	**18,064,498**	17,487,219
Long-term borrowings from non-financial institutions		**3,904,744**	2,826,259
Others		**5,248,655**	5,898,080
Subtotal		**28,891,158**	29,547,681
Total		**90,104,173**	85,125,249

49. ACCRUED LIABILITIES AND OTHER PAYABLES *(Continued)*

Notes:

(i) The movements of payables for rehabilitation are set out below:

	2025 RMB'000	2024 RMB'000
At 1 January	282,065	293,688
Additions	178,342	16,419
Acquisition of subsidiaries	100,138	–
Payments made	(14,831)	(29,504)
Exchange realignment	(4,939)	1,462
At 31 December	540,775	282,065
Expected to be settled no more than 12 months:	50,590	25,110
Expected to be settled more than 12 months:	490,185	256,955

(ii) The movements of payables for employee benefits are set out below:

	2025 RMB'000	2024 RMB'000
At 1 January	1,365,768	1,483,379
Additions	76,388	195,707
Interest increment (note 9)	18,270	31,411
Payments made	(247,242)	(205,361)
Disposal of subsidiaries	(394,297)	(87,530)
Classified as held for sale	(11,506)	–
Exchange realignment	44,205	(51,838)
At 31 December	851,586	1,365,768
Expected to be settled no more than 12 months	27,036	46,437
Expected to be settled more than 12 months	824,550	1,319,331

Payables for employee benefits are based on estimates of future payments made by management and are discounted at rates in the range of 1.25% to 3.80% (2024: 1.00% to 3.38%).

50. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Bank loans:			
Guaranteed		313,305	411,977
Secured		81,604,643	76,297,165
Unsecured		83,612,323	84,124,782
		165,530,271	160,833,924
Corporate bonds and enterprise bonds	(2)	11,833,484	9,859,248
Private placement bonds	(3)	1,575,794	1,554,632
Senior notes	(4)	15,611,888	15,379,211
Medium-term notes	(5)	8,852,039	250,000
Short-term commercial papers	(6)	2,206,482	–
Super short-term commercial papers	(7)	1,984,207	6,876,716
Exchangeable bonds		–	2,011,614
Other borrowings, secured	(8)	13,747,392	15,979,588
Other borrowings, unsecured	(8)	2,853,038	1,359,697
Total		224,194,595	214,104,630
Repayable:			
Within one year		104,160,689	109,934,504
In the second year		35,759,570	34,355,417
In the third to fifth years, inclusive		54,446,775	40,505,788
Over five years		29,827,561	29,308,921
Total		224,194,595	214,104,630

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

Notes:

(1) Certain of the Group's interest-bearing bank and other borrowings and other liabilities are secured by the pledges of assets with carrying values at the end of each reporting period as follows:

	Notes	**2025 RMB'000**	2024 RMB'000
Pledge of assets:			
Pledged bank balances	15	**10,345,144**	10,898,801
Inventories	18	**841,146**	801,819
Completed properties for sale	19	**3,123,866**	5,390,922
Properties under development	19	**22,354,525**	25,358,815
Financial assets at fair value through profit or loss	25	**1,984,745**	39,494
Property, plant and equipment	32	**14,247,356**	15,158,136
Investment properties	33	**69,073,152**	65,090,847
Right-of-use assets	34	**1,928,392**	1,950,638
Intangible assets	38	**293,535**	302,993
Investment in associates	40	**18,801,090**	18,872,272
Other assets (Note)		**6,363,958**	7,788,612

Apart from the above, as at 31 December 2025, investments in subsidiaries are secured to raise interest-bearing bank and other borrowings, including 1,579,341,000 shares of Yuyuan, 546,925,000 shares of Fosun Pharma, 139,096,139 shares of Zhejiang Wansheng Co., Ltd. and 700,000,000 shares of Hainan Mining.

As at 31 December 2025, interest-bearing bank and other borrowings amounting to RMB250,000,000 were guaranteed by Fosun Holdings Limited and Fosun International Holdings Ltd., which are the holding company and ultimate holding company of the Group (2024: RMB296,320,000). Interest-bearing bank and other borrowings amounting to RMB63,305,000 (2024: RMB115,657,000) as at 31 December 2025 were guaranteed by third parties.

Certain other interest-bearing bank and other borrowings and other liabilities were secured by other unlisted subsidiaries shares.

The bank loans bear interest at rates ranging from 0.00% to 11.00% (2024: 0.00% to 11.00%) per annum.

Note: Other assets include items pledged in trade and notes receivables (note 17) with a carrying amount of RMB322,687,000 (2024: RMB446,485,000), due from related companies (note 21) with a carrying amount of RMB4,812,319,000 (2024: RMB4,652,691,000), prepayments, other receivables and other assets (note 22) with a carrying amount of nil (2024: RMB2,472,810,000), assets classified as held for sale (note 23) with a carrying amount of RMB1,228,952,000 (2024:nil), finance lease receivables (note 26) with a carrying amount of nil (2024: RMB216,626,000).

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

Notes: *(Continued)*

(2) Corporate bonds and enterprise bonds

On 4 June 2021, Fosun Insurance Portugal issued ten-year corporate bonds with a par value of EUR500,000,000 and an effective interest rate of 4.25% per annum. Interest is paid annually in arrears and the maturity date is 4 September 2031.

On 29 May 2024, Fosun Insurance Portugal issued perpetual subordinated bonds with a par value of EUR500,000,000 and a coupon rate of 7.75% per annum. Interest is paid semi-annually in arrears.

On 10 March 2025, Yuyuan issued two-year domestic corporate bonds with a par value of RMB600,000,000 and a coupon rate of 4.84% per annum. Interest is paid annually in arrears and the maturity date is 10 March 2027.

On 18 April 2025, Yuyuan issued two-year domestic corporate bonds with a par value of RMB400,000,000 and a coupon rate of 4.00% per annum. Interest is paid annually in arrears and the maturity date is 18 April 2027.

On 18 April 2025, Yuyuan issued three-year domestic corporate bonds with a par value of RMB200,000,000 and a coupon rate of 4.90% per annum. Interest is paid annually in arrears and the maturity date is 18 April 2028.

On 15 July 2025, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB700,000,000 and a coupon rate of 3.50% per annum. Among these, domestic corporate bonds with a par value of CNY690,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 15 July 2027.

On 7 August 2025, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB390,000,000 and a coupon rate of 4.00% per annum. Among these, corporate bonds with a par value of RMB350,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 7 August 2027.

On 7 August 2025, Fosun High Technology issued two-year domestic corporate bonds with a par value of RMB310,000,000 and a coupon rate of 3.60% per annum. Interest is paid annually in arrears and the maturity date is 7 August 2027.

On 29 September 2025, Fosun High Technology issued three-year domestic corporate bonds with a par value of RMB1,000,000,000 and a coupon rate of 4.90% per annum. Interest is paid semi-annually in arrears and the maturity date is 29 September 2028.

(3) Private placement bonds

On 1 April 2022, Tekapo TMK, a subsidiary of Fosun Management Holdings Limited, issued five-year private placement bonds with a par value of JPY700,000,000 and the effective interest rate is 1.69% per annum. Interest is paid quarterly in arrears and the maturity date is 1 April 2027.

On 14 August 2024, Yuyuan issued three-year domestic private placement bonds with a par value of RMB940,000,000 and an effective interest rate of 4.30% per annum. Interest is paid annually in arrears and the maturity date is 14 August 2027.

On 18 October 2024, Yuyuan issued three-year domestic private placement bonds with a par value of RMB360,000,000 and an effective interest rate of 4.38% per annum. Interest is paid annually in arrears and the maturity date is 18 October 2027.

On 31 October 2024, Napier TMK, a subsidiary of Yuyuan, issued five-year private placement bonds with a par value of JPY3,500,000,000 and the effective interest rate is 8.00% per annum. Interest is paid quarterly in arrears and the maturity date is 31 October 2029.

On 26 December 2024, North Head 5 TMK, issued eighteen-month private placement bonds with a par value of JPY3,000,000,000 and the effective interest rate is 6.50% per annum. Interest is paid quarterly in arrears and the maturity date is 30 June 2026.

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

Notes: *(Continued)*

(4) Senior notes

On 27 January 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued six-year senior notes with a par value of USD500,000,000 and an effective interest rate of 5.23%. Among these, senior notes with a par value of USD497,666,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 27 January 2027.

On 18 May 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of USD500,000,000 and an effective interest rate of 5.20%. As of 31 December 2025, an aggregate principal amount of USD205,568,000 of the notes remains outstanding. Among these, senior notes with a par value of USD162,225,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 18 May 2026.

On 2 July 2021, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of EUR500,000,000 and an effective interest rate of 4.15%. As of 31 December 2025, an aggregate principal amount of EUR236,073,000 of the notes remains outstanding. Among these, senior notes with a par value of EUR225,234,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 2 October 2026.

On 19 November 2024 and 14 January 2025, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued three-and-half-year senior notes with a par value of USD300,000,000 and USD200,000,000, a coupon rate of 8.50%. Among these, senior notes with a par value of USD479,850,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 19 May 2028.

On 9 September 2025, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued four-year senior notes with a par value of USD400,000,000 and a coupon rate of 6.80%. Among these, senior notes with a par value of USD378,134,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 9 September 2029.

On 20 November 2025, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued five-year senior notes with a par value of EUR400,000,000 and a coupon rate of 5.88%. Among these, senior notes with a par value of EUR358,650,000 were purchased by third party investors. Interest is paid semi-annually in arrears and the maturity date is 20 November 2030.

On 4 December 2025, Fortune Star, a subsidiary of Fosun Industrial Holdings Limited, issued two-year senior notes with a par value of JPY4,200,000,000 and a coupon rate of 3.00%. Interest is paid semi-annually in arrears and the maturity date is 4 December 2027.

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

Notes: *(Continued)*

(5) Medium-term notes

On 9 March 2022, Fosun Pharma issued four-year medium-term notes with a par value of RMB500,000,000 and an effective interest rate of 3.55% per annum. Interest is paid annually in arrears and the maturity date is 9 March 2026. As at 31 December 2025, the book value of the medium-term notes is RMB240,000,000 at an interest rate of 4.20%.

On 20 March 2025, Fosun High Technology issued two-year medium-term notes with a par value of RMB1,000,000,000 and a coupon rate of 4.80% per annum. Interest is paid annually in arrears and the maturity date is 20 March 2027.

On 2 April 2025, Fosun High Technology issued two-year medium-term notes with a par value of RMB1,000,000,000 and a coupon rate of 4.70% per annum. Interest is paid annually in arrears and the maturity date is 2 April 2027.

On 25 April 2025, Fosun Pharma issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.10% per annum. Interest is paid annually in arrears and the maturity date is 25 April 2027.

On 22 May 2025, Yuyuan issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.90% per annum. Interest is paid annually in arrears and the maturity date is 22 May 2027.

On 6 June 2025, Yuyuan issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.70% per annum. Interest is paid annually in arrears and the maturity date is 6 June 2027.

On 12 June 2025, Fosun High Technology issued two-year medium-term notes with a par value of RMB1,500,000,000 and a coupon rate of 3.69% per annum. Interest is paid annually in arrears and the maturity date is 12 June 2027.

On 4 July 2025, Yuyuan issued two-year medium-term notes with a par value of RMB300,000,000 and a coupon rate of 3.40% per annum. Interest is paid annually in arrears and the maturity date is 4 July 2027.

On 4 July 2025, Yuyuan issued three-year medium-term notes with a par value of RMB300,000,000 and a coupon rate of 4.00% per annum. Interest is paid annually in arrears and the maturity date is 4 July 2028.

On 7 August 2025, Fosun Pharma issued two-year medium-term notes with a par value of RMB1,000,000,000 and a coupon rate of 2.70% per annum. Interest is paid annually in arrears and the maturity date is 7 August 2027.

On 11 August 2025, Yuyuan issued two-year medium-term notes with a par value of RMB200,000,000 and a coupon rate of 3.30% per annum. Interest is paid annually in arrears and the maturity date is 11 August 2027.

On 11 August 2025, Yuyuan issued three-year medium-term notes with a par value of RMB400,000,000 and a coupon rate of 3.60% per annum. Interest is paid annually in arrears and the maturity date is 11 August 2028.

On 29 September 2025, Fosun High Technology issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.70% per annum. Among these, medium-term commercial papers with a par value of RMB455,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 29 September 2027.

On 22 October 2025, Yuyuan issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.20% per annum. Interest is paid annually in arrears and the maturity date is 22 October 2027.

On 2 December 2025, Fosun High Technology issued two-year medium-term notes with a par value of RMB500,000,000 and a coupon rate of 3.70% per annum. Among these, medium-term commercial papers with a par value of RMB470,000,000 were purchased by third party investors. Interest is paid annually in arrears and the maturity date is 2 December 2027.

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

Notes: *(Continued)*

(6) Short-term commercial papers

On 10 September 2025, Fosun High Technology issued short-term commercial papers with a par value of RMB800,000,000 and a coupon rate of 3.59% per annum. Among these, short-term commercial papers with a par value of RMB790,000,000 were purchased by third party investors. Interest is payable at the maturity date which is 10 September 2026.

On 28 October 2025, Fosun High Technology issued short-term commercial papers with a par value of RMB800,000,000 and a coupon rate of 3.45% per annum. Interest is payable at the maturity date which is 28 October 2026.

On 12 November 2025, Fosun High Technology issued short-term commercial papers with a par value of RMB600,000,000 and a coupon rate of 3.39% per annum. Interest is payable at the maturity date which is 12 November 2026.

(7) Super short-term commercial papers

On 28 April 2025, Fosun High Technology issued super short-term commercial papers with a par value of RMB800,000,000 and a coupon rate of 4.82% per annum. Among these, super short-term commercial papers with a par value of RMB740,000,000 were purchased by third party investors. Interest is payable at the maturity date which is 23 January 2026.

On 20 May 2025, Fosun High Technology issued super short-term commercial papers with a par value of RMB600,000,000 and a coupon rate of 4.49% per annum. Interest is payable at the maturity date which is 13 February 2026.

On 15 September 2025, Yuyuan issued super short-term commercial papers with a par value of RMB300,000,000 and a coupon rate of 3.00% per annum. Interest is payable at the maturity date which is 12 February 2026.

On 24 November 2025, Yuyuan issued super short-term commercial papers with a par value of RMB300,000,000 and a coupon rate of 3.00% per annum. Interest is payable at the maturity date which is 22 July 2026.

(8) Other borrowings

In 2023, the Group issued three tranches of asset-backed securities (quasi-REITs) with a coupon rate of 4.5%, which were backed by certain properties in the Bund Financial Center in Shanghai as mortgage. The interest shall be paid quarterly in 18 years. The holder have the rights, at its option, to require the Group to redeem at an interval of every three years within the terms of the securities. The funds raised by the Group from third-party investors were recorded as other borrowings, amounting to RMB2,489,580,000 (2024: RMB2,912,000,000) as at 31 December 2025.

In 2025, the Group issued Commercial Mortgage-Backed Securities("CMBS"), through its wholly-owned subsidiary, Summit Glory Holdings Limited. The CMBS has a total principal amount of USD900 million, and is secured by a mortgage on a building located in New York, which is accounted for as an investment property. The CMBS has a term of 3 years, with an overall coupon rate of 5.98%. Interest is payable monthly. The funds raised by the Group from third-party investors were recorded as other borrowings, amounting to RMB6,325,920,000 as at 31 December 2025.

The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 0% to 10.5% (2024: 0% to 12.65%) per annum.

51. FINANCIAL LIABILITIES FOR UNIT-LINKED CONTRACTS AND INVESTMENT CONTRACT LIABILITIES

	Notes	2025 RMB'000	2024 RMB'000
Financial liabilities for unit-linked contracts	(i)	**40,736,578**	32,370,137
Investment contract liabilities	(ii)	**52,404,883**	41,011,865
Total		**93,141,461**	73,382,002

Notes:

(i) Unit-linked contracts

	2025 RMB'000	2024 RMB'000
At 1 January	**32,370,137**	29,442,770
Issues	**7,401,961**	5,202,111
Redemptions	**(4,134,273)**	(2,702,844)
Profit or loss	**1,883,965**	1,949,769
Other	**(35,135)**	(49,303)
Exchange realignment	**3,249,923**	(1,472,366)
At 31 December	**40,736,578**	32,370,137

(ii) Other investment contract liabilities

	2025 RMB'000	2024 RMB'000
At 1 January	**41,011,865**	37,583,333
Issues	**13,078,299**	13,402,648
Redemptions	**(6,623,468)**	(9,326,586)
Profit or loss	**1,068,324**	903,099
Other	**46,468**	49,351
Exchange realignment	**3,823,395**	(1,599,980)
At 31 December	**52,404,883**	41,011,865

52. DEFERRED INCOME

Deferred income represents government grants received related to assets.

	2025 RMB'000	2024 RMB'000
Special purpose fund for technology improvement	**298,186**	309,743
Government grants for property development and fixed asset construction	**954,990**	926,788
Total	**1,253,176**	1,236,531

53. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
8,166,663,124 (2024: 8,182,302,624) ordinary shares	**37,439,761**	37,372,529

The ordinary shares of the Company do not have a par value.

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Issued capital RMB'000
At 1 January 2024	8,203,164,124	37,286,880
Share award scheme (note 58)	21,768,000	85,649
Re-purchase of shares	(42,629,500)	–
At 31 December 2024 and 1 January 2025	8,182,302,624	37,372,529
Share award scheme (note 58)	15,213,000	67,232
Re-purchase of shares	(30,852,500)	–
At 31 December 2025	**8,166,663,124**	**37,439,761**

54. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Other deficits

The balance of other deficits represented the acquisition of the entire equity interest in Fosun Group pursuant to the restructuring of the Group prior to the listing of its shares on the Hong Kong Stock Exchange, after netting off the paid-up capital and capital reserve (arising from the bonus share issue of its subsidiaries) of Fosun Group.

(b) Surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the subsidiaries established in Chinese Mainland (the "PRC Subsidiaries"), each PRC Subsidiary is required to allocate 10% of its profit after tax, as determined in accordance with the applicable PRC accounting standards and regulations, to the surplus reserve until this reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the surplus reserve can be capitalised as paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

In accordance with the Company Law of Portugal, a percentage of not less than 10% or 5% of each year's net profit, depending on whether a company is an insurance or other company, must be transferred to the legal reserve, until the legal reserve totals the amount of share capital, or the legal reserve totals 20% of the registered capital. The legal reserve may not be distributed, but only be used to increase share capital or to offset accumulated losses.

55. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests:		
Fosun Pharma	**63.77%**	63.78%
Fosun Insurance Portugal	**15.01%**	15.01%

Fidelidade – Companhia de Seguros, S.A. and its subsidiaries are collectively referred to as "Fosun Insurance Portugal".

	2025 RMB'000	2024 RMB'000
Profit for the year allocated to non-controlling interests:		
Fosun Pharma	**2,208,303**	1,794,861
Fosun Insurance Portugal	**243,976**	201,201
Dividends paid to non-controlling interests:		
Fosun Pharma	**535,126**	461,736
Fosun Insurance Portugal	**103,954**	466,905
Accumulated balances of non-controlling interests at the reporting dates:		
Fosun Pharma	**31,059,302**	30,120,972
Fosun Insurance Portugal	**3,325,551**	2,828,601

55. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2025	**Fosun Insurance Portugal RMB'000**	**Fosun Pharma RMB'000**
Total revenue	**38,161,111**	**41,498,325**
Total expenses	**(36,075,896)**	**(37,250,395)**
Profit for the year	**2,085,215**	**4,247,930**
Total comprehensive income for the year	**2,618,081**	**3,572,171**
Total assets	**200,144,907**	**120,015,592**
Total liabilities	**(176,051,851)**	**(58,213,618)**
Net cash flows from operating activities	**10,309,673**	**5,213,227**
Net cash flows used in investing activities	**(8,507,290)**	**(2,145,767)**
Net cash flows used in financing activities	**(136,090)**	**(3,244,089)**

2024	Fosun Insurance Portugal RMB'000	Fosun Pharma RMB'000
Total revenue	34,636,636	40,909,878
Total expenses	(32,680,857)	(37,397,438)
Profit for the year	1,955,779	3,512,440
Total comprehensive income for the year	1,973,235	3,555,583
Total assets	166,798,990	117,422,190
Total liabilities	(145,457,850)	(57,526,838)
Net cash flows from operating activities	2,940,242	4,476,981
Net cash flows used in investing activities	(1,491,482)	(3,613,323)
Net cash flows used in financing activities	(239,430)	(1,002,586)

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS

(a) Acquisition of subsidiaries

(i) Acquisition of subsidiaries accounted for as business combinations not under common control

The major acquisition of subsidiaries accounted for as business combinations not under common control is set out as follows:

In July 2025, Luz Saúde, S.A., a subsidiary of Fidelidade – Companhia de Seguros, S.A., acquired 51% equity interests in Hospital de Loulé and its subsidiaries ("Hospital de Loulé Group") from a third party. The consideration for the acquisition was EUR36,360,000. After the acquisition, the Group holds 51% equity interests in Hospital de Loulé Group. The acquisition was undertaken to further develop the business under Health segment of the Group.

In July and December 2025, Yuyuan acquired the remaining 50% equity interests of Shanghai Fuhao Industrial Development Co., Ltd. ("Fuhao") and Shanghai Fuyu Investment Co., Ltd. ("Fuyu"), the former joint ventures. After completion of the acquisition, Fuhao and Fuyu were wholly-owned subsidiaries of Yuyuan. The acquisition was undertaken to further develop the business under Happiness segment of the Group.

The fair values of the identifiable assets and liabilities of all the subsidiaries acquired during the year were as follows:

	2025 Fair value recognised on acquisition RMB'000
Cash and bank balances	134,591
Trade and notes receivables	30,090
Inventories	4,835
Completed properties for sale	2,495,138
Properties under development	1,502,652
Prepayments, other receivables and other assets	425,983
Financial assets at fair value through profit or loss	16,343
Property, plant and equipment (note 32)	85,724
Investment properties (note 33)	5,844,000
Right-of-use assets	42,735
Intangible assets (note 38)	700
Deferred tax assets (note 42)	312,167
Trade and notes payables	(574,864)
Tax payable	(28,073)
Accrued liabilities and other payables (excluding lease liabilities)	(467,427)
Due to related companies	(7,715,087)
Lease liabilities	(58,582)
Interest-bearing bank and other borrowings	(1,453,769)
Deferred tax liabilities (note 42)	(421,389)
Total identifiable net assets at fair value	175,767

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS *(Continued)*

(a) Acquisition of subsidiaries *(Continued)*

(i) Acquisition of subsidiaries accounted for as business combinations not under common control *(Continued)*

The fair values of the identifiable assets and liabilities of all the subsidiaries acquired during the year were as follows: *(Continued)*

	2025 Fair value recognised on acquisition RMB'000
Non-controlling interests	**(30,235)**
Total net assets acquired	**145,532**
Goodwill on acquisition (note 41)	**277,376**
Total	**422,908**

	2025 RMB'000
Satisfied by:	
Cash	**265,785**
Investments in joint ventures	**107,681**
Prepayments, other receivables and other assets	**49,442**
Total	**422,908**

The fair values of the trade and notes receivables and prepayments, other receivables and other assets as at the dates of acquisition amounted to RMB30,090,000 and RMB425,983,000 respectively. The fair values of the acquired trade and notes receivables and prepayments, other receivables and other assets as at the date of acquisition approximate to their gross contractual amounts. None of these receivables are expected to be uncollectible.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Since the acquisition, the acquired subsidiaries contributed RMB514,890,000 to the Group's turnover and net loss of RMB938,353,000 to the consolidated profit for the year ended 31 December 2025.

Had the combinations taken place at the beginning of the year, the revenue and the loss after tax of the Group for the would have been RMB174,029,559,000 and RMB22,723,938,000 respectively.

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS *(Continued)*

(a) Acquisition of subsidiaries *(Continued)*

(ii) Acquisition of a subsidiary not accounted for as business combination

As of January 2025, Roc Oil Company Pty Limited ("Roc Oil"), a subsidiary of Hainan Mining, completed the acquisition of 96.19% of the shares of Tethys Oil AB ("Tethys"), a Stockholm listed company, through a tender offer for a total consideration of USD167,149 thousand (equivalent to RMB1,201,482 thousand). Tethys has been consolidated into the Group since 24 January 2025 after completing the reorganization of its board of directors. This acquisition aims to further develop the Group's business under Intelligent Manufacturing segment. The major assets of Tethys are oil and gas assets. As at 31 December 2025, after completion of the further acquisition of the remaining 3.81% equity interests in Tethys, Tethys was a wholly-owned subsidiary held by Roc Oil.

The above acquisition has been accounted for an acquisition of assets in the Group's consolidated financial statements. The purchase cost of the Group is allocated to the assets and liabilities, respectively, on the basis of their relative fair values at the date of purchase.

(iii) An analysis of the cash flows in respect of the acquisition of subsidiaries as set out in (i) and (ii) above is as follows:

	2025 **RMB'000**
Consideration settled by cash	**(1,467,267)**
Cash and cash equivalents acquired	**264,615**
Payment of cash consideration unpaid as at 31 December 2024	**(1,577,067)**
Prepayment of cash consideration for acquisition not yet completed as at 31 December 2024	**1,126,266**
Net outflow of cash and cash equivalents included in cash flows used in investing activities	**(1,653,453)**

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS *(Continued)*

(b) Acquisition of non-controlling interests

	2025 RMB'000
Cash consideration paid to non-controlling shareholders	(4,294,134)
Consideration settled by other payables to a third-party company	(780,000)
Unpaid cash consideration as at 31 December 2025	(76,230)
Carrying value of the additional interest in subsidiaries	3,658,871
Difference recognised in other reserves	(1,491,493)

The acquisition of non-controlling interests mainly comprised of:

(i) During the year of 2025, Fosun Tourism Group, a subsidiary of the Group repurchased its outstanding shares, with a cash consideration of RMB1,925,619,000. The Group's equity interests in Fosun Tourism Group increased from 78.4% to 98.4%. Fosun Tourism Group were delisted from the Hong Kong Stock Exchange in March 2025.

(ii) During the year of 2025, the Group acquired an additional 13.07% shares of Peak Reinsurance Holdings Limited, increasing its ownership interest to 99.78%, with a cash consideration of RMB1,094,221,000.

(iii) During the year of 2025, Yuyuan and Fosun Pharma acquired additional interests of certain subsidiaries, with cash considerations of RMB873,051,000 and RMB555,594,000, respectively.

(iv) During the year of 2025, Fosun Pharma and Yuyuan repurchased their own ordinary shares, with cash considerations of RMB392,688,000 and RMB176,826,000, respectively.

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS *(Continued)*

(c) Disposal of subsidiaries

The major disposal of subsidiaries during the year was as follows:

On 30 June 2025, the Group completed the disposal of all its shares in Hauck & Aufhäuser Lamp ("HAL") (excluding Hauck & Aufhäuser Fund Services S.A., and its subsidiaries) with ABN AMRO Bank N.V.("ABN") and received the consideration of EUR705,926 thousand (equivalent to RMB5,924,267 thousand).

The assets and liabilities of all the subsidiaries disposed during the year of 2025 are as follows:

	2025 **RMB'000**	2024 RMB'000
Net assets disposed of:		
Cash and bank balances	**57,558,680**	2,239,023
Reverse repurchase agreements	**10,762,020**	–
Loans and advances to customers	**16,452,374**	–
Trade and notes receivables	**50,839**	2,748,055
Inventories	**32,625**	7,165,543
Properties under development	**–**	1,106,973
Contract assets	**–**	42,177
Due from related companies	**127**	10,405
Prepayments, other receivables and other assets	**3,435,171**	1,234,628
Placements with and loans to banks and other financial institutions	**566,289**	–
Derivative financial instruments	**2,522,208**	–
Financial assets at fair value through profit or loss	**2,798,903**	875,895
Debt investments at fair value through other comprehensive income	**16,846**	–
Debt investments at amortised cost	**23,876,003**	–
Property, plant and equipment (note 32)	**360,636**	1,900,666
Investment properties (note 33)	**642,280**	691,142
Right-of-use assets (note 34(a))	**809,737**	755,686
Intangible assets (note 38)	**344,163**	379,956
Investments in associates	**83,095**	1,185,135
Goodwill (note 41)	**161,340**	2,399,651
Deferred tax assets (note 42)	**289,456**	144,884
Deposits from customers	**(103,530,188)**	–
Trade and notes payables	**(30,633)**	(1,382,350)
Contract liabilities	**(38,957)**	(7,859,855)
Tax payable	**(240,233)**	(148,409)
Due to banks and other financial institutions	**(4,227,804)**	–
Derivative financial instruments	**(1,866,884)**	–
Accrued liabilities and other payables (excluding lease liabilities)	**(2,872,610)**	(1,837,016)
Lease liabilities (note 34(b))	**(748,614)**	(104,264)
Due to related companies	**(43,449)**	(250,726)
Interest-bearing bank and other borrowings	**(102,522)**	(2,475,165)
Deferred income	**(144)**	–
Deferred tax liabilities (note 42)	**(30,303)**	(306,702)
Non-controlling interests	**(41,308)**	(4,101,186)
	6,989,143	4,414,146

56. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTERESTS *(Continued)*

(c) Disposal of subsidiaries *(Continued)*

	2025 **RMB'000**	2024 RMB'000
Reclassification adjustments from other comprehensive income upon disposal	**–**	(65,457)
	6,989,143	4,348,689
Fair value of the retained interests in subsidiaries disposed of	**(17,500)**	(3,544,315)
Net (loss)/gain on disposal of subsidiaries	**(86,401)**	3,221,579
Total	**6,885,242**	4,025,953
Satisfied by:		
Cash	**6,335,540**	4,025,953
Accrued liabilities and other payables	**549,702**	–

An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	2025 **RMB'000**	2024 RMB'000
Cash consideration	**6,335,540**	4,025,953
Cash consideration received in a pledged account	**(546,156)**	–
Cash and cash equivalents disposed of	**(57,558,680)**	(2,239,023)
Cash consideration received in advance in the current year for disposal of subsidiaries	**5,100**	88,594
Cash consideration received in previous years for disposal of subsidiaries	**(88,594)**	–
Receipt of unreceived cash consideration for disposal	**115,330**	43,007
Cash consideration unreceived	**(16,033)**	(149,064)
Net (outflow)/inflow of cash and cash equivalents included in cash flows from investing activities	**(51,753,493)**	1,769,467

57. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,911,537,000 and RMB3,908,081,000, respectively, in respect of lease arrangements for land, buildings, machinery, furniture, fixtures and other equipment (2024: RMB3,974,722,000 and RMB3,960,302,000).

(b) Changes in liabilities arising from financing activities

	Bank and other loans RMB'000	Other borrowings in accrued liabilities and other payables RMB'000	Lease liabilities RMB'000	Assets sold under agreements to repurchase RMB'000	Interest payable RMB'000
At 31 December 2024 and at 1 January 2025	**214,104,630**	**7,425,882**	**20,198,821**	**1,063,007**	**1,272,206**
Changes from financing cash flows	**4,165,557**	**(364,228)**	**(4,217,500)**	**(35,630)**	**–**
Changes from operating cash flows	**–**	**–**	**–**	**(1,075,406)**	**–**
Interest paid	**–**	**–**	**–**	**–**	**(11,956,344)**
New leases	**–**	**–**	**3,908,081**	**–**	**–**
Disposal	**–**	**–**	**(569,112)**	**–**	**–**
Fair value change	**–**	**–**	**–**	**–**	**–**
Foreign exchange movement	**4,369,717**	**–**	**1,166,186**	**48,029**	**–**
Interest expense	**–**	**–**	**1,042,213**	**–**	**11,323,108**
Interest capitalised under properties under development	**–**	**–**	**–**	**–**	**565,823**
Interest capitalised under property, plant and equipment	**–**	**–**	**–**	**–**	**25,977**
Increase arising from acquisition of subsidiaries	**1,657,213**	**–**	**64,828**	**–**	**–**
Decrease arising from disposal of subsidiaries	**(102,522)**	**–**	**(748,614)**	**–**	**–**
At 31 December 2025	**224,194,595**	**7,061,654**	**20,844,903**	**–**	**1,230,770**

57. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Changes in liabilities arising from financing activities *(Continued)*

	Bank and other loans RMB'000	Other borrowings in accrued liabilities and other payables RMB'000	Lease liabilities RMB'000	Assets sold under agreements to repurchase RMB'000	Interest payable RMB'000	Financial liabilities at fair value through profit or loss （exclude Gold leases) RMB'000
At 31 December 2023 and at 1 January 2024	211,923,910	3,562,624	20,547,027	188,063	942,124	861,757
Changes from financing cash flows	4,820,657	3,863,258	(3,929,127)	(108,518)	–	(849,260)
Changes from operating cash flows	–	–	–	983,462	–	–
Interest paid	–	–	–	–	(12,282,545)	–
New leases	–	–	3,960,302	–	–	–
Disposal	–	–	(587,972)	–	–	–
Fair value change	–	–	–	–	–	(12,497)
Foreign exchange movement	(560,686)	–	(650,022)	–	92	–
Interest expense	92	–	956,124	–	11,761,772	–
Interest capitalised under properties under development	–	–	–	–	818,981	–
Interest capitalised under property, plant and equipment	–	–	–	–	31,782	–
Increase arising from acquisition of subsidiaries	395,822	–	6,753	–	–	–
Decrease arising from disposal of subsidiaries	(2,475,165)	–	(104,264)	–	–	–
At 31 December 2024	214,104,630	7,425,882	20,198,821	1,063,007	1,272,206	–

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**397,438**	512,539
Within investing activities	**128,830**	118,888
Within financing activities	**4,217,500**	3,929,127
Total	**4,743,768**	4,560,554

58. SHARE-BASED PAYMENTS

(a) Share award scheme of the Company

The Company adopts a share award scheme ("Share Award Scheme") for the purpose to align the interests of the eligible persons with those of the Group through ownership of shares, dividends and other distributions paid on shares and/or the increase in value of the shares; and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Share Award Scheme XI

On 24 March 2022, the Board resolved to award an aggregate of 30,979,000 award shares ("the 2022 First Award Shares") to 143 Selected Participants under the 2015 Share Award Scheme. The 2022 First Award Shares have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 2 June 2022.

The 2022 First Award Shares shall be locked up immediately upon granting. The 2022 First Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2022 First Award Shares held by participants , of which (i) 25,695,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2022 First Award Shares granted upon the expiry of each lock-up period; of which (ii) 5,284,000 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2022 First Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2022 First Award Shares granted amounted to approximately HKD191,054,000. The Group has recognised an amount of HKD14,350,000 (equivalent to RMB13,151,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB30,111,000).

Share Award Scheme XII

On 31 August 2022, the Board resolved to award an aggregate of 4,286,200 award shares ("the 2022 Second Award Shares") to 31 Selected Participants under the 2015 Share Award Scheme. The 2022 Second Award Shares have been issued and allotted pursuant to a specific mandate obtained in the extraordinary general meeting of the Company held on 19 October 2022.

The 2022 Second Award Shares shall be locked up immediately upon granting. The 2022 Second Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2022 Second Award Shares held by participants of which (i) 1,330,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2022 Second Award Shares granted upon the expiry of each lock-up period; of which (ii) 2,956,200 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2022 Second Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2022 Second Award Shares granted amounted to approximately HKD20,151,000. The Group has recognised an amount of HKD581,000 (equivalent to RMB532,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB1,371,000).

Share Award Scheme XIII

On 30 March 2023, the Board resolved to award an aggregate of 25,937,000 award shares ("the 2023 Award Shares") to 113 Selected Participants under the 2023 Share Award Scheme. The 2023 Award Shares have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

The 2023 Award Shares shall be locked up immediately upon granting. The 2023 Award Shares granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. The 2023 Award Shares held by participants , of which (i) 25,325,000 award shares shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of the 2023 Award Shares granted upon the expiry of each lock-up period; of which (ii) 612,000 award shares shall be unlocked in one tranches in the proportion of 100% of the total number of the 2023 Award Shares granted upon the expiry of each lock-up period.

The aggregate fair value of the 2023 Award Shares granted amounted to approximately HKD131,123,000. The Group has recognised an amount of HKD21,593,000 (equivalent to RMB19,788,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB43,536,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(a) Share award scheme of the Company *(Continued)*

Share Award Scheme XIV

On 31 August 2023, the Board of Directors of the Company has resolved to award an aggregate of 1,800,000 award shares ("Award Shares 2023 II") to 17 selected participants under the 2023 Share Award Scheme. Award Shares 2023 II have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

Award Shares 2023 II shall be locked up immediately upon granting. Award Shares 2023 II granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2023 II held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of Award Shares 2023 II granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2023 II granted amounted to approximately HKD7,663,000. The Group has recognised an amount of HKD1,191,000 (equivalent to RMB1,091,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB3,284,000).

Share Award Scheme XV

On 26 June 2024, the Board of Directors of the Company has resolved to award an aggregate of 21,768,000 award shares ("Award Shares 2024 I") to 100 selected participants under the 2023 Share Award Scheme. Award Shares 2024 I have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

Award Shares 2024 I shall be locked up immediately upon granting. Award Shares 2024 I granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2024 I held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of Award Shares 2024 I granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2024 I granted amounted to approximately HKD82,751,000. The Group has recognised an amount of HKD38,559,000 (equivalent to RMB35,336,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB25,933,000).

Share Award Scheme XVI

On 27 June 2025, the Board of Directors of the Company has resolved to award an aggregate of 15,213,000 award shares ("Award Shares 2025 I") to 91 selected participants under the 2023 Share Award Scheme. Award Shares 2025 I have been issued and allotted pursuant to a specific mandate obtained in the annual general meeting of the Company held on 16 March 2023.

Award Shares 2025 I shall be locked up immediately upon granting. Award Shares 2025 I granted to participants shall be subject to various lock-up periods ranging from one year to three years, respectively, immediately from the date of grant. Award Shares 2025 I held by participants shall be unlocked in three tranches in the proportion of 33%, 33% and 34% of the total number of Award Shares 2025 I granted upon the expiry of each lock-up period.

The aggregate fair value of the Award Shares 2025 I granted amounted to approximately HKD60,387,000. The Group has recognised an amount of HKD19,515,000 (equivalent to RMB17,884,000) as expenses during the year ended 31 December 2025.

58. SHARE-BASED PAYMENTS *(Continued)*

(a) Share award scheme of the Company *(Continued)*

The following shares were outstanding under the Share Award Scheme during the year:

	2025	2024
At 1 January	**47,059,250**	48,871,950
Granted during the year	**15,213,000**	21,768,000
Forfeited during the year	**(1,613,330)**	(1,707,500)
Vested during the year	**(25,775,050)**	(21,873,200)
At 31 December	**34,883,870**	47,059,250

The number of outstanding shares as at 31 December 2025 for each tranche of Share Award Scheme is as follows:

	2025	2024
Share Award Scheme XI	**–**	8,015,500
Share Award Scheme XII	**–**	397,800
Share Award Scheme XIII	**7,882,900**	15,949,050
Share Award Scheme XIV	**472,600**	1,118,900
Share Award Scheme XV	**11,665,370**	21,578,000
Share Award Scheme XVI	**14,863,000**	–
At 31 December	**34,883,870**	47,059,250

(b) Share option scheme of the Company

The Company adopts share option schemes ("Share Option Schemes") for the purpose of providing incentives and/or rewards to eligible persons for their contribution to the Group, and continuing efforts to promote the interests of the Group.

Share Option Scheme I

On 8 January 2016, the Company granted 111,000,000 options ("Options 2016") to subscribe for an aggregate of 111,000,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2016 shall entitle the holder of such Option 2016 to subscribe for one share upon exercise of such Option 2016 at an exercise price of HKD11.53 per share.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme I *(Continued)*

The Options 2016 are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2016, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2016");

ii. up to a further 30% of the Options 2016, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2016; and

iii. in respect of the remaining 50% of the Options 2016, which, for the avoidance of doubt, comprise those Options 2016 which have not been exercised (and have not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period 2016.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD156,619,000. No expenses were recognised or reversed during the year ended 31 December 2025 (2024: reversal of expenses amounted to RMB27,415,000).

Share Option Scheme II

On 4 May 2017, the Company has granted 56,400,000 options ("Options 2017") to subscribe for an aggregate of 56,400,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2017 shall entitle the holder of such Option 2017 to subscribe for one share upon exercise of such Option 2017 at an exercise price of HKD11.75 per share.

The Options 2017 are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2017, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2017");

ii. up to a further 30% of the Options 2017, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2017; and

iii. in respect of the remaining 50% of the Options 2017, which, for the avoidance of doubt, comprise those Options 2017 which have not been exercised (and have not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period 2017.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD60,031,000. No expenses were recognised or reversed during the year ended 31 December 2025 (2024: nil).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme III

On 28 March 2018, the Company has granted 51,701,000 options ("Options 2018") to subscribe for an aggregate of 51,701,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 27,000,000 option shares were granted to selected global core management; and (ii) 24,701,000 option shares were granted to selected outstanding employees. Each of the Options 2018 shall entitle the holder of such Option 2018 to subscribe for one share upon exercise of such Option 2018 at an exercise price of HKD17.58 per share.

The Options 2018 granted to selected global core management are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2018, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2018");

ii. up to a further 30% of the Options 2018, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2018; and

iii. in respect of the remaining 50% of the Options 2018, which, for the avoidance of doubt, comprise those Options 2018 which have not been exercised (and have not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period 2018.

The Options 2018 granted to selected outstanding employees are exercisable by each grantee in five tranches as set out below:

i. up to the first 20% of the Options 2018, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2018");

ii. up to a further 20% of the Options 2018, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2018; and

iii. up to a further 20% of the Options 2018, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2018; and

iv. up to a further 20% of the Options 2018, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2018; and

v. in respect of the remaining 20% of the Options 2018, which, for the avoidance of doubt, comprise those Options 2018 which have not been exercised (and have not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2018.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD155,331,000. The Group has reversed an amount of HKD778,000 (equivalent to RMB713,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB13,709,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme IV

On 27 March 2019, the Company has granted 83,880,000 options ("Options 2019 I") to subscribe for an aggregate of 83,880,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 66,000,000 option shares were granted to selected global core management; and (ii) 17,880,000 option shares were granted to selected outstanding employees. Each of the Options 2019 I shall entitle the holder of such Option 2019 I to subscribe for one share upon exercise of such Option 2019 I at an exercise price of HKD12.86 per share.

The Options 2019 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2019 I, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 I");

ii. up to a further 30% of the Options 2019 I, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period 2019 I; and

iii. in respect of the remaining 50% of the Options 2019 I, which, for the avoidance of doubt, comprise those Options 2019 I which have not been exercised (and have not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period 2019 I.

The Options 2019 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2019 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 I");

ii. up to a further 25% of the Options 2019 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2019 I; and

iii. up to a further 25% of the Options 2019 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019; and

iv. in respect of the remaining 25% of the Options 2019 I, which, for the avoidance of doubt, comprise those Options 2019 I which have not been exercised (and have not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2019 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD152,797,000. The Group has recognised an amount of HKD3,093,000 (equivalent to RMB2,834,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB8,202,000).

Share Option Scheme V

On 28 August 2019, the Company has granted 2,380,000 options ("Options 2019 II") to subscribe for an aggregate of 2,380,000 ordinary shares in the Company under its Share Option Scheme, Each of the options 2019 II shall entitle the holder of such Option 2019 II to subscribe for one share upon exercise of such Option 2019 II at an exercise price of HKD9.95 per share.

The Options 2019 II which are classified as type I and type II are granted to newly-joined management staff and the intelligent technology professionals of the Group.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme V *(Continued)*

Type I exercising schedule:

i. up to the first 25% of the Options 2019 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 II");

ii. up to a further 25% of the Options 2019 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2019 II; and

iii. up to a further 25% of the Options 2019 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019 II; and

iv. in respect of the remaining 25% of the Options 2019 II, which, for the avoidance of doubt, comprise those Options 2019 II which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2019 II.

Type II exercising schedule:

i. up to the first 50% of the Options 2019 II, at any time from the date falling on the second anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2019 II");

ii. up to a further 25% of the Options 2019 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2019 II; and

iii. in respect of the remaining 25% of the Options 2019 II, which, for the avoidance of doubt, comprise those Options 2019 II which have not been exercised (and have not lapsed) since the second anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2019 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD1,319,000. The Group has recognised an amount of HKD304,000 (equivalent to RMB278,000) as expenses during the year ended 31 December 2025 (2024: nil).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme VI

On 1 April 2020, the Company has granted 20,900,000 options ("Options 2020 I") to subscribe for an aggregate of 20,900,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 9,400,000 option shares were granted to selected global core management; and (ii) 11,500,000 option shares were granted to selected outstanding employees. Each of the Options 2020 I shall entitle the holder of such Option 2020 I to subscribe for one share upon exercise of such Option 2020 I at an exercise price of HKD8.79 per share.

The Options 2020 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2020 I, at any time from the date falling on the third anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 I");

ii. up to a further 30% of the Options 2020 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2020 I; and

iii. in respect of the remaining 50% of the Options 2020 I, which, for the avoidance of doubt, comprise those Options 2020 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2020 I.

The Options 2020 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2020 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 I");

ii. up to a further 25% of the Options 2020 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2020 I; and

iii. up to a further 25% of the Options 2020 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2020 I; and

iv. in respect of the remaining 25% of the Options 2020 I, which, for the avoidance of doubt, comprise those Options 2020 I which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2020 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD27,848,000. The Group has reversed an amount of HKD1,062,000 (equivalent to RMB973,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB578,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme VII

On 28 August 2020, the Company has granted 190,000 options ("Options 2020 II") to subscribe for an aggregate of 190,000 ordinary shares in the Company under its Share Option Scheme, Each of the options 2020 II shall entitle the holder of such Option 2020 II to subscribe for one share upon exercise of such Option 2020 II at an exercise price of HKD8.86 per share.

The Options 2020 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2020 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2020 II");

ii. up to a further 25% of the Options 2020 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2020 II; and

iii. up to a further 25% of the Options 2020 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2020 II; and

iv. in respect of the remaining 25% of the Options 2020 II, which, for the avoidance of doubt, comprise those Options 2020 II which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2020 II.

The aggregate fair value of the Share Option Scheme granted amounted to nil. The Group has reversed an amount of HKD141,000 (equivalent to RMB130,000) as expenses during the year ended 31 December 2025 (2024: recognised expenses equivalent to RMB5,000).

Share Option Scheme VIII

On 31 March 2021, the Company has granted 39,910,000 options ("Options 2021 I") to subscribe for an aggregate of 39,910,000 ordinary shares in the Company under its Share Option Scheme, of which (i) 32,200,000 option shares are granted to selected global core management; and (ii) 7,710,000 option shares are granted to selected outstanding employees. Each of the Options 2021 I shall entitle the holder of such Option 2021 I to subscribe for one share upon exercise of such Option 2021 I at an exercise price of HKD10.91 per share.

The Options 2021 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2021 I, at any time from the date falling on the third anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 I");

ii. up to a further 30% of the Options 2021 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2021 I; and

iii. in respect of the remaining 50% of the Options 2021 I, which, for the avoidance of doubt, comprise those Options 2021 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2021 I.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme VIII *(Continued)*

The Options 2021 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2021 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 I");

ii. up to a further 25% of the Options 2021 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2021 I; and

iii. up to a further 25% of the Options 2021 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2021 I; and

iv. in respect of the remaining 25% of the Options 2021 I, which, for the avoidance of doubt, comprise those Options 2021 I which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2021 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD59,842,000. The Group has reversed an amount of HKD2,956,000 (equivalent to RMB2,709,000) as expenses during the year ended 31 December 2025 (2024: recognised expenses equivalent to RMB4,835,000).

Share Option Scheme IX

On 25 August 2021, the Company has granted 780,000 options ("Options 2021 II") to subscribe for an aggregate of 780,000 ordinary shares in the Company under its Share Option Scheme. Each of the Options 2021 II shall entitle the holder of such Option 2021 II to subscribe for one share upon exercise of such Option 2021 II at an exercise price of HKD9.90 per share.

The Options 2021 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2021 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2021 II");

ii. up to a further 25% of the Options 2021 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2021 II; and

iii. up to a further 25% of the Options 2021 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2021 II; and

iv. in respect of the remaining 25% of the Options 2021 II, which, for the avoidance of doubt, comprise those Options 2021 II which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2021 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD364,000. The Group has recognised an amount of HKD15,000 (equivalent to RMB14,000) as expenses during the year ended 31 December 2025 (2024: reversed expenses equivalent to RMB148,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme X

On 24 March 2022, the Company has granted 59,300,000 options ("Options 2022 I") to subscribe for an aggregate of 59,300,000 ordinary shares in the Company under the 2017 Share Option Scheme, of which (i) 49,400,000 option shares are granted to selected global core management; and (ii) 9,900,000 option shares are granted to selected outstanding employees.. Each of the Options 2022 I shall entitle the holder of such Option 2022 I to subscribe for one share upon exercise of such Option 2022 I at an exercise price of HKD8.71 per share.

The Options 2022 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2022 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 I ;

ii. up to a further 30% of the Options 2022 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2022 I; and

iii. in respect of the remaining 50% of the Options 2022 I, which, for the avoidance of doubt, comprise those Options 2022 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2022 I.

The Options 2022 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2022 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2022 I");

ii. up to a further 25% of the Options 2022 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2022 I; and

iii. up to a further 25% of the Options 2022 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 I; and

iv. in respect of the remaining 25% of the Options 2022 I, which, for the avoidance of doubt, comprise those Options 2021 I which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2022 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD69,849,000. The Group has recognised an amount of HKD6,660,000 (equivalent to RMB6,103,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB13,677,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme XI

On 31 August 2022, the Company has granted 180,000 options ("Options 2022 II") to subscribe for an aggregate of 180,000 ordinary shares in the Company under the 2017 Share Option Scheme. Each of the Options 2022 II shall entitle the holder of such Option 2022 II to subscribe for one share upon exercise of such Option 2022 II at an exercise price of HKD5.95 per share.

The Options 2022 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2022 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2022 II");

ii. up to a further 25% of the Options 2022 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2022 II; and

iii. up to a further 25% of the Options 2022 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2022 II; and

iv. in respect of the remaining 25% of the Options 2022 II, which, for the avoidance of doubt, comprise those Options 2022 II which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2022 II.

The aggregate fair value of the Share Option Scheme granted amounted to nil. The Group has reversed an amount of HKD73,000 (equivalent to RMB67,000) as expenses during the year ended 31 December 2025 (2024: recognised expenses equivalent to RMB18,000).

Share Option Scheme XII

On 30 March 2023, the Company has granted 71,070,000 options ("Options 2023 I ") to subscribe for an aggregate of 71,070,000 ordinary shares in the Company under the 2023 Share Option Scheme, of which (i) 62,100,000 option shares are granted to selected global core management; and (ii) 8,970,000 option shares are granted to selected outstanding employees. Each of the Options 2023 I shall entitle the holder of such Option 2023 I to subscribe for one share upon exercise of such Option 2023 I at an exercise price of HKD6.16 per share.

The Options 2023 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2023 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 I ;

ii. up to a further 30% of the Options 2023 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2023 I; and

iii. in respect of the remaining 50% of the Options 2023 I, which, for the avoidance of doubt, comprise those Options 2023 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2023 I.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme XII *(Continued)*

The Options 2023 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2023 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2023 I");

ii. up to a further 25% of the Options 2023 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2023 I; and

iii. up to a further 25% of the Options 2023 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 I; and

iv. in respect of the remaining 25% of the Options 2023 I, which, for the avoidance of doubt, comprise those Options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2023 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD95,272,000. The Group has recognised an amount of HKD21,329,000 (equivalent to RMB19,546,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB22,169,000).

Share Option Scheme XIII

On 31 August 2023, the Company has granted 190,000 options ("Options 2023 II") to subscribe for an aggregate of 190,000 ordinary shares in the Company under the 2023 Share Option Scheme. Each of the Options 2023 II shall entitle the holder of such Option 2023 to subscribe for one share upon exercise of such Option 2023 II at an exercise price of HKD4.93per share.

The Options 2023 II are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2023 II, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2023 II");

ii. up to a further 25% of the Options 2023 II, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2023 II; and

iii. up to a further 25% of the Options 2023 II, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2023 II; and

iv. in respect of the remaining 25% of the Options 2023 II, which, for the avoidance of doubt, comprise those Options 2023 II which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2023 II.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD195,000. The Group has recognised an amount of HKD6,000 (equivalent to RMB5,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB108,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme XIV

On 26 June 2024, the Company has granted 64,230,000 options ("Options 2024 I ") to subscribe for an aggregate of 64,230,000 ordinary shares in the Company under the 2023 Share Option Scheme, of which (i) 58,100,000 option shares are granted to selected global core management; and (ii) 6,130,000 option shares are granted to selected outstanding employees. Each of the Options 2024 I shall entitle the holder of such Option 2024 I to subscribe for one share upon exercise of such Option 2024 I at an exercise price of HKD4.39 per share.

The Options 2024 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2024 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2024 I ;

ii. up to a further 30% of the Options 2024 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2024 I; and

iii. in respect of the remaining 50% of the Options 2024 I, which, for the avoidance of doubt, comprise those Options 2024 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2024 I.

The Options 2024 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2024 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2024 I");

ii. up to a further 25% of the Options 2024 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2024 I; and

iii. up to a further 25% of the Options 2024 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2024 I; and

iv. in respect of the remaining 25% of the Options 2024 I, which, for the avoidance of doubt, comprise those Options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2024 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD82,435,000. The Group has recognised an amount of HKD21,058,000 (equivalent to RMB19,298,000) as expenses during the year ended 31 December 2025 (2024: equivalent to RMB10,797,000).

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

Share Option Scheme XV

On 27 June 2025, the Company has granted 49,530,000 options ("Options 2025 I") to subscribe for an aggregate of 49,530,000 ordinary shares in the Company under the 2023 Share Option Scheme, of which (i) 44,700,000 option shares are granted to selected global core management; and (ii) 4,830,000 option shares are granted to selected outstanding employees. Each of the Options 2025 I shall entitle the holder of such Option 2025 I to subscribe for one share upon exercise of such Option 2025 I at an exercise price of HKD4.73 per share.

The Options 2025 I granted to selected global core managements are exercisable by each grantee in three tranches as set out below:

i. up to the first 20% of the Options 2025 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2025 I;

ii. up to a further 30% of the Options 2025 I, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2025 I; and

iii. in respect of the remaining 50% of the Options 2025 I, which, for the avoidance of doubt, comprise those Options 2025 I which have not been exercised (and have not lapsed) since the third anniversary of the date of grant, at any time from the date falling on the fifth anniversary of the date of grant till the end of the Option Period 2025 I.

The Options 2025 I granted to selected outstanding employees are exercisable by each grantee in four tranches as set out below:

i. up to the first 25% of the Options 2025 I, at any time from the date falling on the first anniversary of the date of grant till the end of the 10-year period commencing from the date of grant ("Option Period 2025 I");

ii. up to a further 25% of the Options 2025 I, at any time from the date falling on the second anniversary of the date of grant till the end of the Option Period 2025 I; and

iii. up to a further 25% of the Options 2025 I, at any time from the date falling on the third anniversary of the date of grant till the end of the Option Period 2025 I; and

iv. in respect of the remaining 25% of the Options 2025 I, which, for the avoidance of doubt, comprise those Options which have not been exercised (and not lapsed) since the first anniversary of the date of grant, at any time from the date falling on the fourth anniversary of the date of grant till the end of the Option Period 2025 I.

The aggregate fair value of the Share Option Scheme granted amounted to approximately HKD78,517,000. The Group has recognised an amount of HKD19,942,000 (equivalent to RMB18,275,000) as expenses during the year ended 31 December 2025.

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the major inputs to the model used:

Share option:	Scheme I	Scheme II	Scheme III
Share price (HKD per share)	10.80	11.68	17.58
Volatility (%)	30.00	25.17	32.12
Risk-free interest rate (%)	1.36	1.23	1.91
Expected life of options (year)	10	10	10
Dividend yield (%)	1.57	1.80	1.99

Share option:	Scheme IV	Scheme V	Scheme VI
Share price (HKD per share)	12.86	9.95	8.79
Volatility (%)	38.59	36.71	36.70
Risk-free interest rate (%)	1.43	1.01	0.64
Expected life of options (year)	10	10	10
Dividend yield (%)	2.88	3.17	4.58

Share option:	Scheme VII	Scheme VIII	Scheme IX
Share price (HKD per share)	8.86	10.88	9.90
Volatility (%)	33.69	28.42	23.58
Risk-free interest rate (%)	0.71	1.61	1.04
Expected life of options (year)	10	10	10
Dividend yield (%)	3.14	–	2.22

Share option:	Scheme X	Scheme XI	Scheme XII
Share price (HKD per share)	8.71	5.95	5.68
Volatility (%)	24.92	24.89	24.87
Risk-free interest rate (%)	2.15	3.09	3.51
Expected life of options (year)	10	10	10
Dividend yield (%)	3.44	5.18	0.25

Share option:	Scheme XIII	Scheme XIV	Scheme XV
Share price (HKD per share)	4.91	4.39	4.73
Volatility (%)	24.82	35.42	35.98
Risk-free interest rate (%)	3.86	3.56	2.91
Expected life of options (year)	10	10	7
Dividend yield (%)	0.29	0.88	0.42

58. SHARE-BASED PAYMENTS *(Continued)*

(b) Share option scheme of the Company *(Continued)*

The following options were outstanding under the Share Option Scheme during the year:

	2025	2024
At 1 January	**330,095,350**	302,716,350
Granted during the year	**49,530,000**	64,230,000
Exercised during the year	**(230,000)**	–
Forfeited and other changes during the year	**(32,012,500)**	(36,851,000)
At 31 December	**347,382,850**	330,095,350

The weighted average exercise price of share options which were granted during 2025 was HKD4.73 (2024: HKD4.29), the weighted average exercise price of share options which were forfeited during 2025 were HKD9.39 (2024: HKD10.33).

The number of outstanding share options granted as at 31 December 2025 for each tranche of the Share Option Scheme is as follows:

	2025	2024
Share Option Scheme I	**37,700,000**	37,700,000
Share Option Scheme II	**14,950,000**	14,950,000
Share Option Scheme III	**9,921,600**	10,291,600
Share Option Scheme IV	**42,766,250**	53,796,250
Share Option Scheme V	**350,000**	350,000
Share Option Scheme VI	**12,412,500**	12,922,500
Share Option Scheme VII	**–**	90,000
Share Option Scheme VIII	**22,197,500**	26,212,500
Share Option Scheme IX	**180,000**	180,000
Share Option Scheme X	**41,327,500**	47,897,500
Share Option Scheme XI	**–**	90,000
Share Option Scheme XII	**59,345,000**	61,987,500
Share Option Scheme XIII	**100,000**	190,000
Share Option Scheme XIV	**59,422,500**	63,437,500
Share Option Scheme XV	**46,710,000**	–
At 31 December	**347,382,850**	330,095,350

58. SHARE-BASED PAYMENTS *(Continued)*

(c) Equity-settled share-based payment of principal subsidiaries of the Group

Fosun Pharma

Fosun Pharma and its subsidiaries have granted certain share options and restricted shares under certain share incentive schemes with different vesting periods. Fosun Pharma recognised an expense of RMB207,245,000 during the year ended 31 December 2025 (2024: RMB21,069,000).

FTG

FTG has granted certain share options and free shares under certain share incentive schemes with different vesting periods. FTG recognised an expense of RMB38,957,000 during the year ended 31 December 2025 (2024: RMB38,141,000).

Yuyuan

Yuyuan has granted certain restricted share and share option under certain share incentive schemes with different vesting periods. Yuyuan recognised an expense of RMB14,943,000 during the year ended 31 December 2025 (2024: RMB29,306,000).

Hainan Mining

Hainan Mining has granted certain restricted share under certain restricted share incentive schemes with different vesting periods. Hainan Mining recognised an expense of RMB11,953,000 during the year ended 31 December 2025 (2024: RMB4,717,000).

59. COMMITMENTS

(a) The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Plant and machinery	**2,320,123**	2,159,870
Properties under development	**2,951,074**	5,203,134
Investments	**4,848,721**	4,761,633
Oil and gas assets	**629,780**	117,171
Total	**10,749,698**	12,241,808
In addition, the Group had the following commitments provided to joint ventures (including the Group's share of commitments made jointly with other joint venturers), which are not included in the above, is as follows:		
Contracted but not provided for:		
Properties under development	**–**	272,389
Total	**–**	272,389

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are RMB2,527,000 due within one year, RMB18,439,000 due in the second to fifth years, inclusive and RMB5,462,000 due after five years.

60. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the end of the reporting period:

	Notes	**2025 RMB'000**	2024 RMB'000
Principal amount of the guaranteed bank loans and corporate bonds of:			
Related parties		**987,835**	2,059,949
Third parties		**–**	465,901
Qualified buyers' mortgage loans	(1)	**3,145,413**	5,505,739
		4,133,248	8,031,589

Notes:

(1) As at 31 December 2025, the Group provided guarantees of approximately RMB3,145,413,000 (31 December 2024: RMB5,505,739,000) in favour of their customers in respect of mortgage loans provided by banks to these customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to administrative procedures in the PRC. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in the case of default in payments, the net realisable value of the related properties can cover the outstanding principal together with the accrued interest and penalties, and therefore, no provision has been made in the financial statements for the guarantees.

(2) Owing to the nature of the insurance business, the insurance segment of the Group is involved in legal proceedings in the ordinary course of its activities, including being the plaintiff or the defendant in litigation and arbitration proceedings. Most of such legal proceedings involve claims concerning insurance policies, which are already provisioned, and some additional losses arising therefrom will be indemnified either by reinsurers or by other recoveries, like salvages. Although the outcomes of such contingencies, lawsuits or other proceedings cannot be determined at present, the Group believes that any resulting liabilities will not have a material adverse effect on its financial position or operating results.

61. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the year:

(Where certain related party transactions are detailed elsewhere in the financial statements) In addition to the transactions detailed in note 21, note 29, note 56 and note 60 to the financial statements, the Group had the following transactions with related parties during the year:

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Sales of goods			
Sinopharm Group Co., Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**6,155,832**	5,579,445
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 7)	Sales of waste rubble	**22,438**	20,966
Riviera Songhelou (Shanghai) Catering Management Co., Ltd. (Notes 2 & 7)	Sales of other products	**12,142**	9,562
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 7)	Sales of other products	**4,148**	31,019
Shanghai Hengbao Horologe (Notes 2 & 7)	Sales of other products	**2,269**	–
Zhuhai Fuyue Industrial Development Co., Ltd. (Notes 11 & 7)	Sales of other products	**2,197**	6,196
Fosun United Health Insurance Co., Ltd. (Notes 2 & 7)	Sales of pharmaceutical products	**1,839**	1,176
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 7)	Sales of other products	**1,469**	6,631
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 7)	Sales of other products	**1,325**	–
Jinhui Liquor Co., Ltd. (Notes 2 & 7)	Sales of other products	**1,247**	1,456
Suzhou Fujian Xingyi LLP (Notes 2 & 7)	Sales of pharmaceutical products	**1,205**	884
Other related parties		**876**	1,377
Total sales of goods		**6,206,987**	5,658,712

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Purchases of goods			
Sinopharm Group Co., Ltd. (Notes 2 & 7)	Purchases of pharmaceutical products	427,378	454,103
Intuitive Surgical-Fosun (Hongkong) Co., Limited (Notes 2 & 7)	Purchases of pharmaceutical products	58,826	–
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 7)	Purchases of alcohol	17,286	14,112
Hainan Lvfeng Resources Development Co., Ltd. (Notes 2 & 7)	Purchases of lump ore	16,546	1,634
Hangzhou Youpeng Network Technology Co., Ltd. (Notes 2 & 7)	Purchases of jewellery	15,106	645
Hainan Haigang Group Co., Ltd. (Notes 3 & 7)	Purchase of rich ore sand and lean ore	11,518	4,417
Hainan Lvhua Environmental Protection Building Materials Co., Ltd. (Notes 2 & 7)	Purchases of lump ore	7,278	–
Saladax Biomedical, Inc. (Notes 2 & 7)	Purchases of pharmaceutical products	5,775	5,347
Shanghai Hengbao Horologe (Notes 2 & 7)	Purchases of accessories	2,953	3,674
Hainan Yingfeng Building Materials Co., Ltd. (Notes 2 & 7)	Purchases of lump ore	1,155	1,531
Other related parties		1,510	23,254
Total purchases of goods		565,331	508,717

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Service income			
Zhuhai Fuyue Industrial Development Co.. Ltd (Notes 11 & 8)	Consulting services provided to the related company	**45,885**	43,906
Fosun United Health Insurance Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	**33,929**	46,796
Shanghai Lishi Hotel Co., Ltd. (Notes 13 & 8)	Other services provided to the related company	**36,132**	3,131
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 8)	Consulting services provided to the related company	**33,545**	31,321
Yongan Property Insurance Co., Ltd. (Notes 2 & 8)	Reinsurance services provided to the related company	**31,311**	18,568
Fosun United Health Insurance Co., Ltd. (Notes 2 & 8)	Reinsurance services provided to the related company	**19,740**	16,620
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co. Ltd. (Notes 2 & 8)	Medical related services provided to the related company	**17,770**	717
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**17,346**	15,636
Shenzhen Pengfu Biomedical Industry Private Equity Investment Fund Partnership (Limited Partnership) (Notes 2 & 8)	Medical related services provided to the related company	**11,006**	22,282
Shanghai Easun Technology Co., Ltd. (Notes 12 & 8)	Other services provided to the related company	**7,660**	–
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**7,485**	6,078
Suzhou Fujian Xingyi LLP (Notes 2 & 8)	Medical related services provided to the related company	**6,889**	20,534
Nanjing Nangang Transformation and Upgrading Industrial Investment Partnership Enterprise (Limited Partnership) (Notes 2 & 8)	Other services provided to the related company	**6,406**	9,434
Dongyang Xingkai Commercial Operation Management Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**5,600**	1,675
Shanghai Fujian Equity Investment Fund Management Co., Ltd. (Notes 12 & 8)	Medical related services provided to the related company	**5,138**	–
Shanghai Yuyun Industrial Development Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**5,134**	7,991
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	**3,980**	3,529

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Wuxi Fosun Aolaide Venture Capital Partnership Enterprise (Limited Partnership) (Notes 2 & 8)	Other services provided to the related company	**3,738**	3,739
Huaihai Hospital Management (Xuzhou) Co., Ltd. (Notes 2 & 8)	Medical related services provided to the related company	**3,594**	6,621
Zhejiang Kuaitie Supply Chain Management Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**3,189**	–
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Reinsurance services provided to the related company	**2,726**	1,513
Chongqing Langfu Real Estate Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	**2,351**	2,905
Tianjin Forte Real Estate Development Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	**2,315**	4,300
Tianjin Fosun Haihe Medical and Health Industry Fund Partnership (Limited Partnership) (Notes 2 & 8)	Medical related services provided to the related company	**2,057**	6,605
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Travel services provided to the related company	**1,780**	4,578
Yaneng Biotechnology (Shenzhen) Co., Ltd. (Notes 2 & 8)	Other services provided to the related company	**1,468**	–
Zhuhai Fuyue Industrial Development Co.. Ltd (Notes 11 & 8)	Property management services provided to the related company	**1,423**	2,279
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 8)	Property management services provided to the related company	**1,211**	3,348
Other related parties		**5,514**	76,213
Total service income		**326,322**	360,319

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Interest income			
Shanghai Yuyun Industrial Development Co., Ltd. (Notes 2 & 10)	Interest income	152,627	217,558
Acacias Property S.à.r.l (Notes 2 & 10)	Interest income	36,966	34,156
Banco Comercial Portugues, S.A. (Notes 2 & 10)	Interest income	22,685	38,693
FPH Europe Holdings III (HK) Limited (Notes 2 & 10)	Interest income	3,796	3,644
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 11 & 10)	Interest income	–	225,239
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. (Notes 11 & 10)	Interest income	–	5,196
Tianjin EV Energies Co., Ltd. (Notes 2 & 10)	Interest income	–	3,476
Zhejiang Dongyang China Woodcarving City Investment and Development Co., Ltd. (Notes 2 & 10)	Interest income	–	1,652
Hefei Genesys Microelectronics Co., Ltd. (Notes 2 & 10)	Interest income	–	920
Total interest income		216,074	530,534
Rental income			
Suzhou Fujian Xingyi LLP (Notes 2 & 8)	Operating lease to related parties	9,550	9,962
Pramerica Fosun Life Insurance Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	3,014	4,370
Shanghai Fujian Equity Investment Fund Management Co., Ltd. (Notes 12 & 8)	Operating lease to related parties	2,850	–
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. (Notes 11 & 8)	Operating lease to related parties	–	3,927
Fosun United Health Insurance Co., Ltd. (Notes 2 & 8)	Operating lease to related parties	–	3,083
Other related parties		2,248	1,140
Total rental income		17,662	22,482
Rental expense			
Hainan Haigang Group Co., Ltd. (Notes 3 & 8)	Operating lease provided by related parties	23,907	16,133
Shanghai Dijie Real Estate Co., Ltd. (Notes 2 & 8)	Operating lease provided by related parties	2,232	3,296
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 11 & 8)	Operating lease provided by related parties	481	404
Total rental expense		26,620	19,833

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Interest paid for deposits from related parties			
Taizhou Hangshaotai High-speed Railway Investment Management Partnership (Limited Partnership) (Notes 2 & 5)	Interest paid for deposits	3,105	7,838
Shanghai Hongkou Guangxin Microcredit Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	1,701	3,211
Shanghai Fujian Equity Investment Fund Management Co., Ltd. (Notes 12 & 5)	Interest paid for deposits	539	–
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	519	177
Dongyang Xingkai Commercial Operation Management Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	34	24
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. (Notes 11 & 5)	Interest paid for deposits	–	241
Tianjin EV Energies Co., Ltd. (Notes 2 & 5)	Interest paid for deposits	–	10
Total interest paid for deposits from related parties		5,898	11,501
Other expenses			
Chengdu ShiBeiKang Biomedical Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	24,057	–
Shanghai Fujian Equity Investment Fund Management Co., Ltd. (Notes 12 & 9)	Other service expenses from the related company	14,297	–
Kodal Minerals PLC (Notes 2 & 9)	Other service expenses from the related company	12,201	9,287
Fosun United Health Insurance Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	10,739	9,436
Hangzhou Youpeng Network Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	8,077	–
RanDian (Nanjing) Biopharmaceutical Science and Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	8,009	–
Tongde Equity Investment and Management (Shanghai) Co. Ltd. (Notes 2 & 9)	Other service expenses from the related company	7,753	9,927
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co. Ltd. (Notes 2 & 9)	Other service expenses from the related company	5,514	1,808
Sinopharm Group Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	5,431	1,787
Beijing Xingyuan Innovation Equity Investment Fund Management Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	2,091	–
Hainan Tianhan Technology Co., Ltd. (Notes 2 & 9)	Other service expenses from the related company	1,745	4,072
Other related parties		88	2,415
Total other expenses from related parties		100,002	38,732

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Increase of deposits from related companies			
Shanghai Hongkou Guangxin Microcredit Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**764,466**	681,548
Sichuan Tuopai Shede Group Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**402,877**	21,600
Dongyang Xingkai Commercial Operation Management Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**168,710**	102,995
Shanghai Fujian Equity Investment Fund Management Co., Ltd. (Notes 12 & 5)	Increase of deposits from the related company	**160,141**	–
Taizhou Hangshaotai High-speed Railway Investment Management Partnership (Limited Partnership) (Notes 2 & 5)	Increase of deposits from the related company	**53,305**	38,068
Tianjin EV Energies Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**5,570**	285,861
Hainan Modern Building Components Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**4,401**	–
Zhejiang Dongyang China Woodcarving City Investment and Development Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**–**	92,550
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. (Notes 11 & 5)	Increase of deposits from the related company	**–**	66,073
Hefei Genesys Microelectronics Co., Ltd. (Notes 2 & 5)	Increase of deposits from the related company	**–**	45,176
Other related parties		**72**	29
Total increase of deposits from related companies		**1,559,542**	1,333,900

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Guarantees of bank borrowings and other liabilities			
Beijing Hehua Real Estate Development Co.,Ltd. (Notes 2 & 4)	Bank borrowings guarantee to the related company	**715,335**	723,672
Zhejiang Dongyang China Woodcarving City Investment and Development Co., Ltd. (Notes 2 & 4)	Bank borrowings guarantee to the related company	**272,500**	317,500
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 11 & 4)	Bank borrowings guarantee to the related company	**–**	672,500
Tianjin EV Energies Co., Ltd. (Notes 2 & 4)	Bank borrowings and other liabilities guarantee to the related company	**–**	342,328
Holidays Hotel AG (Notes 2&4)	Bank borrowings guarantee to the related company	**–**	3,949
Fosun International Holdings Ltd. & Fosun Holding Ltd.(Notes 1, 6 & 4)	Bank borrowings guaranteed by the related company	**250,000**	296,320
Kunming Forte Real Estate Development Co., Ltd. (Notes 2 & 4)	Bank borrowings guaranteed by the related company	**–**	580,000
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 11 & 4)	Bank borrowings guaranteed by the related company	**–**	506,000
Total Guarantees of bank borrowings and other liabilities		**1,237,835**	3,442,269

61. RELATED PARTY TRANSACTIONS *(Continued)*

The Group had the following material transactions with related parties during the year: *(Continued)*

Name of related parties	Nature of transactions	2025 RMB'000	2024 RMB'000
Increase of loans to related companies			
Wuhan Fosun Hanzheng Street Property Development Co., Ltd. (Notes 11 & 10)	Increase of loans provided to the related company	**2,209,115**	506,836
Tianjin EV Energies Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**85,025**	143,680
Shanghai Fudi Furong Industrial Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**75,877**	–
Shanghai Fuhao Industrial Development Co., Ltd. (Notes 11 & 10)	Increase of loans provided to the related company	**60,591**	–
Kunming Forte Real Estate Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**17,836**	–
Shanghai Fuyi Industrial Development Co., Ltd (Notes 2 & 10)	Increase of loans provided to the related company	**8,490**	13,610
Shanghai Yuyun Industrial Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**7,000**	–
Holidays Hotel AG (Notes 2 & 10)	Increase of loans provided to the related company	**6,104**	–
Acacias Property S.à.r.l (Notes 2 & 10)	Increase of loans provided to the related company	**5,872**	13,906
Hefei Genesys Microelectronics Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**–**	70,160
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 10)	Increase of loans provided to the related company	**–**	12,100
Total increase of loans to related companies		**2,475,910**	760,292
Increase of loans received from related companies			
Changsha Fuyu Real Estate Development Co., Ltd. (Notes 2 & 10)	Increase of loans received from the related company	**343**	50,027
Xi'an Fuyu Real Estate Development Co., Ltd. (Notes 2 & 10)	Increase of loans received from the related company	**–**	64,300
Total increase of loans received from related companies		**343**	114,327

61. RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

(1) Fosun International Holdings Ltd. is the ultimate holding company of the Group. Fosun Holdings Limited is the holding company of the Group.

(2) They are associates, joint ventures and other related companies of the Group.

(3) They are non-controlling shareholders of the subsidiaries of the Group.

(4) The bank borrowings were guaranteed by the related companies free of charge. The guarantees were given by the Group for bank borrowings and other liabilities of the related companies free of charge.

(5) Interest paid for deposits from related parties represents interest paid for deposits placed by related parties in Finance Company, a subsidiary of the Group. The deposits from related parties carry interest which are determined in accordance with the benchmark deposit interest rate of PBOC and the prevailing market deposit interest rate. The deposits will be repaid upon demand of the related parties.

(6) These transactions constituted connected transactions or continuing connected transactions of the Group under Chapter 14A of the Listing Rules. They are exempted from the disclosure requirements under Chapter 14A of the Listing Rules.

(7) The directors consider that the sales and purchases were undertaken on commercial terms similar to those offered to/by unrelated customers/suppliers in the ordinary course of business of the relevant companies.

(8) The directors consider that the income for services provided to related companies were determined based on prices available to third party customers.

(9) The directors consider that the fees for services provided by the related companies were determined based on prices charged to third parties by related companies.

(10) The loans provided by/to the related companies are unsecured. The directors consider that the applicable interest rates are determined in accordance with the prevailing market borrowing rates.

(11) They were former associates or joint ventures, but became subsidiaries of the Group in 2025 or 2024.

(12) They were former subsidiaries of the Group, but became associates or joint ventures of the Group in 2025 or 2024.

(13) They were no longer an associate or joint venture of the Group in 2025.

(14) Compensation of key management personnel of the Group:

	2025 **RMB'000**	2024 RMB'000
Short-term employee benefits	**176,242**	90,133
Equity-settled share award and share option scheme expenses	**57,352**	59,660
Pension scheme contributions	**502**	499
Total compensation paid to key management personnel	**234,096**	150,292

62. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss					Financial assets at fair value through other comprehensive income				
	Designated as such upon initial recognition RMB'000	Other investments* RMB'000	Held for trading RMB'000	Hedging instruments designated in fair value hedges RMB'000	Associates measured at fair value through profit or loss RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Cash and bank balances	–	–	–	–	–	–	–	61,092,407	–	61,092,407
Reverse repurchase agreements	–	–	–	–	–	–	–	1,693	–	1,693
Loans and advances to customers	–	–	–	–	–	–	–	158,333	–	158,333
Trade and notes receivables	–	–	–	–	–	–	–	13,375,429	–	13,375,429
Due from related companies	–	–	–	–	–	–	–	13,480,179	–	13,480,179
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	–	–	–	15,321,728	–	15,321,728
Derivative financial instruments	–	–	671,298	19,560	–	–	–	–	106,303	797,161
Financial assets at fair value through profit or loss	–	27,406,112	16,580,574	–	–	–	–	–	–	43,986,686
Debt investments at fair value through other comprehensive income	–	–	–	–	–	102,812,097	–	–	–	102,812,097
Debt investments at amortised cost	–	–	–	–	–	–	–	3,081,068	–	3,081,068
Policyholder account assets in respect of unit-linked contracts	36,982,257	–	–	–	–	–	–	3,754,321	–	40,736,578
Equity investments designated at fair value through other comprehensive income	–	–	–	–	–	–	1,265,171	–	–	1,265,171
Associates measured at fair value through profit or loss	–	–	–	–	7,476,130	–	–	–	–	7,476,130
Total	36,982,257	27,406,112	17,251,872	19,560	7,476,130	102,812,097	1,265,171	110,265,158	106,303	303,584,660

* Other investments include i) financial assets whose contractual cash flows are not solely payments of principal and interest; ii) investments which have not been irrevocably designated as equity investments at FVOCI; and iii) investments which have not been managed within the business model of only holding to collect contractual cash flows or both collecting contractual cash flows and selling the financial assets.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2025 *(Continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss				
	Designated as such upon initial recognition RMB'000	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Deposits from customers	–	–	284,720	–	284,720
Accounts payable to brokerage clients	–	–	2,582,520	–	2,582,520
Financial liabilities at fair value through profit or loss	–	8,085,306	–	–	8,085,306
Trade and notes payables	–	–	20,049,389	–	20,049,389
Derivative financial instruments	–	1,762,039	–	143,442	1,905,481
Financial liabilities included in accrued liabilities and other payables	1,778,394*	–	66,699,951	–	68,478,345
Due to related companies and the holding company	–	–	1,619,945	–	1,619,945
Interest-bearing bank and other borrowings	–	–	224,194,595	–	224,194,595
Investment contract liabilities	–	–	52,404,883	–	52,404,883
Financial liabilities for unit-linked contracts	36,982,257	–	3,754,321	–	40,736,578
Total	38,760,651	9,847,345	371,590,324	143,442	420,341,762

* The amount includes the share redemption option granted to non-controlling shareholders of several subsidiaries, of which the fair value change is recognised in reserves due to the nature of the equity transaction with the non-controlling shareholders of the subsidiaries of the Group.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2024

Financial assets

	Financial assets at fair value through profit or loss					Financial assets at fair value through other comprehensive income				
	Designated as such upon initial recognition RMB'000	Other investments* RMB'000	Held for trading RMB'000	Hedging instruments designated in fair value hedges RMB'000	Associates measured at fair value through profit or loss RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Cash and bank balances	–	–	–	–	–	–	–	106,339,331	–	106,339,331
Reverse repurchase agreements	–	–	–	–	–	–	–	4,716,893	–	4,716,893
Loans and advances to customers	–	–	–	–	–	–	–	13,600,010	–	13,600,010
Trade and notes receivables	–	–	–	–	–	–	–	12,830,560	–	12,830,560
Due from related companies	–	–	–	–	–	–	–	19,255,040	–	19,255,040
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	–	–	–	27,627,507	–	27,627,507
Placements with and loans to banks and other financial institutions	–	–	–	–	–	–	–	498,673	–	498,673
Derivative financial instruments	–	–	2,119,847	5,520	–	–	–	–	463,500	2,588,867
Financial assets at fair value through profit or loss	–	28,639,495	16,846,922	–	–	–	–	–	–	45,486,417
Finance lease receivables	–	–	–	–	–	–	–	243,102	–	243,102
Debt investments at fair value through other comprehensive income	–	–	–	–	–	82,743,455	–	–	–	82,743,455
Debt investments at amortised cost	–	–	–	–	–	–	–	28,023,635	–	28,023,635
Policyholder account assets in respect of unit-linked contracts	30,173,610	–	–	–	–	–	–	2,196,527	–	32,370,137
Equity investments designated at fair value through other comprehensive income	–	–	–	–	–	–	1,002,602	–	–	1,002,602
Associates measured at fair value through profit or loss	–	–	–	–	8,311,722	–	–	–	–	8,311,722
Total	30,173,610	28,639,495	18,966,769	5,520	8,311,722	82,743,455	1,002,602	215,331,278	463,500	385,637,951

* Other investments include i) financial assets whose contractual cash flows are not solely payments of principal and interest; ii) investments which have not been irrevocably designated as equity investments at FVOCI; and iii) investments which have not been managed within the business model of only holding to collect contractual cash flows or both collecting contractual cash flows and selling the financial assets.

62. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

The carrying amounts of each of the categories of the Group's financial instruments as at the end of each reporting period are as follows: *(Continued)*

2024 *(Continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss				
	Designated as such upon initial recognition RMB'000	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Hedging instruments designated in cash flow/net investment hedges RMB'000	Total RMB'000
Deposits from customers	–	–	83,421,172	–	83,421,172
Assets sold under agreements to repurchase	–	–	1,063,007	–	1,063,007
Accounts payable to brokerage clients	–	–	1,548,444	–	1,548,444
Financial liabilities at fair value through profit or loss	–	7,223,661	–	–	7,223,661
Trade and notes payables	–	–	23,015,861	–	23,015,861
Due to banks and other financial institutions	–	–	2,263,972	–	2,263,972
Derivative financial instruments	–	3,117,218	–	211,005	3,328,223
Financial liabilities included in accrued liabilities and other payables	3,139,299*	–	64,408,972	–	67,548,271
Due to related companies and the holding company	–	–	1,396,160	–	1,396,160
Interest-bearing bank and other borrowings	–	–	214,104,630	–	214,104,630
Investment contract liabilities	–	–	41,011,865	–	41,011,865
Financial liabilities for unit-linked contracts	30,173,610	–	2,196,527	–	32,370,137
Total	33,312,909	10,340,879	434,430,610	211,005	478,295,403

* The amount includes the share redemption option granted to non-controlling shareholders of several subsidiaries, of which the fair value change is recognised in reserves due to the nature of the equity transaction with the non-controlling shareholders of the subsidiaries of the Group.

63. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2025, the Group endorsed certain notes receivable accepted by banks in Chinese Mainland (the "Endorsed notes") with a carrying amount of RMB123,480,000 (2024: RMB179,518,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"); the Group factored certain notes receivable accepted by banks in Chinese Mainland (the "Factored Notes") with a carrying amount of RMB nil (2024: RMB24,000,000) to certain factoring companies to finance its operating cash flows (the "Factoring"); in addition, the Group discounted certain notes receivable accepted by banks in the PRC (the "Discounted Notes") to certain banks to finance its operating cash flows (the "Discount") with an aggregate carrying amount of RMB nil (2024: RMB117,466,000).

In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, Factored Notes and Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled, the Factored Notes and the short-term borrowings, the Discounted Notes and the short-term borrowings. Subsequent to the Endorsement, the Factoring and Discount, the Group did not retain any rights on the use of the Endorsed Notes, Factored Notes and Discounted Notes, including the sale, transfer or pledge to any other third parties.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2025, the Group endorsed certain notes receivable accepted by banks in the PRC (the "Derecognised Notes") to certain of its suppliers in order to settle the trade payables due to these suppliers with an aggregate carrying amount of RMB1,173,646,000 (2024: RMB963,939,000). In addition, the Group discounted certain notes receivable accepted by banks in the PRC to certain banks to finance its operating cash flows with an aggregate carrying amount of RMB824,056,000 (2024: RMB363,598,000). The Derecognised Notes had maturity from one to ten months at the end of the reporting period. In accordance with the relevant laws and regulations in the PRC and relevant discounting arrangement with certain banks, the holders of the Derecognised Notes have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement").

In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

During the year, the Group has recognised a loss of RMB2,475,000 (2024: RMB1,248,000) on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement and the discount have been made evenly throughout the year.

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
Financial assets				
Loans and advances to customers	**–**	1,171,828	**–**	1,242,229
Financial assets included in prepayments, other receivables and other assets	**1,933,944**	1,971,804	**1,933,944**	1,971,804
Derivative financial instruments	**797,161**	2,588,867	**797,161**	2,588,867
Financial assets at fair value through profit or loss	**43,986,686**	45,486,417	**43,986,686**	45,486,417
Debt investments at fair value through other comprehensive income	**102,812,097**	82,743,455	**102,812,097**	82,743,455
Debt investments at amortised cost	**3,081,068**	28,023,635	**3,111,976**	27,864,955
Financial assets included in policyholder account assets in respect of unit-linked contracts	**36,982,257**	30,173,610	**36,982,257**	30,173,610
Equity investments designated at fair value through other comprehensive income	**1,265,171**	1,002,602	**1,265,171**	1,002,602
Associates measured at fair value through profit or loss	**7,476,130**	8,311,722	**7,476,130**	8,311,722
Total	**198,334,514**	201,473,940	**198,365,422**	201,385,661
Financial liabilities				
Deposits from customers	**–**	84,987	**–**	84,689
Financial liabilities at fair value through profit or loss	**8,085,306**	7,223,661	**8,085,306**	7,223,661
Derivative financial instruments	**1,905,481**	3,328,223	**1,905,481**	3,328,223
Financial liabilities included in accrued liabilities and other payables	**9,142,587**	10,094,795	**9,142,587**	10,094,795
Due to related companies and the holding company	**257,294**	351,274	**257,294**	351,274
Interest-bearing bank and other borrowings	**120,033,906**	104,170,126	**122,198,745**	106,348,162
Financial liabilities for unit-linked contracts	**36,982,257**	30,173,610	**36,982,257**	30,173,610
Total	**176,406,831**	155,426,676	**178,571,670**	157,604,414

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Management has assessed that the fair values of cash and bank balances, reverse repurchase agreements, finance lease receivables, placements with and loans to banks and other financial institutions, accounts payable to brokerage clients, investment contract liabilities, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets, due to banks and other financial institutions, due from related companies and assets sold under agreements to repurchase, the amounts expected to be recovered or settled no more than 12 months in loans and advances to customers, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, deposits from customers, due to related companies and the holding company approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets included in prepayments, other receivables and other assets, financial liabilities included in accrued liabilities and other payables, and interest-bearing bank and other borrowings which are expected to be recovered or settled more than 12 months have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the amounts due to related companies and the holding company, financial liabilities included in accrued liabilities and other payables, and interest-bearing bank and other borrowings which are expected to be recovered or settled more than 12 months as at 31 December 2025 was assessed to be insignificant. The fair values of listed bonds and senior notes are based on quoted market prices.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include commodity derivative contracts, forward currency contracts, and currency and interest rate swaps. As at 31 December 2025, the fair values of commodity derivative contracts were measured using quoted market prices of commodity future contracts, while the fair values of the forward currency contracts and the fair values of currency and interest rate swaps were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of the commodity derivative contracts, forward currency contracts, and currency and interest rate swaps are the same as their fair values.

The fair values of listed equity investments without a lock-up period are based on quoted market prices. The fair values of listed equity investments with a lock-up period have been estimated based on assumptions that are supported by observable market prices and the discount for lack of marketability. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required by fair value measurement are observable, the instruments are included in level 2. If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

For Level 3 financial assets, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, income approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as credit spread, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2025:

Unobservable inputs and sensitivity analysis for Level 3 assets

The financial assets measured at fair value held by the Group which were classified in Level 3 primarily correspond to debt securities, investment funds and certain unlisted equity securities not quoted in an active market.

The fair value of debt securities, which consist of public and corporate bonds, is determined using broker quotes that cannot be corroborated with observable market transactions. Significant unobservable inputs for these bonds would include proprietary cash flow models and issuer spreads, which are comprised of credit, liquidity, and other security-specific features of the bonds. An increase (decrease) in these issuer spreads would result in a lower (higher) fair value.

The fair values of investment funds classified in Level 3 are based on net asset value (NAV) reports provided by the management of such funds. For certain unlisted equity securities, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, etc., which requires the Group to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to earnings multiples and price to book multiples, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. An increase (decrease) in multiples would result in a higher (lower) fair value. An increase (decrease) in liquidity discount would result in a lower (higher) fair value. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

Unobservable inputs and sensitivity analysis for Level 3 liabilities

Significant unobservable valuation inputs for the share redemption option granted to non-controlling shareholders of subsidiaries included in accrued liabilities and other payables is the progress of research and development activities, net profit or EBITDA of the subsidiaries.

Significant unobservable valuation input for certain of other financial liabilities included in accrued liabilities and other payables is fair value of net assets of subsidiaries.

Significant unobservable valuation input for certain of other financial liabilities included in accrued liabilities and other payables is present value of cash flows related to redemption rights liability of subsidiaries.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Level 1: Fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets Level 1	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025				
Derivative financial instruments	**691,740**	**106,391**	**(970)**	**797,161**
Financial assets at fair value through profit or loss	**14,022,839**	**16,051,193**	**13,912,654**	**43,986,686**
Debt investments at fair value through other comprehensive income	**89,773,500**	**12,278,781**	**759,816**	**102,812,097**
Financial assets included in policyholder account assets in respect of unit-linked contracts	**31,542,468**	**1,901,905**	**3,537,884**	**36,982,257**
Equity investments designated at fair value through other comprehensive income	**1,035,320**	**81,019**	**148,832**	**1,265,171**
Associates measured at fair value through profit or loss	**74,835**	**5,177,246**	**2,224,049**	**7,476,130**
Total	**137,140,702**	**35,596,535**	**20,582,265**	**193,319,502**
31 December 2024				
Derivative financial instruments	489,426	2,097,297	2,144	2,588,867
Financial assets at fair value through profit or loss	13,360,491	14,944,219	17,181,707	45,486,417
Debt investments at fair value through other comprehensive income	72,519,971	9,466,223	757,261	82,743,455
Financial assets included in policyholder account assets in respect of unit-linked contracts	28,012,951	537,617	1,623,042	30,173,610
Equity investments designated at fair value through other comprehensive income	742,631	110,656	149,315	1,002,602
Associates measured at fair value through profit or loss	109,798	3,267,055	4,934,869	8,311,722
Total	115,235,268	30,423,067	24,648,338	170,306,673

During the year, there was no financial assets with a fair value in Level 2 as at 31 December 2024 were transferred out to Level 1 due to the end of the lock-up period for these equity investments in 2025 (2024: nil).

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: *(Continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Equity investments designated at fair value through other comprehensive income RMB'000	Debt investments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Policyholder account assets in respect of unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Associates measured at fair value through profit or loss RMB'000	Total RMB'000
As at 31 December 2024	**149,315**	**757,261**	**17,181,707**	**1,623,042**	**2,144**	**4,934,869**	**24,648,338**
Total (losses)/gains recognised in the consolidated statement of profit or loss included in other gains	**–**	**(15,360)**	**(29,473)**	**183,310**	**(3,256)**	**(34,940)**	**100,281**
Total (losses)/gains recognised in other comprehensive income	**265**	**337**	**(29,475)**	**–**	**–**	**–**	**(28,873)**
Addition	**–**	**542,646**	**1,723,729**	**1,785,725**	**–**	**–**	**4,052,100**
Disposals	**(100)**	**(595,246)**	**(1,886,282)**	**(239,129)**	**–**	**–**	**(2,720,757)**
Disposal of subsidiaries	**–**	**-**	**(1,599,730)**	**–**	**–**	**–**	**(1,599,730)**
Exchange realignment	**(648)**	**70,178**	**427,263**	**184,936**	**142**	**(8,498)**	**673,373**
Transfers*	**–**	**–**	**(1,875,085)**	**–**	**–**	**(2,667,382)**	**(4,542,467)**
As at 31 December 2025	**148,832**	**759,816**	**13,912,654**	**3,537,884**	**(970)**	**2,224,049**	**20,582,265**

* The transfer out from Level 3 to Level 2 or Level 1 was based on the significant input used in the fair value measurement as a whole.

	Equity investments designated at fair value through other comprehensive income RMB'000	Debt investments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Policyholder account assets in respect of unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Associates measured at fair value through profit or loss RMB'000	Total RMB'000
As at 31 December 2023	74,505	1,911,551	23,459,133	3,948,016	1,204,769	4,089,284	34,687,258
Total (losses)/gains recognised in the consolidated statement of profit or loss included in other gains	–	(38,665)	1,340,323	699	(4,745)	(281,465)	1,016,147
Total (losses)/gains recognised in other comprehensive income	(12,533)	146,345	57,669	–	–	–	191,481
Addition	87,529	547,124	3,498,167	649,260	–	9,997	4,792,077
Disposals	–	(1,756,494)	(10,858,340)	(2,864,725)	(1,177,351)	(443,967)	(17,100,877)
Disposal of subsidiaries	–	–	(158,625)	–		(710,981)	(869,606)
Exchange realignment	(186)	(52,600)	(61,108)	(110,208)	(20,529)	–	(244,631)
Transfers*	–	–	(95,512)	–	–	2,272,001	2,176,489
As at 31 December 2024	149,315	757,261	17,181,707	1,623,042	2,144	4,934,869	24,648,338

* During the year, the financial assets with a fair value of RMB581,108,000 in Level 3 as at 31 December 2023 were transferred out, and fair value of RMB2,757,597,000 in Level 2 as at 31 December 2023 were transferred in. The transfer was based on the significant input used in the fair value measurement as a whole.

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2025				
Financial assets included in prepayment, of the receivables and other assets	**–**	**1,933,944**	**–**	**1,933,944**
Debt investments at amortised cost	**1,502,435**	**1,609,541**	**–**	**3,111,976**
Total	**1,502,435**	**3,543,485**	**–**	**5,045,920**
31 December 2024				
Loans and advances to customers	–	–	1,242,229	1,242,229
Financial assets included in prepayment, of the receivables and other assets	–	1,971,804	–	1,971,804
Debt investments at amortised cost	20,928,732	6,423,559	512,664	27,864,955
Total	20,928,732	8,395,363	1,754,893	31,078,988

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
31 December 2025				
Financial liabilities for unit-linked contracts	**31,542,468**	**1,901,905**	**3,537,884**	**36,982,257**
Financial liabilities included in accrued liabilities and other payables	**–**	**–**	**1,778,394**	**1,778,394**
Financial liabilities at fair value through profit or loss	**7,520,747**	**–**	**564,559**	**8,085,306**
Derivative financial instruments	**54,361**	**529,604**	**1,321,516**	**1,905,481**
Total	**39,117,576**	**2,431,509**	**7,202,353**	**48,751,438**
31 December 2024				
Financial liabilities for unit-linked contracts	28,012,951	537,617	1,623,042	30,173,610
Financial liabilities included in accrued liabilities and other payables	–	–	3,139,299	3,139,299
Financial liabilities at fair value through profit or loss	6,624,470	–	599,191	7,223,661
Derivative financial instruments	295,756	2,039,897	992,570	3,328,223
Total	34,933,177	2,577,514	6,354,102	43,864,793

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value: *(Continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Financial liabilities included in accrued liabilities and other payables RMB'000	Financial liabilities for unit-linked contracts RMB'000	Derivative financial instruments RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
31 December 2024	**3,139,299**	**1,623,042**	**992,570**	**599,191**	**6,354,102**
Total (gains)/losses recognised in the consolidated statement of profit or loss included in other income	**(84,535)**	**183,310**	**231,075**	**–**	**329,850**
Addition	**489,542**	**1,785,725**	**–**	**5,383**	**2,280,650**
Decrease	**(1,765,912)**	**(239,129)**	**–**	**(25,731)**	**(2,030,772)**
Exchange realignment	**–**	**184,936**	**97,871**	**(14,284)**	**268,523**
At 31 December 2025	**1,778,394**	**3,537,884**	**1,321,516**	**564,559**	**7,202,353**
31 December 2023	3,385,474	3,948,016	2,090,204	–	9,423,694
Total losses recognised in the consolidated statement of profit or loss included in other income	40,305	699	28,850	–	69,854
Addition	466,103	649,260	112,756	590,306	1,818,425
Decrease	(752,583)	(2,864,725)	(1,177,351)	–	(4,794,659)
Exchange realignment	–	(110,208)	(61,889)	8,885	(163,212)
At 31 December 2024	3,139,299	1,623,042	992,570	599,191	6,354,102

64. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025				
Interest-bearing bank and other borrowings	**22,867,910**	**99,330,835**	**–**	**122,198,745**
Due to related companies and the holding company	**–**	**257,294**	**–**	**257,294**
Financial liabilities included in accrued liabilities and other payables	**–**	**7,364,193**	**–**	**7,364,193**
Total	**22,867,910**	**106,952,322**	**–**	**129,820,232**
31 December 2024				
Interest-bearing bank and other borrowings	20,979,501	85,368,661	–	106,348,162
Deposits from customers	–	–	84,689	84,689
Due to related companies and the holding company	–	351,274	–	351,274
Financial liabilities included in accrued liabilities and other payables	–	6,955,496	–	6,955,496
Total	20,979,501	92,675,431	84,689	113,739,621

65. LIQUIDITY INFORMATION

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

As at 31 December 2025	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
ASSETS			
Cash and bank balances	61,092,407	60,497,983	594,424
Reverse repurchase agreements	1,693	1,693	–
Loans and advances to customers	158,333	158,333	–
Trade and notes receivables	13,375,429	13,375,429	–
Inventories	15,877,054	15,877,054	–
Completed properties for sale	11,377,491	11,377,491	–
Properties under development	33,254,582	30,188,288	3,066,294
Contract assets and other assets	128,834	128,834	–
Due from related companies	13,480,179	13,474,075	6,104
Prepayments, other receivables and other assets	31,110,660	25,704,922	5,405,738
Assets classified as held for sale	3,590,828	3,590,828	–
Derivative financial instruments	797,161	707,222	89,939
Financial assets at fair value through profit or loss	43,986,686	29,555,915	14,430,771
Reinsurance contract assets	8,026,879	7,046,111	980,768
Insurance contract assets	723,121	277,347	445,774
Debt investments at fair value through other comprehensive income	102,812,097	14,922,952	87,889,145
Debt investments at amortised cost	3,081,068	2,012,062	1,069,006
Policyholder account assets in respect of unit-linked contracts	40,736,578	5,477,255	35,259,323
Equity investments designated at fair value through other comprehensive income	1,265,171	–	1,265,171
Property, plant and equipment	55,772,213	–	55,772,213
Investment properties	97,134,974	–	97,134,974
Right-of-use assets	22,886,648	–	22,886,648
Exploration and evaluation assets	1,178,404	–	1,178,404
Mining rights	1,260,010	–	1,260,010
Oil and gas assets	2,620,259	–	2,620,259
Intangible assets	38,388,241	–	38,388,241
Investments in joint ventures	13,939,230	–	13,939,230
Investments in associates	66,355,403	–	66,355,403
Goodwill	23,620,951	–	23,620,951
Deferred tax assets	8,196,101	–	8,196,101
Total assets	716,228,685	234,373,794	481,854,891

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2025	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
LIABILITIES			
Deposits from customers	284,720	284,720	–
Accounts payable to brokerage clients	2,582,520	2,582,520	–
Financial liabilities at fair value through profit or loss	8,085,306	8,085,306	–
Liabilities directly associated with the assets classified as held for sale	278,622	278,622	–
Trade and notes payables	20,049,389	20,049,389	–
Contract liabilities	5,726,110	4,629,519	1,096,591
Tax payable	9,809,608	9,754,113	55,495
Derivative financial instruments	1,905,481	1,905,481	–
Accrued liabilities and other payables	90,104,173	61,213,015	28,891,158
Due to related companies	3,105,903	1,360,518	1,745,385
Interest-bearing bank and other borrowings	224,194,595	104,160,689	120,033,906
Reinsurance contract liabilities	214,875	86,042	128,833
Insurance contract liabilities	68,355,667	21,764,992	46,590,675
Investment contract liabilities	52,404,883	6,225,554	46,179,329
Financial liabilities for unit-linked contracts	40,736,578	5,477,255	35,259,323
Due to the holding company	259,427	2,133	257,294
Deferred income	1,253,176	–	1,253,176
Deferred tax liabilities	18,581,631	–	18,581,631
Total liabilities	547,932,664	247,859,868	300,072,796
NET ASSETS/(LIABILITIES)	168,296,021	(13,486,074)	181,782,095

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2024	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
ASSETS			
Cash and bank balances	106,339,331	105,826,422	512,909
Reverse repurchase agreements	4,716,893	4,716,893	–
Loans and advances to customers	13,600,010	12,428,182	1,171,828
Trade and notes receivables	12,830,560	12,830,560	–
Inventories	17,168,445	17,168,445	–
Completed properties for sale	11,366,029	11,366,029	–
Properties under development	41,644,838	38,524,604	3,120,234
Contract assets and other assets	141,143	141,143	–
Due from related companies	19,255,040	18,821,580	433,460
Prepayments, other receivables and other assets	37,989,387	31,315,703	6,673,684
Assets classified as held for sale	1,055,930	1,055,930	–
Placements with and loans to banks and other financial institutions	498,673	421,693	76,980
Derivative financial instruments	2,588,867	1,998,799	590,068
Financial assets at fair value through profit or loss	45,486,417	26,296,459	19,189,958
Finance lease receivables	243,102	61,449	181,653
Reinsurance contract assets	7,763,106	6,089,559	1,673,547
Insurance contract assets	885,912	160,441	725,471
Debt investments at fair value through other comprehensive income	82,743,455	9,949,555	72,793,900
Debt investments at amortised cost	28,023,635	6,128,027	21,895,608
Policyholder account assets in respect of unit-linked contracts	32,370,137	976,699	31,393,438
Equity investments designated at fair value through other comprehensive income	1,002,602	–	1,002,602
Property, plant and equipment	55,021,557	–	55,021,557
Investment properties	92,297,042	–	92,297,042
Right-of-use assets	22,688,553	–	22,688,553
Exploration and evaluation assets	674,485	–	674,485
Mining rights	1,308,376	–	1,308,376
Oil and gas assets	1,739,467	–	1,739,467
Intangible assets	37,298,629	–	37,298,629
Investments in joint ventures	14,188,974	–	14,188,974
Investments in associates	69,721,653	–	69,721,653
Goodwill	25,902,699	–	25,902,699
Deferred tax assets	7,973,065	–	7,973,065
Total assets	796,528,012	306,278,172	490,249,840

65. LIQUIDITY INFORMATION *(Continued)*

As at 31 December 2024	Total RMB'000	No more than 12 months RMB'000	More than 12 months RMB'000
LIABILITIES			
Deposits from customers	83,421,172	83,336,185	84,987
Assets sold under agreements to repurchase	1,063,007	1,063,007	–
Accounts payable to brokerage clients	1,548,444	1,548,444	–
Financial liabilities at fair value through profit or loss	7,223,661	7,223,661	–
Liabilities directly associated with the assets classified as held for sale	78,657	78,657	–
Trade and notes payables	23,015,861	23,015,861	–
Contract liabilities	7,502,832	7,060,599	442,233
Tax payable	11,360,787	11,360,787	–
Due to banks and other financial institutions	2,263,972	2,263,972	–
Derivative financial instruments	3,328,223	2,886,555	441,668
Accrued liabilities and other payables	85,125,249	55,577,568	29,547,681
Due to related companies	2,485,588	1,042,698	1,442,890
Interest-bearing bank and other borrowings	214,104,630	109,934,504	104,170,126
Reinsurance contract liabilities	227,830	41,009	186,821
Insurance contract liabilities	61,716,554	17,203,393	44,513,161
Investment contract liabilities	41,011,865	4,013,533	36,998,332
Financial liabilities for unit-linked contracts	32,370,137	1,311,888	31,058,249
Due to the holding company	353,462	2,188	351,274
Deferred income	1,236,531	–	1,236,531
Deferred tax liabilities	19,550,634	–	19,550,634
Total liabilities	598,989,096	328,964,509	270,024,587
NET ASSETS/(LIABILITIES)	197,538,916	(22,686,337)	220,225,253

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and other borrowings, finance lease receivables, amounts due from/to related companies, debt investments at amortised cost and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables, trade and notes payables and deposits from customers, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2025, approximately 51% (2024: 54%) of the Group's interest-bearing borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax** RMB'000
2025	**75**	**(799,224)**
	(75)	**799,224**
2024	75	(739,770)
	(75)	739,770

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar, Hong Kong dollar and EUR exchange rates, with all other variables held constant, of the Group's profit before tax arising from United States dollar, Hong Kong dollar and EUR denominated financial instruments and the Group's equity, excluding the impact of retained earnings due to the changes of the exchange fluctuation reserve of certain overseas subsidiaries of which the functional currencies are currencies other than RMB.

	Increase/ (decrease) in foreign currency rate	**Increase/ (decrease) in profit before tax**
	%	RMB'000
2025		
If RMB weakens against the United States dollar	**5**	**(242,451)**
If RMB strengthens against the United States dollar	**(5)**	**242,451**
If RMB weakens against the Hong Kong dollar	**5**	**153,197**
If RMB strengthens against the Hong Kong dollar	**(5)**	**(153,197)**
If RMB weakens against EUR	**5**	**132,074**
If RMB strengthens against EUR	**(5)**	**(132,074)**
2024		
If RMB weakens against the United States dollar	5	(213,363)
If RMB strengthens against the United States dollar	(5)	213,363
If RMB weakens against the Hong Kong dollar	5	286,614
If RMB strengthens against the Hong Kong dollar	(5)	(286,614)
If RMB weakens against EUR	5	(1,253,517)
If RMB strengthens against EUR	(5)	1,253,517

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

31 December 2025	12-month ECLs Stage 1 RMB'000	Lifetime ECLs Stage 2 RMB'000	 Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Cash and bank balances – Not yet past due	61,092,407	–	–	–	61,092,407
Loans and advances to customers	158,437	–	–	–	158,437
Trade and notes receivables*	–	–	–	14,149,893	14,149,893
Due from related companies					
– Normal**	13,080,157	–	–	–	13,080,157
– Doubtful**	–	–	1,349,406	–	1,349,406
Financial assets included in prepayments, other receivables and other assets					
– Normal**	21,417,365	–	–	–	21,417,365
– Doubtful**	–	167,500	1,136,019	–	1,303,519
Debt investments at fair value through other comprehensive income	101,553,461	902,438	356,198	–	102,812,097
Debt investments at amortised cost					
– Normal**	2,081,745	–	–	–	2,081,745
– Doubtful**	–	156,698	1,944,452	–	2,101,150
Policyholder account assets in respect of unit-linked contracts at amortised cost	40,736,578	–	–	–	40,736,578
Total	240,120,150	1,226,636	4,786,075	14,149,893	260,282,754

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging *(Continued)*

31 December 2024	12-month ECLs Stage 1 RMB'000	Lifetime ECLs Stage 2 RMB'000	Lifetime ECLs Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Cash and bank balances – Not yet past due	106,339,331	–	–	–	106,339,331
Loans and advances to customers	12,680,907	389,736	782,882	–	13,853,525
Trade and notes receivables*	–	–	–	13,496,993	13,496,993
Due from related companies					
– Not yet past due	19,255,040	–	–	–	19,255,040
Financial assets included in prepayments, other receivables and other assets					
– Normal**	28,227,680	–	–	–	28,227,680
– Doubtful**	–	167,500	896,246	–	1,063,746
Placements with and loans to banks and other financial institutions	498,673	–	–	–	498,673
Finance lease receivables	253,612	–	23,665	–	277,277
Debt investments at fair value through other comprehensive income	81,113,135	1,616,609	13,711	–	82,743,455
Debt investments at amortised cost	27,617,292	145,844	496,929	–	28,260,065
Policyholder account assets in respect of unit-linked contracts at amortised cost	32,370,137	–	–	–	32,370,137
Total	308,355,807	2,319,689	2,213,433	13,496,993	326,385,922

* For trade and notes receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the financial statements.

** The credit quality of due from related companies, the financial assets included in prepayments, other receivables and other assets, debt investments at amortised cost is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing loans and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2025	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Deposits from customers	285,717	–	–	–	285,717
Accounts payable to brokerage clients	2,582,520	–	–	–	2,582,520
Financial liabilities at fair value through profit or loss	–	8,085,306	–	–	8,085,306
Trade and notes payables	2,789,893	17,259,496	–	–	20,049,389
Derivative financial instruments	1,499,833	405,648	–	–	1,905,481
Financial liabilities included in accrued liabilities and other payables (excluding lease liabilities)	25,319,884	13,170,970	9,142,588	–	47,633,442
Lease liabilities	–	2,780,405	10,894,821	11,627,504	25,302,730
Due to related companies and the holding company	1,362,651	–	2,002,679	–	3,365,330
Interest-bearing bank and other borrowings	–	104,160,689	108,041,002	39,096,264	251,297,955
Investment contract liabilities	–	6,225,554	32,872,118	13,307,211	52,404,883
Financial liabilities for Unit-Linked contracts	5,477,255	–	35,259,323	–	40,736,578
Total	39,317,753	152,088,068	198,212,531	64,030,979	453,649,331

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: *(Continued)*

2024	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Deposits from customers	73,090,064	10,637,557	87,048	–	83,814,669
Assets sold under agreements to repurchase	–	1,063,007	–	–	1,063,007
Accounts payable to brokerage clients	1,548,444	–	–	–	1,548,444
Financial liabilities at fair value through profit or loss	–	7,223,661	–	–	7,223,661
Trade and notes payables	3,592,788	19,423,073	–	–	23,015,861
Due to banks and other financial institutions	2,263,972	–	–	–	2,263,972
Derivative financial instruments	1,635,980	1,249,794	283,055	159,394	3,328,223
Financial liabilities included in accrued liabilities and other payables (excluding lease liabilities)	31,708,515	5,507,884	10,133,051	–	47,349,450
Lease liabilities	–	2,749,858	11,158,528	10,297,996	24,206,382
Due to related companies and the holding company	1,044,886	–	1,794,164	–	2,839,050
Interest-bearing bank and other borrowings	–	109,934,504	105,624,216	33,992,753	249,551,473
Investment contract liabilities	–	4,013,533	26,595,689	10,402,643	41,011,865
Financial liabilities for Unit-Linked contracts	1,311,888	–	31,058,249	–	32,370,137
Total	116,196,537	161,802,871	186,734,000	54,852,786	519,586,194

In addition, the guarantees provided by the Group will be called in the case of default in payments by the guaranteed companies as set out in note 59.

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

The maturity profile of portfolios of insurance contract issued and portfolios of reinsurance contracts held that are liabilities of the Group based on the estimates of the present value of the future cash flows expected to be paid out, is as follows:

2025

Item	Up to 1 year RMB'000	1–2 years RMB'000	2–3 years RMB'000	3–4 years RMB'000	4–5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Liabilities							
Insurance contract liabilities	**15,768,048**	**10,979,679**	**6,958,977**	**4,710,198**	**3,123,787**	**14,282,538**	**55,823,227**
Reinsurance contract liabilities	**306,583**	**(38,740)**	**(22,376)**	**(8,161)**	**(4,124)**	**(3,142)**	**230,040**
Total	**16,074,631**	**10,940,939**	**6,936,601**	**4,702,037**	**3,119,663**	**14,279,396**	**56,053,267**

2024

Item	Up to 1 year RMB'000	1–2 years RMB'000	2–3 years RMB'000	3–4 years RMB'000	4–5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Liabilities							
Insurance contract liabilities	16,334,778	8,349,553	5,172,065	3,355,158	2,331,615	15,118,033	50,661,202
Reinsurance contract liabilities	513,893	(133,275)	(69,022)	(24,660)	(11,192)	(8,133)	267,611
Total	16,848,671	8,216,278	5,103,043	3,330,498	2,320,423	15,109,900	50,928,813

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. When surrender, withdrawal or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations.

Price risk

Price risk is the risk that the fair values of equity and debt investments decrease or increase as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to price risk arising from individual investments classified as financial assets at fair value through profit or loss (note 25), equity investments designated at fair value through other comprehensive income (note 31), debt investments at fair value through other comprehensive income (note 28) and associates measured at fair value through profit or loss (note 40) as at 31 December 2025. The Group's listed investments that are listed on stock exchanges in Hong Kong, Shenzhen, Shanghai, New York, Singapore, and other countries in Europe, Oceania, North America, Latin America, Africa and Asia are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the financial investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments designated at fair value through other comprehensive income, and debt investments at fair value through other comprehensive income, the impact is deemed to be on the other comprehensive income. No account is given for factors such as impairment which might impact the statement of profit or loss, and no account is given for the impact on other life insurance contract liabilities (profit sharing provision).

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Price risk *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2025				
Hong Kong				
– Equity investments designated at fair value through other comprehensive income	11,043	5	–	552
		(5)	–	(552)
– Debt investments at fair value through other comprehensive income	1,555,125	5	–	77,756
		(5)	–	(77,756)
– Financial assets at fair value through profit or loss	1,528,344	5	76,417	–
		(5)	(76,417)	–
– Associates measured at fair value through profit or loss	74,835	5	3,742	–
		(5)	(3,742)	–
Shenzhen				
– Financial assets at fair value through profit or loss	379,151	5	18,958	–
		(5)	(18,958)	–
Shanghai				
– Financial assets at fair value through profit or loss	565,229	5	28,261	–
		(5)	(28,261)	–
– Equity investments designated at fair value through other comprehensive income	13,661	5	–	683
		(5)	–	(683)
United States				
– Debt investments at fair value through other comprehensive income	6,417,019	5	–	320,851
		(5)	–	(320,851)
– Financial assets at fair value through profit or loss	3,550,193	5	177,510	–
		(5)	(177,510)	–
Europe				
– Equity investments designated at fair value through other comprehensive income	972,894	5	–	48,645
		(5)	–	(48,645)
– Debt investments at fair value through other comprehensive income	76,580,522	5	–	3,829,026
		(5)	–	(3,829,026)
– Financial assets at fair value through profit or loss	9,173,836	5	458,692	–
		(5)	(458,692)	–

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Price risk *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2025 *(Continued)*				
Oceania				
– Financial assets at fair value through profit or loss	213,744	5	10,687	–
		(5)	(10,687)	–
– Debt investments at fair value through other comprehensive income	1,336,991	5	–	66,850
		(5)	–	(66,850)
North America				
– Debt investments at fair value through other comprehensive income	54,885	5	–	2,744
		(5)	–	(2,744)
Latin America				
– Financial assets at fair value through profit or loss	1,055,229	5	52,761	–
		(5)	(52,761)	–
– Debt investments at fair value through other comprehensive income	8,595,345	5	–	429,767
		(5)	–	(429,767)
Asia				
– Equity investments designated at fair value through other comprehensive income	45,157	5	–	2,258
		(5)	–	(2,258)
– Financial assets at fair value through profit or loss	112,296	5	5,615	–
		(5)	(5,615)	–
– Debt investments at fair value through other comprehensive income	1,565,187	5	–	78,259
		(5)	–	(78,259)
Africa				
– Financial assets at fair value through profit or loss	2,150	5	108	–
		(5)	(108)	–
South America				
– Financial assets at fair value through profit or loss	402	5	20	–
		(5)	(20)	–

* Excluding retained profits

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Price risk *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2024				
Hong Kong				
– Equity investments designated at fair value through other comprehensive income	78,999	5	–	3,950
		(5)	–	(3,950)
– Debt investments at fair value through other comprehensive income	3,497,187	5	–	174,859
		(5)	–	(174,859)
– Financial assets at fair value through profit or loss	2,038,064	5	101,903	–
		(5)	(101,903)	–
– Associates measured at fair value through profit or loss	109,798	5	5,490	–
		(5)	(5,490)	–
Shenzhen				
– Financial assets at fair value through profit or loss	396,285	5	19,814	–
		(5)	(19,814)	–
Shanghai				
– Financial assets at fair value through profit or loss	698,683	5	34,934	–
		(5)	(34,934)	–
– Equity investments designated at fair value through other comprehensive income	11,673	5	–	584
		(5)	–	(584)
United States				
– Debt investments at fair value through other comprehensive income	6,413,832	5	–	320,692
		(5)	–	(320,692)
– Financial assets at fair value through profit or loss	2,642,721	5	132,136	–
		(5)	(132,136)	–
Europe				
– Equity investments designated at fair value through other comprehensive income	616,573	5	–	30,829
		(5)	–	(30,829)
– Debt investments at fair value through other comprehensive income	57,396,285	5	–	2,869,814
		(5)	–	(2,869,814)
– Financial assets at fair value through profit or loss	9,960,048	5	498,002	–
		(5)	(498,002)	–

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Price risk *(Continued)*

Investments listed in:	Carrying amount of investments RMB'000	Increase/ (decrease) in equity or debt prices %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2024 *(Continued)*				
Oceania				
– Financial assets at fair value through profit or loss	48,231	5	2,412	–
		(5)	(2,412)	–
– Debt investments at fair value through other comprehensive income	911,145	5	–	45,557
		(5)	–	(45,557)
North America				
– Financial assets at fair value through profit or loss	6,805	5	340	–
		(5)	(340)	–
– Debt investments at fair value through other comprehensive income	60,617	5	–	3,031
		(5)	–	(3,031)
Latin America				
– Financial assets at fair value through profit or loss	515,342	5	25,767	–
		(5)	(25,767)	–
– Debt investments at fair value through other comprehensive income	7,720,682	5	–	386,034
		(5)	–	(386,034)
Asia				
– Equity investments designated at fair value through other comprehensive income	42,890	5	–	2,145
		(5)	–	(2,145)
– Financial assets at fair value through profit or loss	519,455	5	25,973	–
		(5)	(25,973)	–
– Debt investments at fair value through other comprehensive income	1,667,050	5	–	83,353
		(5)	–	(83,353)
Africa				
– Financial assets at fair value through profit or loss	21,288	5	1,064	–
		(5)	(1,064)	–

* Excluding retained profits

66. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a total debt to total capital ratio, which is total debt divided by total equity plus total debt. Total debt includes interest-bearing bank and other borrowings. Total equity includes equity attributable to owners of the parent and non-controlling interests. The total debt to total capital ratios as at the end of the reporting periods were as follows:

	2025 **RMB'000**	2024 RMB'000
Interest-bearing bank and other borrowings	**224,194,595**	214,104,630
Total equity	**168,296,021**	197,538,916
Total equity and total debt	**392,490,616**	411,643,546
Total debt to total capital ratio	**57%**	52%

67. EVENTS AFTER THE REPORTING PERIOD

(1) On 16 January 2026, Fosun High Technology issued 2026 First Asset Backed Debt Financing Instruments, with a maturity of 1+1 years (with issuer's option to adjust coupon rate and investor's option to put back at the end of the first year), an interest rate of 3.8% per annum, and a total amount of RMB800 million. On 28 January 2026, Fosun High Technology issued 2026 Second Asset Backed Debt Financing Instruments, with a maturity of 1+1 years (with issuer's option to adjust coupon rate and investor's option to put back at the end of the first year), an interest rate of 3.9% per annum, and a total amount of RMB400 million.

(2) On 30 January 2026, Fosun Pharma issued 2026 First Sci-Tech Innovation Bonds, with a maturity of 2 years, an interest rate of 2.4% per annum, and a total amount of RMB1,000 million.

(3) On 6 February 2026, the Company, through its subsidiary Millenium Gain Limited (the holding company of Fidelidade – Companhia de Seguros, S.A.), received a dividend of EUR188 million (equivalent to approximately RMB1,540 million) from Fidelidade – Companhia de Seguros, S.A..

(4) On 20 March 2026, the Company signed a syndicated financing agreement with 16 banks for an aggregate amount equivalent to USD522 million. This syndicated financing is a 3-year unsecured credit facility, with an upsizing option available during the 6-month greenshoe period following signing. The final size of the syndicate will be determined based on additional approvals from banks during the subsequent greenshoe period.

68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	35,787,255	34,915,389
Investments in associates	3,073	202,722
Deferred tax assets	58,895	60,382
Right-of-use assets	46,344	27,058
Due from related companies	1,580,000	1,580,000
Prepayments, other receivables and other assets	45	–
Total non-current assets	37,475,612	36,785,551
CURRENT ASSETS		
Cash and bank balances	3,707,881	4,169,190
Financial assets at fair value through profit or loss	39,949	33,829
Prepayments, other receivables and other assets	472,731	211,755
Due from related companies	97,687,635	102,886,225
Debt investments at amortised cost	3,036,124	1,273,943
Inventory	23	–
Assets classified as held for sale	194,658	–
Total current assets	105,139,001	108,574,942
CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	14,968,781	17,003,140
Derivative financial instruments	189,716	118,089
Accrued liabilities and other payables	1,236,305	279,431
Due to related companies	64,766,976	69,747,721
Total current liabilities	81,161,778	87,148,381
NET CURRENT ASSETS	23,977,223	21,426,561
TOTAL ASSETS LESS CURRENT LIABILITIES	61,452,835	58,212,112
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	15,620,555	13,383,109
Due to the holding company	258,613	352,623
Other long-term payables	46,599	28,373
Total non-current liabilities	15,925,767	13,764,105
Net assets	45,527,068	44,448,007
EQUITY		
Share capital	37,439,761	37,372,529
Treasury shares (note)	(173,607)	(246,519)
Other reserves (note)	8,260,914	7,321,997
Total equity	45,527,068	44,448,007

Guo Guangchang
Director

Gong Ping
Director

68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

A summary of the Company's reserves is as follows:

	Treasury shares RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Fair value reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	(326,634)	709,619	2,352,503	114,369	3,016,312	5,866,169
Final 2023 dividend	–	–	–	–	(283,250)	(283,250)
Repurchase of shares	–	–	–	–	(167,255)	(167,255)
Equity-settled share-based payments	80,115	(12,981)	–	–	–	67,134
Total comprehensive income for the year	–	–	948,429	–	644,251	1,592,680
At 31 December 2024 and 1 January 2025	(246,519)	696,638	3,300,932	114,369	3,210,058	7,075,478
Final 2024 dividend	**–**	**–**	**–**	**–**	**(149,397)**	**(149,397)**
Repurchase of shares	**–**	**–**	**–**	**–**	**(115,933)**	**(115,933)**
Equity-settled share-based payments	**72,912**	**12,484**	**–**	**–**	**–**	**85,396**
Total comprehensive income for the year	**–**	**–**	**(1,126,188)**	**(3,744)**	**2,321,695**	**1,191,763**
At 31 December 2025	**(173,607)**	**709,122**	**2,174,744**	**110,625**	**5,266,423**	**8,087,307**

69. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Guo Guangchang *(Chairman)*
Wang Qunbin *(Co-Chairman)*
Chen Qiyu *(Co-Chief Executive Officer)*
Xu Xiaoliang *(Co-Chief Executive Officer)*
Gong Ping
Huang Zhen
Pan Donghui

NON-EXECUTIVE DIRECTORS
Yu Qingfei *(Resigned on 11 April 2025)*
Li Shupei *(Resigned on 27 November 2025)*
Li Fuhua
Luo Yuanli *(Appointed on 16 June 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS
Zhang Shengman
Zhang Huaqiao
David T. Zhang
Lee Kai-Fu
Tsang King Suen Katherine

AUDIT COMMITTEE
Zhang Shengman *(Chairman)*
David T. Zhang
Lee Kai-Fu
Tsang King Suen Katherine

REMUNERATION COMMITTEE
Zhang Huaqiao *(Chairman)*
Zhang Shengman
David T. Zhang
Lee Kai-Fu
Tsang King Suen Katherine

NOMINATION COMMITTEE
David T. Zhang *(Chairman)*
Zhang Shengman
Zhang Huaqiao
Lee Kai-Fu
Tsang King Suen Katherine

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE
Lee Kai-Fu *(Chairman)*
Zhang Shengman
Zhang Huaqiao
David T. Zhang
Tsang King Suen Katherine

COMPANY SECRETARY
Sze Mei Ming

AUTHORIZED REPRESENTATIVES
Huang Zhen
Sze Mei Ming

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

MAIN BANKING RELATIONSHIP
China Development Bank
Industrial and Commercial Bank of China
Bank of China
Shanghai Pudong Development Bank
China Merchants Bank
Ping An Bank
China Minsheng Bank
China Construction Bank
China CITIC Bank
Bank of Shanghai
The Export-Import Bank of China
The Hongkong and Shanghai Banking Corporation Limited
Bank of East Asia
Standard Chartered Bank
Natixis Bank
Citibank, N.A.
BNP Paribas
Hang Seng Bank
Agricultural Bank of China
Bank of Communications
Industrial Bank Co., Ltd.

REGISTERED OFFICE
Room 808, ICBC Tower
3 Garden Road
Central
Hong Kong

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

STOCK CODE
00656

WEBSITE
http://www.fosun.com

GLOSSARY

FORMULA

Capital employed	=	equity attributable to owners of the parent + total debt
EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortization
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

Articles of Association	the current articles of association of the Company with the latest amendments made on 17 June 2008
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
BFC	Shanghai Fosun Bund Commercial Co., Ltd.* (上海復星外灘商業有限公司)
Board	the board of Directors of the Company
Cenexi	Phixen, *société par actions simplifiée*
CG Code	Corporate Governance Code contained in Appendix C1 of the Listing Rules
Club Med	Club Med SAS
Company or Fosun International	Fosun International Limited
Companies Ordinance	the Hong Kong Companies Ordinance (Cap. 622)
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)
ESG	Environmental, Social and Governance
EUR	Euro, the lawful currency of the Eurozone
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
Fosun Adgenvax	Fosun Adgenvax (Chengdu) Biopharmaceutical Co., Ltd. * (復星安特金(成都)生物製藥股份有限公司)
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A.
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd.* (上海復星創富投資管理股份有限公司)
Fosun Foundation	Shanghai Fosun Foundation
Fosun Health	Shanghai Fosun Health and Technology (Group) Co., Ltd. * (上海復星健康科技(集團)有限公司)
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技(集團)有限公司)
Fosun Holdings	Fosun Holdings Limited
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun Sports	Fosun Sports Group S.à r.l.
Fosun United Health Insurance	Fosun United Health Insurance Co., Ltd.* (復星聯合健康保險股份有限公司)
Fosun Wealth	Fosun International Securities Limited* (復星國際證券有限公司)

FTG	Fosun Tourism Group
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
Guangzhou Shangneng	Guangzhou Shine Polymer Technology Co., Ltd.* (廣州熵能創新材料股份有限公司)
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
HAFS	Hauck & Aufhäuser Fund Services S.A.
HAL	Hauck Aufhäuser Lampe Privatbank AG
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
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
INR	Indian Rupee, the lawful currency of India
IDERA	IDERA Capital Management Ltd.
JEVE	Tianjin EV Energies Co., Ltd.* (天津市捷威動力工業有限公司)
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
Lanvin Group	Lanvin Group Holdings Limited (復朗集團), a company whose shares are listed on the NYSE with stock code LANV
LPD	20 April 2026, being the latest date prior to the publication of this report on which the Company could ascertain the relevant information
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A.
Macau	the Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
NYSE	The New York Stock Exchange
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 2025
RMB	Renminbi, the lawful currency of the PRC
ROC	Roc Oil Company Pty Limited
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd.* (北京三元食品股份有限公司), a company whose shares are listed on the SSE with stock code 600429
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanghai Insight	Shanghai Insight Investment Management Limited* (上海智盈股權投資管理有限公司)
Shanghai Zhuli	Shanghai Zhuli Investment Co., Ltd.* (上海助立投資有限公司)
Share(s)	the share(s) of the Company

GLOSSARY

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
the United States or U.S.	The United States of America
USD	United States Dollar, 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

* *For identification purpose only.*

FOSUN 复星