20250724023350

Breas Medical Holdings AB
Org nr 559093-4625

Årsredovisning för räkenskapsåret 2024

Styrelse och vd avger följande årsredovisning.

Innehåll Sida

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Om inget annat särskilt anges, redovisas alla belopp i tusental kronor.

Undertecknad styrelseledamot i Breas Medical Holdings AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30/6-2025
Årsstämman beslutade att godkänna styrelsens förslag till hur resultatet skall fördelas.

Jag intygar också att innehållet i årsredovisningen, revisionsberättelsen och övriga bifogade handlingar stämmer överens med originalen.

Mölnlycke 2025-07-01

Caroline Jin

20250724023S1

Breas Medical Holdings AB
Org nr 559093-4625

Årsredovisning för räkenskapsåret 2024

Styrelse och VD avger följande årsredovisning.

Innehåll

	Sida
- förvaltningsberättelse	2
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Om inget annat särskilt anges, redovisas alla belopp i tusental kronor.

VIDIMERAS

Signatur

Everdina Tesaldrika

Namnförtydligande

+46 3186 880g

Telefonnummer

20250724023352

Förvaltningsberättelse

Information om verksamheten
Bolaget skall äga och förvalta dotterbolagsandelar samt bedriva därmed förenlig verksamhet.

Breas Medical Holdings AB ägs till 100 % av Fosun Medical Holdings AB.
Bolaget är moderbolag till åtta stycken helägda dotterföretag: Breas Medical AB, Breas Medical Inc, Breas Medical Srl, Breas Medical GmbH, Breas Technologies Ltd, Breas Europe Ltd, Breas Medical Technologies (Shanghai) Co Ltd samt Spire DME LLC.

Företaget har sitt säte i Västra Götalands län, Härryda kommun

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser

Ekonomisk översikt

		2024	2023	2022	2021
Nettoomsättning	tkr	-	-	-	-
Resultat efter finansiella poster	tkr	-127	-77 464	-375	-114 440
Balansomslutning	tkr	198 248	198 090	223 323	223 274
Antal anställda	st	-	-	-	-
Soliditet	%	48%	48,0%	98,0%	98,8%
Avkastning på totalt kapital	%	0,08%	0,070%	0,022%	0,021%

Nyckeltalsdefinitionerna framgår av not 1.

20250724023353

Förslag till resultatdisposition (kr)

Medel att disponera:	
Aktieägartillskott	341 569 773
Fusionsresultat	-54 460 406
Balanserad förlust	-192 419 911
Årets resultat	-126 661
	94 562 795

Styrelsen och verkställande direktören föreslår att medlen disponeras så att:

I ny räkning överföres	94 562 795
	94 562 795

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande tilläggsupplysningar. Belopp i tkr om inget annat anges.

20250724023544

Resultaträkning	Not	2024	2023
	1		
Nettoomsättning		-	-
Bruttoresultat		-	-
Rörelsens kostnader			
Övriga externa kostnader	3	-1	-10
Rörelseresultat		-1	-10
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter	4	158	150
Räntekostnader och liknande resultatposter	5	-283	-77 605
Resultat från andelar i koncernföretag		0	0
Summa resultat från finansiella poster		-125	-77 454
Resultat efter finansiella poster		-127	-77 464
Bokslutsdispositioner			
Erhållna koncernbidrag		0	0
Lämnade koncernbidrag		0	0
Skatt på årets resultat		0	0
Årets resultat		-127	-77 464

20250724023555

Balansräkning	Not	2024-12-31	2023-12-31
Tillgångar	1		
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	2	191 155	191 155
Summa anläggningstillgångar		191 155	191 155
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		7 075	6 917
Kassa och bank	7	18	17
Summa omsättningstillgångar		7 093	6 935
Summa tillgångar		198 248	198 090

20250724023356

Balansräkning	Not	2024-12-31	2023-12-31
	1		
Eget kapital och skulder			
Eget kapital	6		
Bundet eget kapital			
Aktiekapital		100	100
		100	100
Fritt eget kapital			
Aktieägartillskott		341 570	341 570
Fusionsresultat		-54 460	-54 460
Balanserat resultat		-192 420	-114 956
Årets resultat		-127	-77 464
		94 563	94 690
Summa eget kapital		94 663	94 790
Långfristiga skulder			
Skulder till koncernföretag		50 000	50 000
Kortfristiga skulder			
Skulder till kreditinstitut		0	0
Skulder till koncernföretag		53 585	53 301
Upplupna kostnader och förutbetalda intäkter	8	0	0
		103 585	103 301
Summa kortfristiga skulder		103 585	103 301
Summa eget kapital och skulder		198 248	198 090

20250724023357

Förändring av eget kapital

	Aktiekapital	Övrigt fritt eget kapital	Årets resultat	Totalt
Eget kapital 2023-01-01	100	220 387	-375	220 113
Omföring resultat föregående år		-375	375	0
Fusionsresulltat		-54 460		-54 460
Aktieägartilliskott		6 602		6 602
Årets resultat			-77 464	-77 464
Eget kapital 2023-12-31	100	172 153	-77 464	94 789

	Aktiekapital	Övrigt fritt eget kapital	Årets resultat	Totalt
Eget kapital 2024-01-01	100	172 153	-77 464	94 789
Omföring resultat föregående år		-77 464	77 464	0
Årets resultat			-127	-127
Eget kapital 2024-12-31	100	94 689	-127	94 662

Aktiekapitalet består av 100.000 aktier med kvotvärde 1 kr.

20250724023358

Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad med tillämpning av årsredovisningslagen och Bokföringnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncernförhållanden:
Breas Medical Holdings AB ägs till 100 % av Fosun Medical Holdings AB.

Bolaget är moderbolag till åtta stycken helägda dotterbolag:
Breas Medical Inc., Breas Medical AB, Breas Medical GmbH, Breas Medical SRL, Breas Europe Ltd, Breas Technologies (UK) Ltd, Breas Medical (Shanghai) Co. Ltd, Breas Medical PTY Ltd

Breas Medical Holdings AB är moderbolag, men med stöd av ÅRL 7 kap 2§ upprättas inte någon koncernredovisning. Koncernredovisning upprättas av Shanghai Fosun Pharmaceutical (Group) Co., Ltd med säte i Shanghai, Kina.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning.

Aktuell skatt, liksom förändringen i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekten av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Nedskrivningar av icke-finansiella tillgångar
När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras.

Finansiella instrument
Finansiella instrument som redovisas i balansräkningen inkluderar kundfordringar och övriga fordringar, leverantörsskulder och låneskulder samt övriga skulder. Instrumenten redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.
Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Fordringar och skulder i utländsk valuta
Fordringar och skulder i utländsk valuta har omräknats till balansdagens kurs. Kursdifferenser på fordringar och skulder ingår i finansnettot till den del differenserna avser finansieringsverksamheten och i rörelseresultatet till den del differenserna avser rörelsefordringar och rörelseskulder.

Övriga tillgångar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Nyckeltalsdefinitioner

Soliditet
Justerat eget kapital i förhållande till balansomslutningen.

Avkastning på totalt kapital
Resultat före avdrag för räntekostnader i förhållande till balansomslutningen.

20250724023600

Not 2 Andelar i koncernbolag

Bolag:	Org.nr:	Säte:	Andelar %:	2024
Breas Medical, Inc	46-2773465	Boston, USA	100	0
Spire DME, LLC	27-1695794	Boston, USA	100	0
Breas Medical AB	556434-8968	Mölnlycke, Sweden	100	46 423
Breas Tehnologies Ltd	9199666	Stratford-Upon-Avon, England	100	139 026
Breas Medical Ltd (UK)	7190611	Stratford-Upon-Avon, England	100	0
Breas Medical SRL	886917309	Alcorcon, Spain	100	1 861
Breas Medical GmbH	HRB 216365	Herrsching, Germany	100	3 845
Breas (Shanghai) Medical Technologies Co.,Ltd	91310115MA1K423N1B	Shanghai, China	100	0
Hainan Fosun Breas Medical Technology Co., Ltd	91460000MA5TTB080G	Hainan, China	100	0
Breas Medical PTY Ltd	248776530	Australia	100	0
				191 155

Redovisat resultat och bokfört eget kapital i respektive koncernbolag per 2024-12-31

Bolag:	Redovisat resultat:	Eget kapital:
Breas Medical, Inc	44 592	-226 634
Spire DME, LLC	1 750	9 196
Breas Medical AB	-29 226	21 863
Breas Tehnologies Ltd	-12	177 123
Breas Medical Ltd (UK)	63 761	410 710
Breas Medical SRL	1 518	19 061
Breas Medical GmbH	3 621	33 907
Breas (Shanghai) Medical Technologies Co.,Ltd	-13 315	-19 816
Hainan Fosun Breas Medical Technology Co., Ltd	-2 652	-7358
Breas Medical PTY Ltd	76	126

Not 3 Ersättning till revisorerna

Moderbolaget har inte belastats med några kostnader för revision under 2023 eller 2024.

Not 4 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter	158	150
Summa	158	150

Not 5 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader	-283	-28
Nedskrivning av andelar i dotterbolag	0	-77 576
	-283	-77 605

Not 6 Eget kapital

Aktiekapital

Aktiekapitalet består av 100.000 aktier, med kvotvärde 1 kr.

20250724023611

Not 7 Väsentliga händelser efter räkenskapsårets utgång

Det finns inga väsentliga händelser efter räkenskapsårets utgång att rapportera.

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Mölnlycke 2025-06-26

Caroline Jin
VD och styrelseordförande

Mölnlycke 2025-06-26

Lior Dayan
Styrelseledamot

Mölnlycke 2025-06-

Piotr Blaszczyk
Styrelseledamot

Mölnlycke 2025-06-26

Yuqin Xiong
Styrelseledamot

Mölnlycke 2025-06-26

Yi Liu
Styrelseledamot

Vår revisionsberättelse har avgivits 2025-06-27

Ernst & Young AB
Nina Angard, auktoriserad revisor

20250724023 63

Breas Medical Holdings AB
559093-4625

Mölnlycke 2025-06-

Caroline Jin
VD och styrelseordförande

Mölnlycke 2025-06-

Lior Dayan
Styrelseledamot

Mölnlycke 2025-06-

Piotr Blaszczyk
Styrelseledamot

Mölnlycke 2025-06-

Yuqin Xiong
Styrelseledamot

Mölnlycke 2025-06-

Yi Liu
Styrelseledamot

Vår revisionsberättelse har avgivits 2025-

Ernst & Young AB
Nina Angard, auktoriserad revisor

20250724023364

Shape the future
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Revisionsberättelse

Till bolagsstämman i Breas Medical Holdings AB, org.nr 559093 - 4625

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Breas Medical Holdings AB för räkenskapsåret 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Breas Medical Holdings ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Breas Medical Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20250724023655

Shape the future with confidence

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av Breas Medical Holdings AB för räkenskapsåret 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Breas Medical Holdings AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg den 27 juni 2025

Ernst & Young AB

Niha Angard
Auktoriserad Revisor

FOSUN PHARMA



ANNUAL REPORT 2024

上海復星醫藥(集團)股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 02196

*For identification purposes only

Vision

We are dedicated to being the global leading integrator of pharmaceutical and health innovation.

Mission

Better health for families worldwide.

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Corporate Information

DIRECTORS

Executive Directors

Mr. Wu Yifang (吳以芳) *(Chairman)*
Mr. Wang Kexin (王可心) *(Co-Chairman)*
Ms. Guan Xiaohui (關曉暉) *(Vice Chairman)*
Mr. Wen Deyong (文德鏞) *(Chief Executive Officer)*

Non-executive Directors

Mr. Chen Qiyu (陳啟宇)
Mr. Xu Xiaoliang (徐曉亮)
Mr. Pan Donghui (潘東輝)
Mr. Chen Yuqing (陳玉卿)[1]
Mr. Yao Fang (姚方)[2]

Independent Non-executive Directors

Ms. Li Ling (李玲)
Mr. Tang Guliang (湯谷良)
Mr. Wang Quandi (王全弟)
Mr. Yu Tze Shan Hailson (余梓山)

SUPERVISORS

Mr. Chen Bing (陳冰) *(Chairman)*[3]
Mr. Guan Yimin (管一民)
Ms. Wang Lina (王麗娜)[4]
Ms. Ren Qian (任倩)[5]

JOINT COMPANY SECRETARIES

Ms. Dong Xiaoxian (董曉嫻)
Ms. Chan Sau Ling (陳秀玲)[6]
Ms. Kam Mei Ha Wendy (甘美霞)[7]

AUTHORIZED REPRESENTATIVES

Mr. Wu Yifang (吳以芳)
Ms. Chan Sau Ling (陳秀玲)[6]
Ms. Kam Mei Ha Wendy (甘美霞)[7]

STRATEGIC COMMITTEE

Mr. Wu Yifang (吳以芳) *(Chairman)*
Mr. Wang Kexin (王可心)[8]
Mr. Chen Qiyu (陳啟宇)
Mr. Xu Xiaoliang (徐曉亮)
Ms. Li Ling (李玲)
Mr. Yao Fang (姚方)[2]

AUDIT COMMITTEE

Mr. Tang Guliang (湯谷良) *(Chairman)*
Mr. Wang Quandi (王全弟)
Ms. Li Ling (李玲)

NOMINATION COMMITTEE

Mr. Wang Quandi (王全弟) *(Chairman)*
Ms. Li Ling (李玲)
Mr. Pan Donghui (潘東輝)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Yu Tze Shan Hailson (余梓山) *(Chairman)*
Mr. Tang Guliang (湯谷良)
Mr. Wang Quandi (王全弟)
Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Yu Tze Shan Hailson (余梓山) *(Chairman)*
Ms. Li Ling (李玲)
Mr. Wang Quandi (王全弟)
Mr. Wu Yifang (吳以芳)
Ms. Guan Xiaohui (關曉暉)

1 appointed on 27 September 2024.
2 resigned on 30 June 2024.
3 appointed as the chairman of the Supervisory Committee on 19 June 2024.
4 appointed as an employee Supervisor on 19 June 2024.
5 resigned with effect from 19 June 2024.
6 appointed on 27 August 2024.
7 resigned on 27 August 2024.
8 appointed on 1 July 2024.

Corporate Information

REGISTERED OFFICE

9th Floor, No. 510 Caoyang Road
Putuo District
Shanghai, 200063, China

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building A
No. 1289 Yishan Road
Shanghai, 200233, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19th floor, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong[9]

LEGAL ADVISERS IN HONG KONG

Reed Smith Richards Butler LLP

LEGAL ADVISERS IN THE PRC

Grandall Law Firm (Shanghai)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

PRINCIPAL BANKS

The Export-Import Bank of China
Industrial and Commercial Bank of China
Bank of China
China Merchants Bank
Shanghai Pudong Development Bank
The Hongkong and Shanghai Banking Corporation Limited

CORPORATE NAME

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

STOCK ABBREVIATION

FOSUN PHARMA

SHARE LISTING

A Share: Shanghai Stock Exchange
Stock Code: 600196
H Share: The Stock Exchange of Hong Kong Limited
Stock Code: 02196

A SHARE REGISTRAR AND TRANSFER OFFICE IN THE PRC

China Securities Depository & Clearing Corporation Limited
(CSDCC) Shanghai Branch
188 South Yanggao Road
Pudong New Area
Shanghai, China

H SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CORPORATE WEBSITE

www.fosunpharma.com

[9] changed to current address since 10 January 2025.

Financial Highlights

	2024 RMB million	2023 RMB million
Operating results		
Revenue	**40,910**	41,249
Gross profit	**19,544**	19,653
Operating profit	**2,780**	1,100
Profit before tax	**4,169**	3,277
Profit for the year attributable to owners of the parent	**2,770**	2,399
Profitability		
Gross margin	**47.77%**	47.64%
Net profit margin	**8.59%**	7.05%
Earnings per share (RMB Yuan)		
Earnings per share — basic	**1.04**	0.90
Earnings per share — diluted	**1.04**	0.90
Assets		
Total assets	**117,422**	113,431
Equity attributable to owners of the parent	**47,223**	45,646
Total liabilities	**57,527**	56,853
Cash and bank balances	**13,524**	13,694
Debt-to-asset ratio	**48.99%**	50.12%
Of which: Pharmaceutical manufacturing segment		
Revenue	**28,776**	30,080
Gross profit	**15,558**	15,990
Segment results	**3,304**	2,134
Segment profit for the year	**3,250**	1,974

Chairman's Statement



Dear Shareholders,

In recent years, the government has vigorously supported innovation driven by clinical value, accelerating the pace of launch of new drugs. Domestic pharmaceutical companies have increasingly shifted their R&D efforts toward differentiation and globalization. The innovation capabilities of domestic pharmaceutical companies are increasingly recognized in the global market, as evidenced by the growing frequency of outbound licensing transactions and their value consistently hitting record highs. In the medical device sector, although the high-value consumables continue to be confronted with centralized procurement pressures, innovative devices remain strongly encouraged and supported by the government. End-users' demand for high-quality medical device products continues to rise, with domestic substitution and healthcare infrastructure expansion driving long-term market growth. Meanwhile, the increasing policy support for equipment upgrades has also created expansion opportunities for the domestic medical device industry. In the healthcare services sector, private healthcare has become a vital complement to the public healthcare system. With the rise of consumer-driven healthcare, the integration of healthcare, insurance, and digital technology will emerge as a mainstream trend in private medical services. In light of the rising demand for innovation in the domestic pharmaceutical and healthcare industries, increasing costs in R&D, production, and labor, and intensifying competition from multinational corporations, corporates must navigate both challenges and opportunities in this evolving landscape.

Mr. Wu Yifang
Chairman

Chairman's Statement

The Group is dedicated to disease and technologies areas that are clinically driven, therapeutically validated, and aligned with the direction of modern medicine. It promotes the development and commercialization of innovative technologies and products through diversified and multi-tiered collaboration models, including in-house R&D, co-development, licensing, and industrial investments.

2024 REVIEW

During the Reporting Period, under the guidance of the "4IN" strategy (Innovation, Internationalization, Intelligentization and Integration), the Group persisted in the development pattern of "innovation and transformation, integrated operation and steady development" and the mission of creating value for the shareholders, and continued to advance innovation-driven transformation, actively deploy internationalization, reinforce business focus, drive integrated operations and efficiency enhancement..

During the Reporting Period, the Group's performance was primarily driven by the optimization of its product portfolio and sales growth resulting from the launch of innovative products. During the Reporting Period, the revenue of core products of serplulimab injection (trade name in Chinese mainland: Han Si Zhuang), an innovative anti-PD-1 monoclonal antibody drug, Yi Kai Da (ejilunsai injection), the CAR-T cell therapy product, Akynzeo, the antiemetic drug, Pei Jin (telpegfilgrastim injection), a long-lasting recombinant human granulocyte colony-stimulating factor product, and Yi Xin Tan (sacubitril valsartan sodium tablets), a drug for the treatment of heart failure and hypertension, recorded rapid growth.

During the Reporting Period, the Group also continued to sharpen its business focus, accelerated the integration of its R&D, production and marketing systems, and enhanced operational efficiency, with synergistic effects gradually becoming evident. Furthermore, the Group deepened global collaboration and expedited the international expansion of its products. By leveraging differentiated competitive advantages, it addressed diverse demands in overseas markets, further broadening regional coverage and business depth. As a result, the proportion of international operations further increased.

1. Continued to promote innovation transformation and the development and launch of innovative products

During the Reporting Period, a total of 16 indications[1] of 7 innovative drugs/biosimilars independently developed or licensed-in by the Group were approved for launch, mainly including: 1 additional indication for Han Si Zhuang (serplulimab injection) was approved in Chinese mainland; Trastuzumab injection was approved for launch in the United States and Canada; 4 additional indications for Han Da Yuan (adalimumab injection) were approved in Chinese mainland; Rabies vaccine (Vero cell) for human use (freeze dried) was approved in Chinese mainland; 2 indications for botulinum toxin type A for injection (trademark in Chinese mainland: 達希斐®) was approved in Chinese mainland; the second indication of Su Ke Xin (avatrombopag maleate tablets) was approved in Chinese mainland; Pu Rui Ni (Pretomanid tablets) was approved in Chinese mainland.

During the Reporting Period, 8 innovative drugs/biosimilars independently developed, co-developed or licensed-in by the Group, entered into the pre-launch approval/key clinical trial stage, and a total of 18 innovative drug/biosimilar projects (calculated by indication) were approved for clinical trial. Meanwhile, the medical devices and medical diagnosis segment also rolled out major offerings successively.

1 Counted on the number of indications listed on the regulatory approvals received domestically and overseas

2. Continued to enhance global operation capabilities

During the Reporting Period, the Group continued to implement its internationalization strategy in multiple dimensions including innovative R&D, licensing partnership, production and operation as well as commercialization. The Group enhanced its operational efficiency and expanded global market presence, primarily covering the U.S., Europe, Africa, India, Southeast Asia and other overseas markets.

In matured regulatory markets, the Group continued to enhance its global operation capabilities. It has set up multi-point R&D centers to realize global innovation, and further improved the commercialization system in different regulated markets through self-establishment, cooperation and other means. In the U.S. market, the Group has established a growing self-operated generic drug team, and cooperated with major distributors and group purchasing organizations (GPOs) to facilitate sales of preparations products, with 33 products in the market as at the end of the Reporting Period. The Group also established an innovative drug team in the U.S., and initiated the preparation works on the commercialization of serplulimab injection (anti-PD-1 monoclonal antibody). In the European market, the Group, through its subsidiary Cenexi, has built up local manufacturing capabilities in Europe. In addition, the subsidiary Sisram Medical, after completing the acquisition of the direct sales channels in China in 2023 and achieving a direct sales layout in the Chinese market, established new direct sales channels in Thailand during the Reporting Period, which continues to strengthen its footprint in the Asia-Pacific market. The marketing network of Breas, a subsidiary, has also covered mature markets such as Europe, the U.S., Japan and Australia.

As for emerging markets, in Africa, the Group primarily conducted medical product export and distribution business in the English-speaking and French-speaking regions in Sub-Saharan Africa, with sales network covering over 40 countries and regions. Meanwhile, in order to realize localization in drug manufacturing and supply in Africa, the Group continued to advance the park construction in the Cote d'Ivoire. Furthermore, the Group also continuously strengthened its product export channels and system development by establishing a new pharmaceutical and medical device sales platform in Nanning in February 2025, which will gradually advance the Group's registration and commercialization capabilities in Southeast Asia, so as to expand the local market.

3. Matured commercialization system

The Group continued to improve its commercialization system by optimizing the market layout and sales channels. As at the end of the Reporting Period, the pharmaceutical manufacturing segment had a commercialization team consisting of over 5,000 employees in Chinese mainland, covering hospitals, retail channels, etc. In terms of core departments such as hematology, lymphoma, breast, medical oncology, endocrinology, cardiology, rheumatology and nephrology, through the systematic market access team and special product team, the Group explored the innovative product market in core therapeutic areas, and covered county-level and certain prefecture-level markets in Chinese mainland through the broad market team. In addition, the Group solidified and expanded the sales channels of its pharmaceutical products by virtue of the cooperation and linkage with Sinopharm, an associated company.

In terms of commercialization in overseas markets, as at the end of the Reporting Period, the overseas commercialization team of pharmaceutical manufacturing and medical devices segments has over 1,000 employees. In the U.S. market, the Group has established the U.S. innovative drug team. In emerging markets such as Africa, the Group has set up 5 regional drug distribution centers, and continues to improve the core digital management capabilities, user operation capabilities and B2B2C model service capabilities so as to provide one-stop services consisting of registration, circulation, academic promotion and post-launch safety alert and other services for customers. The medical devices segment has continued expanding its global marketing network. As at the end of the Reporting Period, Sisram Medical has expanded its global direct-sales offices to 12, with marketing network now spanning over 110 countries and regions worldwide. The share of direct sales revenue has further increased to 87% during the Reporting Period. At the same time, Breas has expanded its marketing network to cover mature markets such as Europe, the U.S., China, Japan, India, and Australia.

In addition, during the Reporting Period, the Group also released the clinical data for multiple pipeline candidates and marketed products at global industry academic conferences such as the American Society of Clinical Oncology (ASCO), the Annual Meeting of the American Association for Cancer Research (AACR), the European Society for Medical Oncology (ESMO), the World Conference on Lung Cancer (WCLC), and the European Hematology Association (EHA), as well as in globally top-notch journals such as the New England Journal of Medicine (NEJM) and The Lancet, further enhancing the Group's global academic impact.

4. Digitalization and AI empowered business continued to grow

The Group had continued to deepen its digital transformation, optimize technologies and methods, and broadly apply them in areas such as drug R&D, smart healthcare, and precision medicine, aiming to build a digital and intelligent innovative application ecosystem. The Group continued to promote the application of AI technology in pharmaceutical R&D, and engaged the PharmAID decision intelligence platform, which is based on modules such as information extraction, patent insight, and business forecasting to support intelligent decision-making in drug R&D. Meanwhile, the Group continued to deepen the application of digital technologies across core areas such as R&D, production, marketing and management, with the aim to enhance operational efficiency and intelligence.

5. Continued to promote lean management and improve quality and efficiency

During the Reporting Period, the Group continued to promote lean management across various aspects, including quality enhancement, cost control, efficiency improvement, cyclical management and innovative R&D, with an aim to improve operational efficiency and profitability. In terms of innovative R&D, the Group continued to focus on pipelines with advantages, optimized management and resources allocation of R&D projects and prioritized to the promotion of key projects to realize research commercialization and continuous launch of innovative products. In terms of lean operation, the Group continuously strengthened cost management to enhance the competitiveness of production cost and continuously improved product yield by optimizing production processes, strengthening process control and strengthening staff training. In addition, the Group also continued to promote the international market expansion of APIs. During the Reporting Period, the ferric carboxymaltose API-supported preparations were launched in the Europe.

Meanwhile, the Group continued to divest and integrate non-strategic and non-core assets, and gathered resources on core businesses so as to optimize asset structure and improve asset efficiency. During the Reporting Period, the Group continued its asset structure optimization and acceleration of cash recovery, with total funds recouped reaching nearly RMB3,000 million since 2024.

Chairman's Statement

OUTLOOK

The Group will commit to its mission of improving human health, adhere to its corporate philosophy of "Innovation for Good Health", and endeavor to capture the momentum presented by the broad pharmaceutical market in China as well as the rapid growth in mainstream markets such as Europe and the U.S. and certain emerging markets. The Group adheres to the development strategies of innovation and transformation, integrated operation and steady development, so as to further enhance the establishment of core competence to constantly improve the operating results. In terms of innovation and internationalization, the Group will continuously enhance its independent R&D capability and continue to achieve the transformation and practice of global innovative advanced technology by adopting license-in projects, industry funds and other models so as to facilitate the innovation and transformation and propel the international expansion of the Group. With respect to production and operation, the Group will strengthen the upgrading and optimization of production and manufacturing system, continue to improve supply chain management, promote the consolidation of production resources and realization of star production lines for products within the Group. By taking smart factories as standard, the Group will build new manufacturing bases for preparations and APIs, so as to secure production capacity for newly launched products and key products. At the same time, the Group will continue to promote digitalisation and AI transformation and upgrade.

I would like to express my sincere gratitude to all Shareholders, members of the Board, the management, employees and business partners of the Group.

Mr. Wu Yifang
Chairman

25 March 2025

Management Discussion and Analysis

FINANCIAL REVIEW

During the Reporting Period, the audited annual results and the summary of basic financial results prepared by the Group in accordance with HKFRS are as follow:

During the Reporting Period, the Group further focused on innovative drugs and high-value devices, and promotion of product structure and strategic transformation, with revenue amounted to RMB40,910 million. Specifically, the revenue from innovative drugs recorded steady growth, with the core products of innovative anti-PD-1 monoclonal antibody drug (trade name in Chinese mainland: Han Si Zhuang), Yi Kai Da (ejilunsai injection), the CAR-T cell therapy product, Akynzeo (netupitant and palonosetron hydrochloride capsules), the antiemetic drug, Pei Jin (telpegfilgrastim injection), a long-lasting recombinant human granulocyte colony-stimulating factor product, and Yi Xin Tan (sacubitril valsartan sodium tablets), a drug for the treatment of heart failure and hypertension, recorded rapid growth.

During the Reporting Period, the profit for the year attributable to owners of the parent of the Group amounted to RMB2,770 million, representing a year-on-year increase of 15.46%. In particular, the net profit attributable to owners of the parent of the Group after deducting extraordinary gain or loss amounted to RMB2,314 million, representing a year-on-year increase of 15.10%. The year-on-year increase in net profit after deducting extraordinary gain or loss was mainly due to:

(1) during the Reporting Period, the administrative expense of the Group amounted to RMB4,440 million, representing a year-on-year decrease of 1.22%; excluding the impact of newly acquired companies, administrative expenses decreased by RMB318 million on the same basis.

(2) during the Reporting Period, the finance costs of the Group increased by RMB107 million due to factors such as the appreciation of the United States dollars, changes in the size of interest-bearing liabilities,rehabilitation medical business's long-term leases subject to the recognition of lease liabilities in accordance with the lease standard.

(3) During the Reporting Period, the selling and distribution expenses of the Group amounted to RMB8,680 million and the sales expense ratio was 21.22%, representing a year-on-year decrease of 2.32 percentage points. The main reasons for the year-on-year change in the sales expense ratio during the Reporting Period were: (1) continued to strengthen the control of selling expenses through refined management and optimized resource allocation; (2) the structure of sales products has changed, and the sales expense ratio of centralized procurement products has decreased year-on-year; (3) the Group maintained investment in market development and sales team for new product launched.

During the Reporting Period, earnings per share of the Group increased by 15.56% to RMB1.04 as compared to 2023. The increase in earnings per share was mainly due to the increase in profit for the year attributable to owners of the parent.

REVENUE

During the Reporting Period, the revenue of the Group amounted to RMB40,910 million, representing a year-on-year decrease of 0.82%. The Group recorded revenue of RMB29,613 million in Chinese Mainland, representing a year-on-year decrease of 4.10%. Revenue of an equivalent of RMB11,297 million was recorded in countries or regions other than Chinese Mainland, representing a year-on-year increase of 8.93%.

During the Reporting Period, the pharmaceutical manufacturing segment of the Group generated revenue of RMB28,776 million, representing a year-on-year decrease of 4.34%. The segment results amounted to RMB3,304 million, representing a year-on-year increase of 54.83%. The segment profit amounted to RMB3,250 million, representing a year-on-year increase of 64.64%.

COST OF SALES

During the Reporting Period, cost of sales of the Group decreased to RMB21,366 million from RMB21,595 million, representing a year-on-year decrease of 1.06%.

GROSS PROFIT

During the Reporting Period, gross profit of the Group amounted to RMB19,544 million, representing a decrease of 0.55% as compared with RMB19,653 million for 2023. The gross profit margin of the Group for 2024 and 2023 was 47.77% and 47.64%, respectively. This year, the gross profit margin increased by 0.13 percentage point as compared to 2023, mainly due to the increase in the proportion of new and sub-new products with relatively high gross profit margins in total revenue.

R&D EXPENSES AND R&D EXPENDITURE

During the Reporting Period, the total R&D expenditure of the Group amounted to RMB5,554 million. In particular, the R&D expenses amounted to RMB3,644 million. During the Reporting Period, the R&D expenditures in the pharmaceutical manufacturing segment amounted to RMB4,910 million, accounting for 16.98% of the revenue from the pharmaceutical manufacturing segment. In particular, R&D expenses amounted to RMB3,071 million, accounting for 10.62% of the revenue from the pharmaceutical manufacturing segment, mainly due to the fact that during the Reporting Period, the Group concentrated on quality pipeline assets and enhanced efficiency by integrating its R&D system; as the R&D projects advance, multiple pipelines met the criteria for capitalization recognition, leading to the R&D investment of several projects transferred to development expenditure; in addition to self-initiated R&D, the Group actively implemented an open R&D model by leveraging industry funds and other mechanisms to incubate R&D projects, so as to ensure the sustainability of innovation and R&D investment.

SHARE OF PROFITS OF ASSOCIATES

During the Reporting Period, share of profits of associates of the Group decreased to RMB1,828 million from RMB2,387 million, representing a decrease of 23.42% as compared to last year.

PROFIT FOR THE YEAR

Due to the above factors, profit for the year of the Group increased to RMB3,512 million from RMB2,907 million, representing an increase of 20.81% as compared to last year. Net profit margin of the Group for 2024 and 2023 was 8.59% and 7.05%, respectively.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT

During the Reporting Period, profit for the year attributable to owners of the parent of the Group increased to RMB2,770 million from RMB2,399 million, representing an increase of 15.46% as compared to last year.

DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

Total Debts

As at 31 December 2024, total debts of the Group increased to RMB33,064 million from RMB32,574 million as at 31 December 2023 mainly due to the increase in interest-bearing liabilities scale during the Reporting Period. As at 31 December 2024, mid-to-long-term debts of the Group accounted for 31.59% of its total debts, representing a decrease of 9.87 percentage point as compared to 41.46% as at 31 December 2023. As at 31 December 2024, cash and bank balances fell by 1.24% to RMB13,524 million from RMB13,694 million as at 31 December 2023.

As at 31 December 2024, an equivalent amount of RMB4,550 million (31 December 2023: RMB6,768 million) out of the total debts of the Group was denominated in foreign currencies, and the remainder was denominated in RMB.

As at 31 December 2024, cash and bank balances of the Group denominated in foreign currencies amounted to RMB3,964 million (31 December 2023: RMB3,457 million).

Unit: million Currency: RMB

Cash and bank balances denominated in:	**31 December 2024**	31 December 2023
RMB	**9,560**	10,237
US dollars	**1,334**	1,008
Rupees	**2,094**	1,883
Euros	**290**	177
HK dollars	**49**	116
Others	**197**	273
Total	**13,524**	13,694

Gearing Ratio

As at 31 December 2024, the gearing ratio, calculated as total interest-bearing liabilities over total assets, was 28.16%, as compared with 28.72% as at 31 December 2023.

Interest Rate

As at 31 December 2024, total interest-bearing bank and other borrowings at a floating interest rate amounted to RMB13,331 million (31 December 2023: RMB15,215 million).

Maturity structure of Outstanding Debts

Unit: million Currency: RMB

	31 December 2024	31 December 2023
Within 1 year	**22,620**	19,069
1 to 2 years	**4,815**	6,265
3 to 5 years	**5,433**	6,193
Over 5 years	**196**	1,047
Total	**33,064**	32,574

AVAILABLE FACILITIES

As at 31 December 2024, save for cash and bank balances of RMB13,524 million, the Group had unutilized banking facilities of RMB22,271 million in aggregate. The Group has also entered into cooperation agreements with various major banks (the "**Banks**") in China. According to such agreements, the Banks have granted the Group general banking facilities to support its capital requirements. The utilization of such bank facilities was subject to the approval of individual projects from the Banks in accordance with banking regulations in China. As at 31 December 2024, total available banking facilities under these arrangements were approximately RMB55,866 million in aggregate, of which RMB33,595 million had been utilized.

On 12 October 2023, the Company obtained approval from the CSRC to publicly issue corporate bonds not exceeding RMB8 billion to professional investors. The approval shall be valid within 24 months from the date of the CSRC's approval for registration. As at the date of this report, no corporate bonds have been issued pursuant to the approval.

Collateral and Pledged Assets

As at 31 December 2024, the Group had placed the following assets as collateral for bank borrowings: property, plant and equipment amounting to RMB2,597 million (31 December 2023: RMB2,117 million), prepaid land lease payments amounting to RMB615 million (31 December 2023: RMB615 million), trade and bills receivables amounting to RMB24 million (31 December 2023: nil), and patents among other intangible assets amounting to RMB227,000 (31 December 2023: RMB355 million).

As at 31 December 2024, the Group had pledged the following for bank borrowings: 6.00% equity interest in a subsidiary Jianjia Healthcare and 58.67% equity interest in a subsidiary Suzhou Abcarta (31 December 2023: 58.67% equity interest in a subsidiary Suzhou Abcarta). Details of the collateral and pledged assets are set out in note 34 to the financial statements.

Cash Flow

The cash of the Group is mainly used for meeting capital requirements, repaying interest and principal of debts due, paying for purchases and capital expenditures, and funding growth and expansion of facilities and businesses of the Group. The table below shows the cash flow of the Group generated from (or used in) operating activities, investing activities and financing activities for 2024 and 2023.

Unit: million Currency: RMB

	31 December 2024	31 December 2023
Net cash flows from operating activities	**4,477**	3,414
Net cash flows used in investing activities	**(3,613)**	(3,819)
Net cash flows (used in)/from financing activities	**(1,003)**	1,336
Net (decrease)/increase in cash and cash equivalents	**(111)**	(1,668)
Cash and cash equivalents at the beginning of the year	**9,502**	11,170
Cash and cash equivalents at the end of the year	**9,391**	9,502

Note: For the analysis on reasons for the changes in cash flows, please refer to "5. Cash Flows" of "IV. Major Operations in the Reporting Period" under "BUSINESS REVIEW".

Capital Commitments and Capital Expenditures

During the Reporting Period, capital expenditures of the Group amounted to RMB6,641 million, which mainly consisted of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets exclusive of amounts due to new acquisition of subsidiaries. Details of capital expenditures are set out in note 46 to the financial statements.

As at 31 December 2024, the Group had capital commitments contracted but not provided of approximately RMB698 million and capital commitments authorized but not signed of approximately to RMB1,225 million. These capital commitments were mainly used to the reconstruction and renewal of plant and machinery. Details of capital commitments are set out in note 46 to the financial statements.

Contingent Liabilities

As at 31 December 2024, the Group did not have any contingent liabilities.

Interest Coverage

In 2024, the interest coverage, which is calculated by EBITDA divided by financial cost was 6.03 times as compared with 5.61 times for 2023. The increase in the interest coverage was mainly due to the EBITDA of the Group in 2024 which was RMB8,772 million, increased by 13.63% as compared with that in 2023 which was RMB7,720 million, and financial cost of the Group in 2024 amounting to RMB1,432 million, increased by 8.08% as compared with that in 2023 which was RMB1,325 million.

RISK MANAGEMENT

Foreign Currency Exposure

The Group has transactional currency exposures. Such 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.

Interest Rate Exposure

It is the Group's strategy to use debts with fixed and floating interest rates to manage its interest costs. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

BUSINESS REVIEW

The Board's Discussion and Analysis on Operations of the Group for the Reporting Period

During the Reporting Period, the Group further focused on innovative drugs and high-value devices, and promotion of product structure and strategic transformation, with revenue amounted to RMB40,910 million. Specifically, the revenue from innovative drugs recorded steady growth, with the core products of innovative anti-PD-1 monoclonal antibody drug (trade name in Chinese mainland: Han Si Zhuang), Yi Kai Da (ejilunsai injection), the CAR-T cell therapy product, Akynzeo (netupitant and palonosetron hydrochloride capsules), the antiemetic drug, Pei Jin (telpegfilgrastim injection), a long-lasting recombinant human granulocyte colony-stimulating factor product, and Yi Xin Tan (sacubitril valsartan sodium tablets), a drug for the treatment of heart failure and hypertension, recorded rapid growth.

During the Reporting Period, the Group realized an operating cash flow of RMB4,477 million, representing a year-on-year growth of 31.13%, higher than the growth in operating profit. The Group also increased the free cash flow through multiple measures including asset structure optimization and strict capital expenditures control. The Group continued to promote lean management across various aspects, including quality enhancement, cost control, efficiency improvement, cyclical management and innovative R&D, with an aim to improve operational efficiency and profitability. During the Reporting Period, the gross profit margin less selling expenses ratio increased by 2.45 percentage points year-on-year. Excluding the impact of newly acquired companies, the administrative expense decreased by RMB318 million.

In addition, the Group continued to divest and integrate non-strategic and non-core assets, and gathered its resources on core businesses so as to optimize asset structure and improve asset efficiency. During the Reporting Period, the Group continued its asset structure optimization and acceleration of cash return. Since 2024, the total amount of funds recovered by the Group has reached nearly RMB3,000 million.

During the Reporting Period, the Group's net profit attributable to shareholders of the listed company amounted to RMB2,770 million, representing a year-on-year increase of 15.46%. In particular, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB2,314 million, representing a year-on-year increase of 15.10%, extraordinary gain or loss amounted to RMB456 million, representing a year-on-year increase of 17.53%.

During the Reporting Period, while maintaining a relatively stable level of R&D intensity, the Group continued to optimize its innovation and R&D system to facilitate R&D efficiency, with the total R&D expenditure amounting to RMB5,554 million. In particular, the R&D expenses amounted to RMB3,644 million. In addition to self-initiated R&D, the Group also actively implemented an open R&D model by leveraging industry funds and other mechanisms to incubate the innovative R&D projects, so as to ensure the sustainability of innovation and R&D.

During the Reporting Period, the revenue structure of the Group was as follows:

Unit: million Currency: RMB

	2024 revenue		2023 revenue		Year-on-year increase/ decrease of
	Amount	**Percentage of revenue (%)**	Amount	Percentage of revenue (%)	of revenue (%)
By business segment					
Pharmaceutical manufacturing	**28,776**	**70.34**	30,080	72.92	–4.34
Medical devices and medical diagnosis	**4,320**	**10.56**	4,386	10.63	–1.50
Healthcare services	**7,642**	**18.68**	6,667	16.16	14.62
By geographical locations					
Chinese mainland	**29,613**	**72.39**	30,878	74.86	–4.10
Regions outside Chinese mainland and other countries	**11,297**	**27.61**	10,371	25.14	8.93

I. Main Operational Progress of the Group during the Reporting Period

1. Continued to promote innovation transformation and the development and launch of innovative products

- *During the Reporting Period, a total of 16 indications1[1] of 7 innovative drugs/biosimilars independently developed or licensed-in by the Group were approved for launch, mainly including:*

1 additional indication for Han Si Zhuang (serplulimab injection) was approved in Chinese mainland. 1 additional indication for innovative anti-PD-1 Han Si Zhuang (serplulimab injection) independently developed by the Group in combination with pemetrexed and carboplatin for the first-line treatment of patients with epidermal growth factor receptor (EGFR) sensitivity mutation-negative and anaplastic lymphoma kinase (ALK) gene rearrangement-negative locally advanced or metastatic non-squamous non-small cell lung cancer (nsNSCLC) was approved in Chinese mainland. This new indication is the third approved indication for Han Si Zhuang (serplulimab injection) in the treatment of lung cancer, further expanding the coverage of patients.

Trastuzumab injection was approved for launch in the United States and Canada. Following the approvals for launch in the EU and Chinese mainland, 3 indications of Trastuzumab injection (U.S. trade name: HERCESSI™), the Group's self-developed biosimilar, were approved for launch by the U.S. FDA in April 2024, making it the domestical biosimilar approved in China, the EU and the United States. In August 2024, the new drug submission of Trastuzumab injection (Canada trade name: Adheroza) was approved by Health Canada for the treatment of early breast cancer, metastatic breast cancer and metastatic gastric cancer.

4 additional indications for Han Da Yuan (adalimumab injection) were approved in Chinese mainland. The Group's self-developed biosimilar Han Da Yuan (adalimumab injection) was approved for launch for 4 additional indications by the NMPA. With such approval, Han Da Yuan (adalimumab injection) covers all 8 indications of the original adalimumab approved in Chinese mainland.

Rabies vaccine (Vero cell) for human use (freeze dried) was approved in Chinese mainland. Rabies vaccine (Vero cell) for human use (freeze dried) independently developed by the Group was approved for launch in Chinese mainland. The relevant production lines have also passed GMP compliance inspections.

2 indications for botulinum toxin type A for injection (trademark in Chinese mainland: 達希斐®) was approved in Chinese mainland. During the Reporting Period, the Group's licensed-in product, DAXXIFY (botulinum toxin type A for injection), was approved for two indications (temporary improvement in the appearance of moderate to severe glabellar lines associated with corrugator and/or procerus muscle activity in adults, and treatment of cervical dystonia in adults) in Chinese mainland, and is the first DaxibotulinumtoxinA-lanm botulinum toxin product approved for marketing in Chinese mainland.

The second indication of Su Ke Xin (avatrombopag maleate tablets) was approved in Chinese mainland. Su Ke Xin (avatrombopag maleate tablets), exclusively commercialized by the Group, was approved for the second indication in Chinese mainland during the Reporting Period. This new indication is for the treatment of chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment, which will benefit more patients.

[1] Counted on the number of indications listed on the regulatory approvals received domestically and overseas

Pu Rui Ni (Pretomanid tablets) was approved in Chinese mainland. During the Reporting Period, the licensed-in product of the Group, Pu Rui Ni (Pretomanid tablets), was approved in Chinese mainland, providing more treatment options for patients with drug-resistant tuberculosis.

For details of the Group's major innovative products and core categories launched as at the end of the Reporting Period, please refer to Table 1.

- ***During the Reporting Period, 8 innovative drugs/biosimilars independently developed, co-developed or licensed-in by the Group, entered into the pre-launch approval/key clinical trial stage, mainly including:***

  The NDA of Luvometinib tablets (Project Code: FCN-159), the Group's independently developed MEK1/2 selective inhibitor, was accepted by the NMPA for two indications: treatment of adult dendritic cell and histiocytic neoplasms, and treatment of NF1 (type 1 neurofibroma)-associated plexiform neurofibromas (PN) in children aged 2 and over. Both applications were granted priority review.

  During the Reporting Period, the new drug applications of HLX14 (Recombinant anti-RANKL fully human monoclonal antibody injection), the Group's self-developed biosimilar of denosumab, were successively accepted by the European Medicines Agency, Health Canada and U.S. FDA.

  The NDA of pertuzumab biosimilar HLX11 (recombinant anti-HER2 domain II humanized monoclonal antibody injection) that independently developed by the Group was accepted by the NMPA in December 2024. The phase III of the international multi-center clinical trial of the drug reached its primary study endpoint in September 2024 and its biologics license application (BLA) was accepted by U.S. FDA in February 2025.

  In addition, during the Reporting Period, the Phase III clinical study of the Group's self-developed serplulimab injection (trade name in Chinese mainland: Han Si Zhuang) in combination with bevacizumab and chemotherapy for the first-line treatment of patients with metastatic colorectal cancer (mCRC) was initiated in Chinese mainland and Japan successively; the Phase III clinical studies for the combination dosing of OP0595, co-developed with Meiji Seika Pharma, and cefepime or aztreonam for the treatment of adults infected by aerobic gram-negative bacteria with limited treatment options, were commenced in Chinese mainland; and the Phase III of international multi-center clinical studies of HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanized monoclonal antibody injection), a novel monoclonal antibody targeting HER2, HLX78 (lasofoxifene tablets), and an oral selective estrogen receptor modulator, were initiated in Chinese mainland, respectively.

- *During the Reporting Period, a total of 18 innovative drug/biosimilar projects (calculated by indication) were approved for clinical trial.*

- *Meanwhile, during the Reporting Period, the medical devices and medical diagnosis segment also rolled out major offerings, mainly including:*
  The Ion Bronchial navigation operation control system ("**Ion System**") of Intuitive Fosun, the Company's associated companies, was approved by the NMPA and has completed the first commercial installation in September 2024; the Da Vinci SP endoscopic single orifice surgical system has been included in the NMPA's special review process for innovative medical devices, facilitating its subsequent registration and review. Profhilo (i.e. sodium hyaluronate solution for injection) (trade name in Chinese mainland: Pu Fei Luo), an injectable filler product of which the Group is the sole agent in Chinese mainland, was launched as a licensed medical device in Hainan and launched for market in the newly direct sales market in Thailand. The fully-automated chemiluminescent immunoassay analyzer F-C2000, and cytokine detection reagent (chemiluminescence method), which were independently developed by the Group, were approved for launch in Chinese mainland, respectively.

2. **Continued to enhance global operation capabilities**

During the Reporting Period, the Group continued to implement its internationalization strategy in multiple dimensions including innovative R&D, licensing partnership, production and operation as well as commercialization. The Group enhanced its operational efficiency and expanded global market presence, primarily covering the U.S., Europe, Africa, India, Southeast Asia and other overseas markets.

In matured regulatory markets, the Group continued to enhance its global operation capabilities. It has set up multi-point R&D centers to realize global innovation, and further improved the commercialization system in different regulated markets through self-establishment, cooperation and other means. In the U.S. market, the Group has established a growing self-operated generic drug team, and cooperated with major distributors and group purchasing organizations (GPOs) to facilitate sales of preparations products, with 33 products in the market as at the end of the Reporting Period. The Group also established an innovative drug team in the U.S., and initiated the preparation works on the commercialization of serplulimab injection (anti-PD-1 monoclonal antibody). In the European market, Gland Pharma, through its subsidiary Cenexi, has built up local manufacturing capabilities in Europe. The subsidiary Sisram Medical, after completing the acquisition of the direct sales channels in China in 2023 and achieving a direct sales layout in the Chinese market, established new direct sales channels in Thailand during the Reporting Period, which continues to strengthen its footprint in the Asia-Pacific market. The marketing network of Breas, a subsidiary, has also covered mature markets such as Europe, the U.S., Japan and Australia.

As for emerging markets, in Africa, the Group primarily conducted medical product export and distribution business in the English-speaking and French-speaking regions in Sub-Saharan Africa, with sales network covering over 40 countries and regions. Meanwhile, in order to realize localization in drug manufacturing and supply in Africa, the Group continued to advance the park construction in the Cote d'Ivoire. Furthermore, the Group also continuously strengthened its product export channels and system development by establishing a new pharmaceutical and medical device sales platform in Nanning in February 2025, which gradually advanced the Group's registration and commercialization capabilities in Southeast Asia, with an aim to expand the local market.

- *Internationalization of innovative products*

  The Group continued to expand the regulatory markets such as the U.S. and the EU. In respect of pharmaceutical manufacturing segment, during the Reporting Period, trastuzumab injection received approvals for market launch in the United States and Canada; the new drug authorization application (MAA) of serplulimab injection received positive review opinions from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency and was approved in the EU in February 2025; the new drug applications for the biosimilar of denosumab HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection) was accepted by the European Medicine Agency, Health Canada, and the U.S. FDA; and HLX22 (anti-human epidermal growth factor receptor-2(HER2) humanized monoclonal antibody injection) for the first-line treatment of locally advanced or metastatic gastroesophageal junctional adenocarcinoma and gastric cancer, and HLX78 (lasofoxifene tablets) for the treatment of ER+/HER2-breast cancer with ESR1 mutation, among others, were in the international multi-center Phase III clinical trials. In respect of medical devices segment, during the Reporting Period, Alma Harmony™ and Alam Hybrid™, the two dermatological products of Sisram Medical, a subsidiary, received certification under the EU Medical Device Regulation, which further enhanced the Group's product portfolio and competitive edge.

- *Localization of innovative products in China*

  The Group proactively introduces international leading technologies and products into the Chinese market, so as to benefit more patients and customers. During the Reporting Period, Intuitive-Fosun, the Company's associated companies, officially opened its headquarters and industrial base in Zhangjiang International Medical Park, Shanghai, in June 2024. The industrial base integrates R&D, manufacturing and training. The launch of this industrial base will further accelerate the localization progress of the Da Vinci surgical system. In 2024, 58 units of "Da Vinci Surgical Robot" were being installed in Chinese mainland and Macau. As at the end of the Reporting Period, the "Da Vinci Surgical Robot" has been installed in over 300 hospitals across Chinese mainland, Hong Kong and Macau, with a cumulative installation volume exceeding 460 units, serving more than 670,000 patients across Chinese mainland, Hong Kong and Macau. Additionally, the Ion System of Intuitive Fosun was approved by the NMPA in March 2024, and achieved the first commercial installation in September 2024. During the Reporting Period, 4 units of the Ion System were sold in Chinese mainland. The Ion System has adopted a flexible robot with shape-sensing technology and can perform precise diagnostic operations on peripheral lung lesions through the bronchus. The launch of the Ion System in China will help more lung cancer patients receive early diagnosis and treatment in a more minimally invasive way. The Da Vinci SP endoscopic single orifice surgical system of Intuitive Fosun has been included in the NMPA's special review process for innovative medical devices, facilitating its subsequent

registration and review. During the Reporting Period, Fosun Insightec, a joint venture established with Insightec in China, had achieved sales of the magneticresonance image guided focused ultrasound brain therapy system ("**MRgFUS brain therapy system**"). Several ventilators of Breas, a subsidiary, were approved for launch in Chinese mainland. In addition, during the Reporting Period, Fosun Kairos, a subsidiary, with its first CAR-T product Yi Kai Da (ejilunsai injection) in the domestic market, was the first to launch the innovative payment mode based on therapeutic effects domestically, exploring a new path for payment mode of high-value innovative drugs domestically. As at the end of the Reporting Period, Yi Kai Da (ejilunsai injection) benefitted over 800 patients with lymphoma, and was included in over 110 urban customized commercial health insurances and over 80 commercial insurances, while the number of treatment centers on record exceeded 180, covering more than 28 provinces and municipalities across China.

- *Progress of global two-way license cooperation*

  The Group has continued to enhance global two-way license cooperation, and actively implemented its internationalization strategy. In respect of license-out, during the Reporting Period, Shanghai Henlius, a subsidiary, had entered into a license agreement with Abbott, granting Abbott commercialization rights for five products independently developed by Shanghai Henlius within the agreed territories covering 69 countries and regions in Asia, Latin America, the Caribbean, and the Middle East and North Africa, providing more treatment options for emerging markets. In February 2025, Shanghai Henlius had entered into a license agreement with Dr. Reddy's in respect of HLX15 (recombinant anti-CD38 human monoclonal antibody injection), a daratumumab biosimilar developed by it independently, granting Dr. Reddy's the rights to exclusively commercialize HLX15 in two dosage forms in the United States and 42 European countries and regions, so as to expedite the entry of the Group's products into the European and the U.S. markets.

  In respect of license-in, in January 2024, Shanghai Henlius had entered into strategic cooperation and exclusive license agreements with Sermonix, aiming to develop, manufacture and commercialize at least two indications for ER+/HER2-breast cancer of lasofoxifene (HLX78 (lasofoxifene tablets)) in Chinese mainland, Hong Kong, Macau and Taiwan region. In June 2024, a supplemental agreement was reached on HLX78 (lasofoxifene tablets) to extend the licence territory to the whole of Asia. In August 2024, Han Nai Jia (neratinib maleate tablets), of which the exclusive commercialization rights in Chinese mainland, Hong Kong, Macau and Taiwan regions have been granted to the Group, was approved for launch. This milestone is expected to enable sequential treatment with Han Qu You (trastuzumab injection), which will further reduce 5-year and 10-year postoperative recurrence risks in patients with HER2-positive early breast cancer. In addition, during the Reporting Period, Sisram Medical, a subsidiary, had entered into a strategic partnership with Prollenium, and obtained the exclusive distribution rights of the Revanesse dermal filler collection, which applies advanced hyaluronic acid technology, in several major markets including Germany, Austria, Switzerland, Australia and New Zealand.

In respect of license cooperation, during the Reporting Period, Shanghai Henlius, a subsidiary, had reached strategic cooperation with SVAX to establish a new joint venture in Saudi Arabia aiming to advance the local registration, manufacturing, commercialization, and global registration or market launch of innovative drugs (products), thereby enhancing the accessibility of high-value innovative drugs (products) in the area of MENAT (Middle East, North Africa and Turkey). In December 2024, Shanghai Henlius had entered into a collaboration and licensing agreement in relation to the global co-development of E-602, a pipeline product of Palleon, and the related combination therapeutic solutions within the licensed field (i.e., for the treatment of human diseases) and the commercialization of the same in the respective licensed field, on the basis of their respective patents and proprietary technologies.

- *Progress of International Quality Standard Production System*
  The Group continues to advance the international quality standard certification of its production system. The quality control system and production capacity have been recognized by international certification authorities, further laying a solid foundation for the export of its preparations. During the Reporting Period, Carelife Pharma, a subsidiary, underwent a routine surveillance inspection by the U.S. FDA for the APIs clindamycin hydrochloride, clindamycin phosphate, mitoxantrone hydrochloride, granisetron hydrochloride, entecavir, venlafaxine hydrochloride, sorafenib tosylate and clindamycin palmitate hydrochloride, and received a zero-defect rating; Dongting Pharma's tranexamic acid API underwent a GMP compliance inspection by the U.S. FDA and received a zero-defect rating; Fosun Wanbang's lyophilized preparations production line successfully passed the EU GMP on-site inspection again, and received the GMP on-site inspection final report and GMP certificate issued by the Dutch Health and Youth Care Inspectorate in July 2024; and Suzhou Erye continued to enhance the internationalization of its heparin products, obtaining a registration certificate from the South Korean Food and Drug Administration (KFDA) and passing an on-site inspection by the Malaysian National Pharmaceutical Regulatory Agency for enoxaparin sodium during the Reporting Period.

3. **Matured commercialization system**
   The Group continued to improve its commercialization system by optimizing the market layout and sales channels. As at the end of the Reporting Period, the pharmaceutical manufacturing segment had a commercialization team consisting of over 5,000 employees in Chinese mainland, covering hospitals, retail channels, etc. In terms of core departments such as hematology, lymphoma, breast, medical oncology, endocrinology, cardiology, rheumatology and nephrology, through the systematic market access team and special product team, the Group explored the innovative product market in core therapeutic areas, and covered county-level and certain prefecture-level markets in Chinese mainland through the broad market team. In addition, the Group expanded the sales channels of its pharmaceutical products by virtue of the cooperation and linkage with Sinopharm, an associated company.

In terms of commercialization in overseas markets, as at the end of the Reporting Period, the overseas commercialization team of pharmaceutical manufacturing and medical devices segments has over 1,000 employees. The pharmaceutical manufacturing segment covered markets including the U.S. and Africa. In the U.S. market, the Group has established the U.S. innovative drug team, and initiated the commercialization preparations before the launch of serplulimab injection (anti-PD-1 monoclonal antibody) and the preliminary preparations for the license-in projects of innovative drugs. In emerging markets such as Africa, the Group has set up 5 regional distribution centers, and continues to improve the core digital management capabilities, user operation capabilities and B2B2C model service capabilities so as to provide a one-stop service of registration, circulation, academic promotion and post-launch safety alert and other services for customers. The medical devices segment has continued expanding its global marketing network. As at the end of the Reporting Period, Sisram Medical has expanded its global direct-sales offices to 12, with marketing network now spanning over 110 countries and regions worldwide. The share of direct sales revenue has further increased to 87%. At the same time, Breas has expanded its marketing network to cover mature markets such as Europe, the U.S., China, Japan, India, and Australia.

In addition, during the Reporting Period, the Group also released the clinical data for multiple pipeline candidates and marketed products at global industry academic conferences such as the American Society of Clinical Oncology (ASCO), the Annual Meeting of the American Association for Cancer Research (AACR), the European Society for Medical Oncology (ESMO), the World Conference on Lung Cancer (WCLC), and the European Hematology Association (EHA), as well as in globally top-notch journals such as the New England Journal of Medicine (NEJM) and The Lancet, further enhancing the Group's global academic impact.

Meanwhile, the Group continued to optimize its marketing compliance management system and strengthen its responsible marketing. The Group adheres to the principle of making its management systems open and transparent. To this end, a number of regulations have been publicly announced on the website of the Company to clearly define the red lines of these regulations, so as to maintain a fair, clean and honest business environment and corporate culture. In terms of internal employee training, the Group regularly conducts special trainings such as "responsible marketing" for its employees. The Group also conducts targeted thematic compliance trainings for its relevant employees irregularly, thereby continuously enhancing its employees' awareness of compliant marketing.

4. **Digitalization and AI empowered business continued to grow**

The Group had continued to deepen its digital transformation, optimize technologies and methods, and broadly apply them in areas such as drug R&D, smart healthcare, and precision medicine, aiming to build a digital and intelligent innovative application ecosystem. The Group has engaged the PharmAID decision intelligence platform, which is based on modules such as information extraction, patent insight, and business forecasting to support intelligent decision-making in drug R&D. The data update timeliness of the tools on this platform reaches the T+1 standard, providing more convenient and accurate decision-making support for drug R&D, and helping to improve decision-making efficiency and accuracy.

The Group continued to promote the application of artificial intelligence in drug R&D. In 2022, the Group established a strategic partnership with Insilico to jointly advance AI-driven drug R&D for relevant targets. As at the end of the Reporting Period, the first small molecule drug developed through this collaboration has entered the clinical trial stage. In January 2025, Shanghai Henlius, a subsidiary, had entered into a strategic partnership with DP Technology for AI-assisted drug development, aiming to explore R&D pathways for drugs (such as antibody drugs, ADC drugs) by combining artificial intelligence with physical modeling.

Meanwhile, the Group continued to deepen the application of digital technologies across core areas such as R&D, production, marketing and management, with the aim to enhance operational efficiency and intelligence. In R&D, by introducing the PharmAID decision intelligence platform, intelligence will be enhanced in information retrieval, patent analysis, and sales forecasting, providing support for pipeline decision-making. In production and supply chain management, optimization will be made in production quality control, supply chain logistics, inventory management, and production planning to promote improvement of operational efficiency. In marketing, AI technology will be leveraged to gain insights into market trends and demands, continuously enhancing marketing precision and customer satisfaction.

5. **Continued to promote lean management and improve quality and efficiency**

During the Reporting Period, the Group continued to promote lean management across various aspects, including quality enhancement, cost control, efficiency improvement, cyclical management and innovative R&D, with an aim to improve operational efficiency and profitability. In terms of innovative R&D, the Group continued to focus on pipelines with advantages, optimized management and resources allocation of R&D projects and prioritized to the promotion of key projects to realize research commercialization and continuous launch of innovative products. In terms of production, the Group has continuously strengthened cost management to enhance the competitiveness of production cost and continuously improved product yield by optimizing production processes, strengthening process control and strengthening staff training. In addition, the Group also continued to promote the international market expansion of APIs, and during the Reporting Period, the ferric carboxymaltose API-supported preparations were launched in the Europe.

Meanwhile, the Group continued to divest and integrate non-strategic and non-core assets, and gathered resources on core businesses so as to optimize asset structure and improve asset efficiency. During the Reporting Period, the Group continued its asset structure optimization and acceleration of cash recovery, with total funds recouped reaching nearly RMB3,000 million since the beginning of 2024.

Table 1: Brief introduction of major innovative products and core categories launched

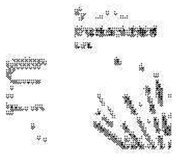
No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
1	Anti-tumor and immune modulation	Han Li Kang (rituximab injection)	This drug was approved for launch by the NMPA in February 2019, and is the first domestic biosimilar. Its approved indications include: non-Hodgkin's lymphoma, chronic lymphoblastic leukaemia, rheumatoid arthritis (RA) indication. It is also the first rituximab approved for rheumatoid arthritis (RA) indication in China.	Yes	
2		Han Qu You (trastuzumab injection)	This drug is the first trastuzumab biosimilar approved for launch in China, and also the domestic monoclonal antibody biosimilar approved by China, Europe and the United States. As at the end of the Reporting Period, this drug has been approved for launch in a total of more than 50 countries and regions, including China, Europe, the United States, Australia and Canada. The drug's trade name in EU: Zercepac, the trade name in the United States: HERCESSI™, and the trade name in Canada: Adheroza. Its approved indications include: HER2 positive early breast cancer, metastatic breast cancer, and metastatic gastric cancer.	Yes	
3		Han Si Zhuang (serplulimab injection)	This drug (anti-PD-1 monoclonal antibody) was approved for launch by the NMPA in March 2022, and is the first innovative monoclonal antibody independently developed by the Group. In February 2025, the drug was approved by the EC, making it the first anti-PD-1 monoclonal antibody approved in the EU for the treatment of extensive-stage small cell lung cancer (ES-SCLC). The drug's trade name in the EU: Hetronifly. Its approved indications include: first-line treatment of squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC), esophageal squamous cell carcinoma (ESCC) and non-squamous non-small cell lung cancer (nsNSCLC). It is the first anti-PD-1 monoclonal antibody drug approved for the first-line treatment of small cell lung cancer in the world. It has been recommended by guidelines including CSCO Guidelines on Small Cell Lung Cancer Treatment, CSCO Guidelines on Non-Small Cell Lung Cancer Treatment, CSCO Guidelines on Esophageal Cancer Treatment, CSCO Guidelines on Colorectal Cancer Treatment and CSCO Guidelines on Clinical Application of Immune Checkpoint Inhibitors.	No	
4		Han Da Yuan (adalimumab injection)	This drug was approved for launch by the NMPA in December 2020, and is the first domestic adalimumab biosimilar with GMP certified production base approved by both China and Europe. Its approved indications include: rheumatoid arthritis, ankylosing spondylitis, psoriasis, uveitis, etc.	Yes	
5		Han Bei Tai (bevacizumab injection)	This drug was approved for launch by the NMPA in November 2021. Its approved indications include: metastatic colorectal cancer, advanced, metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, epithelial ovarian cancer, etc..	Yes	

Table 1: Brief introduction of major innovative products and core categories launched (Continued)
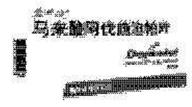
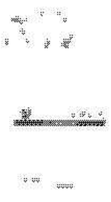
No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
6	Anti-tumor and immune modulation	Su Ke Xin* (avatrombopag maleate tablets)	This drug was approved for launch by the NMPA in April 2020, and is the first oral drug approved for the treatment of thrombocytopenia related to chronic liver diseases in the world. Its approved indications include the selective thrombocytopenia treatment of adult patients with chronic liver disease (CLDT) undergoing diagnostic procedures or surgery and treatment of essential chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment.	Yes	
7		Otezla* (apremilast tablets)	This drug was approved for launch by the NMPA in August 2021, and is the world's first oral phosphodiesterase-4 (PDE4) inhibitor for the treatment of plaque psoriasis. Its approved indication is treatment for adult patients with moderate to severe plaque psoriasis who are suitable for phototherapy or systematic treatment.	Yes	
8		Akynzeo* (netupitant and palonosetron hydrochloride capsules)	This drug was approved for launch by the NMPA in August 2019, and is the world's first dual-channel fixed-dose combination oral compound preparation that simultaneously blocks both NK-1 receptors and 5-HT3 receptors. Its approved indication is prevention of acute and delayed nausea and vomit arising from highly emetogenic chemotherapy in adult patients.	Yes	
9		Pei Jin* (telpegfilgrastim injection)	This drug (new generation of long-lasting recombinant human granulocyte colonystimulating factor product) was approved for launch by the NMPA in June 2023, and is classified as class 1 new drug in China. Its approved indication is reduction of occurrence of infections expressed in form of febrile neutropenia in patients with non-myeloablative cancer when receiving myelosuppression anti-tumor drug treatment which can easily cause febrile neutropenia.	Yes	
10		Fu Ke Shu®* (anti-human T-lymphocyte rabbit immunoglobulin)	The product is a polyclonal antibody inhibitor. Its approved indications include the prevention of acute transplant rejection in patients receiving solid organ transplantation (SOT) and the treatment of acute rejections if the therapeutic effect of corticosteroid treatment has proven to be unsatisfactory.	Yes	
11		Yi Kai Da* (ejilunsai injection)	This product was approved for launch by the NMPA in June 2021, and is the first CAR-T cell therapy product approved for domestic launch. Its approved indications include adult patients with relapsed or refractory large B-cell lymphoma (r/r LBCL) after prior second-line or higher systemic therapy, adults patients with large B-cell lymphoma (r/r LBCL) refractory to first-line immunochemotherapy or relapsing within 12 months of first-line immunochemotherapy (conditional approved). As at the end of the Reporting Period, this product has been included in over 110 urban customized commercial health insurances and over 80 commercial insurances, while the number of treatment centers on record exceeded 180, covering more than 28 provinces and municipalities across China.	No	

Table 1: Brief introduction of major innovative products and core categories launched (Continued)

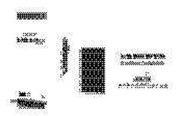
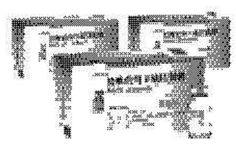
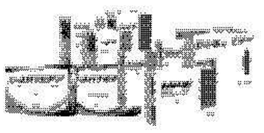
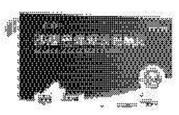
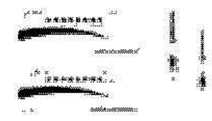
No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
12	Metabolism and alimentary system	Atomolan (preparations for glutathione series)	This series include Atomolan (glutathione tablets) and Atomolan (glutathione for injection), both of them are class B drug under National Medical Insurance Drugs Catalogue and the basic medicine for liver diseases. In particular, Atomolan (glutathione tablets) are the first glutathione oral preparations in China, while Atomolan (glutathione for injection) is the first generic drug of its kind in China.	Yes	
13		Pang Bi Fu* (etelcalcetide hydrochloride injection)	This drug (new generation of calcimimetic) was approved for launch by the NMPA in May 2023. Its approved indication is treatment of secondary hyperparathyroidism (SHPT) of adult patients receiving hemodialysis treatment for chronic kidney disease (CKD).	No	
14		Bei Wen* (keverprazan hydrochloride tablets)	This drug (potassium ion competitive acid blocker (P-CAB)) was approved for launch by the NMPA in February 2023 and is classified as class 1 new drug in China. It is the first approved P-CAB with DU/RE double indications in China. Its approved indications include duodenal ulcer (DU), reflux esophagitis (RE), and eradication of Helicobacter pylori (H. pylori) in combination with appropriate antibiotics.	Yes	
15	Anti-infection	Antimalarial series such as artesunate	This series include Artesun and Argesun (artesunate for injection), SPAQ-CO (sulfadoxine pyrimidine dispersible tablets + amodiaquine dispersible tablets) and the D-ARTEPP series (dihydroartemisinin-piperaquine phosphate tablets) etc. In particular, artesunate is the first class 1 new drug in China. As at the end of the Reporting Period, the Group has a total of 36 antimalarial drugs (including APIs and preparations) with WHO PQ. The second generation of artesunate for injection (Argesun) was registered and approved in 25 countries. As at the end of the Reporting Period, the Group has supplied over 400 million doses of artesunate for injection across the world.	Some of products launched in Chinese mainland have been included	
16	Cardiovascular system	Heparin series preparations	This series include enoxaparin sodium injection, heparin sodium injection, low molecular weight heparin for injection and nadroparin calcium injection etc. Heparin series preparations are mainly used for the prevention of thrombosis or treatment of embolism. The Group has the full industry chain supply capability for low-grade and high-grade heparin products, low-molecular heparin raw materials and preparations, and the sales network covers China, the United States, South America, Europe, the Middle East and Southeast Asia.	Some of products launched in the Chinese mainland have been included	
17		Yi Xin Tan* (sacubitril valsartan sodium tablets)	The drug was approved for launch by the NMPA in August 2023, and is a first-line drug for the treatment of heart failure and hypertension in an innovative crystalline form. Its approved indication is the treatment of essential hypertension. It can also be used in adult patients with chronic heart failure (NYHA class II-IV, LVEF≤40%) with reduced ejection fraction to mitigate risks of cardiovascular death and hospitalisation for heart failure.	Yes	

Table 1: Brief introduction of major innovative products and core categories launched (Continued)

No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
18	Rabies prophylaxis	Rabies vaccine (Vero cell) for human use, rabies vaccine (Vero cell) for human use (freeze dried)	Rabies vaccine (Vero cell) for human use and rabies vaccine (Vero cell) for human use (freeze dried) were approved for launch by the NMPA in September 2016 and March 2024 respectively. The approved indication is rabies prophylaxis. CTN-1V strain was used as its virus strain for production, whose gene sequence is closer to that of the street strain of prevailing rabies virus, and has better immune protection effect.	Rabies vaccine (Vero cell) for human use has been included	
19	Influenza prophylaxis	Influenza virus lysate vaccine	Influenza virus lysate vaccine includes adult dosage form and paediatric dosage form. The adult dosage form was approved for launch by the NMPA in November 2005, with a specification of 0.5ml/vial in pre-filled form; and the paediatric dosage form was approved for launch by the NMPA in July 2009, with a specification of 0.25ml/vial in pre-filled form. The approved indication is prevention of influenza caused by a parent strain of virus. The product is made from influenza A1, influenza A3 and influenza B virus strains as recommended by the WHO and approved by the NMPA. The product contains more active ingredient haemagglutinin than the standard required by the Chinese Pharmacopoeia to ensure its effectiveness.	No	

* Being the licensed-in innovative drug (product) of the Group.

II. SEGMENT PERFORMANCE OVERVIEW

1. Pharmaceutical manufacturing

Performance summary

The Group has proactively adjusted its business structure, and intensified its support and development efforts for innovative products. It has focused on core therapeutic areas, strengthened the integration of its business systems to promote flat marketing system management and constantly promote cost reduction and efficiency. During the Reporting Period, the pharmaceutical manufacturing segment of the Group recorded revenue of RMB28,776 million and segment results of RMB3,304 million, representing a year-on-year increase of 54.83%, and profit of RMB3,250 million, representing a year-on-year increase of 64.64%.

During the Reporting Period, while maintaining a relatively stable level of R&D intensity, the Group continued to optimize its innovation and R&D system, concentrated on quality pipeline assets and enhanced efficiency by integrating its R&D system. In 2024, the Group's R&D investment in the pharmaceutical manufacturing segment amounted to RMB4,910 million, accounting for 16.98% of its revenue from pharmaceutical manufacturing segment. R&D expenses were RMB3,071 million, accounting for 10.62% of its revenue from pharmaceutical manufacturing segment. In addition to self-initiated R&D, the Group also actively implemented an open R&D model by leveraging industry funds and other mechanisms to incubate innovative R&D projects, so as to ensure the sustainability of innovation R&D.

Revenue from major products of the Group in the major therapeutic areas during the Reporting Period is set out in the following table:

Unit: million Currency: RMB

Major therapeutic area	**2024**	2023	Year-on-year increase on the same basis (%)
Major products of anti-tumor and immune modulation *(Notes 1, 6)*	**8,085**	7,638	5.84
Major products of anti-infection *(Notes 2, 6)*	**3,126**	4,338	–27.95
Major products of metabolism and alimentary system *(Note 6)*	**2,793**	2,814	–0.73
Major products of cardiovascular system *(Notes 3, 6)*	**1,912**	1,677	14.00
Major products of central nervous system *(Notes 4, 6)*	**1,099**	1,392	–21.01
Major products of APIs and intermediate products *(Notes 5, 6)*	**1,106**	1,271	–12.97

Note 1: Mainly due to the combined effect of the sales growth of Pei Jin (telpegfilgrastim injection), Han Si Zhuang (serplulimab injection), Akynzeo (netupitant and palonosetron hydrochloride capsules), Han Bei Tai (bevacizumab injection), Han Qu You (trastuzumab injection) and trastuzumab drug substance, and the revenue contribution from Yi Kai Da (ejilunsai injection), as well as the sales decline of Su Ke Xin (avatrombopag maleate tablets).

Note 2: Mainly due to a significant decrease in demand for COVID-19 related products Jie Bei An (azvudine tablets) and a decline in sales of Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection).

Note 3: Mainly due to the revenue contribution mainly from the new product Yi Xin Tan (sacubitril valsartan sodium tablets) and the revenue growth of the heparin series of preparations.

Note 4: Mainly due to the sales decline of Ao De Jin (deproteinised calf blood serum injection) and Chang Tuo Ning (penehyclidine hydrochloride injection).

Note 5: Mainly due to lower sales of amino acid series.

Note 6: Major products of anti-tumor and immune modulation comprise: Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Li Kang (rituximab injection), Han Si Zhuang (serplulimab injection), Su Ke Xin (avatrombopag maleate tablets), Akynzeo (netupitant and palonosetron hydrochloride capsules), Ke Sheng (Xihuang capsules), Pei Jin (telpegfilgrastim injection), Kai Lai Zhi (epinastine hydrochloride capsules), Han Bei Tai (bevacizumab injection), Han Da Yuan (adalimumab injection), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Zhao Hui Xian (bicalutamide tablets), Otezla (apremilast tablets), Yi Kai Da (ejilunsai injection), Yi Luo Ze/Tu Mei Si (pemetrexed disodium for injection), Han Nai Jia (neratinib maleate tablets), paclitaxel, oxaliplatin, ondansetron and Di Kai Mei (sorafenib tosylate tablets).

Major products of anti-infection comprise: antimalarial series such as artesunate, Cravit (levofloxacin tablets), Pai Shu Xi Lin (piperacillin sodium and tazobactam sodium for injection), anti-tuberculosis series, Cravit (levofloxacin injection), daptomycin, Xi Chang/Bi Li Shu (cefmetazole sodium for injection), micafungin, caspofungin, Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection), Qiang Shu Xi Lin/Qin Shu/Er Ye Qin (piperacillin sodium and sulbactam sodium for injection), He Pu Ding (lamivudine tablets), Sai Fu Nuo (cefminox sodium for injection), Comirnaty (mRNA COVID-19 vaccine), Er Ye Bi (ceftizoxime sodium for injection), vancomycin, rabies vaccine (Vero cell) for human use (freeze dried), Si Ke Ni (azithromycin capsules), rabies vaccine (Vero cell) for human use (non-freeze dried), Ka Di (flucloxacillin sodium for injection) and Jie Bei An (azvudine tablets).

Major products of metabolism and alimentary system comprise: You Li Tong (febuxostat tablets), Atomolan (glutathione tablets), Bei Yi (potassium chloride granules), animal insulin and its preparations, Ke Yi (new compound aloe capsules), Wan Su Jing (empagliflozin tablets), Li Qing (alfacalcidol tablets), Atomolan (glutathione for injection), Yi Bao (recombinant human erythropoietin for injection (CHO cells)), Wan Su Ping (glimepiride tablets), Bei Wen (keverprazan hydrochloride tablets), human insulin and its preparations and Pang Bi Fu (etelcalcetide injection).

Major products of cardiovascular system comprise: heparin series preparations, Bang Tan (telmisartan tablets), Yi Xin Tan (sacubitril valsartan sodium tablets), Ya Ni An (amlodipine besilate tablets), Bang Zhi (pitavastatin calcium tablets), Ke Yuan (calcium dobesilate capsules), You Di Er (alprostadil dried emulsion for injection), Xin Xian An (meglumine adenosine cyclophosphate for injection), Su Ka Xin (indapamide tablets) and Propranolol Hydrochoride injection.

Major products of central nervous system comprise: Qi Wei (quetiapine fumarate tablets), Chang Tuo Ning (penehyclidine hydrochloride injection), lorazepam tablets, Rocuronium Bromide, Qi Cheng (escitalopram oxalate tablets), Levomedetomidine and Ao De Jin (deproteinised calf blood serum injection).

Major products of APIs and intermediate products comprise: amino acid series, tranexamic acid, clindamycin hydrochloride and levamisole hydrochloride.

* The data of 2023 was restated according to the basis of 2024.

In 2024, there were a total of 49 preparations or series of products in the pharmaceutical manufacturing segment of the Group that each recorded sales of over RMB100 million, and details are as follows:

Currency: RMB

Sales during the Reporting Period	Number	Preparation varieties or series
Over 1 billion	4	Han Qu You (trastuzumab injection), Han Li Kang (rituximab injection), Han Si Zhuang (serplulimab injection), Heparin series preparations
500 million to 1 billion	3	Antimalarial series such as artesunate, You Li Tong (febuxostat tablets), Su Ke Xin (avatrombopag maleate tablets)
300 million to 500 million	4	Cravit (levofloxacin tablets), Atomolan (glutathione tablets), Yi Kai Da (ejilunsai injection), Akynzeo (netupitant and palonosetron hydrochloride capsules)
100 million to 300 million	38	38 varieties including Otezla (apremilast tablets), Han Da Yuan (adalimumab injection), Han Bei Tai (bevacizumab injection), Qi Wei (quetiapine fumarate tablets), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Yi Xin Tan (sacubitril valsartan sodium tablets), Pei Jin (telpegfilgrastim injection)

Important events

- *1 new indication for serplulimab injection (anti-PD-1 monoclonal antibody) and its progress in overseas markets*

During the Reporting Period, Han Si Zhuang (serplulimab injection), the self-developed innovative anti-PD-1 monoclonal antibody, obtained approval in Chinese mainland for the indication as a first-line treatment for non-squamous non-small cell lung cancer (nsNSCLC). This newly approved indication marks the third indication authorized in the field of lung cancer for the drug, following its previous approvals for squamous non-small cell lung cancer (sqNSCLC) and extensive-stage small cell lung cancer (ES-SCLC), thereby further expanding its coverage to broader patient populations. Additionally, as at the disclosure date of the 2024 annual results announcement (i.e. 25 March 2025, the same below), the Marketing Authorization Application (MAA) for serplulimab injection (EU trade name: Hetronifly) in combination with carboplatin and etoposide for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) in adult patients has been approved by EC. Consequently, the drug has obtained centralized marketing authorization across all EU member states, as well as Iceland, Liechtenstein, and Norway (collectively, European Economic Area countries). This approval establishes serplulimab as the first anti-PD-1 monoclonal antibody authorized by the EU for the treatment of extensive-stage small cell lung cancer (ES-SCLC).

As at the disclosure date of the 2024 annual results announcement, relevant indications for Han Si Zhuang (serplulimab injection) have been approved in Chinese mainland, including first-line treatment in combination with chemotherapy for squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC), esophageal squamous cell carcinoma (ESCC), and non-squamous non-small cell lung cancer (nsNSCLC).

With the successive approvals of multiple indications for serplulimab injection (anti-PD-1 monoclonal antibody) domestically and the smooth progress of overseas clinical trials, the drug has gained extensive international recognition for its superior efficacy and high-quality data. Its license-out now covers Europe, Southeast Asia, and the Middle East and North Africa, with international commercialization advancing systematically. During the Reporting Period, serplulimab injection (anti-PD-1 monoclonal antibody) was approved for marketing in Cambodia and Thailand. In January 2024, it received the Innovation Passport from the UK Innovative Licensing and Access Pathway Steering Group, which includes the Medicines and Healthcare Products Regulatory Agency (MHRA). In addition, the Group continues to advance the drug's commercialization in the U.S. market by establishing an U.S. innovative drug team covering medical affairs, market access, and sales functions as well as partnering with Syneos Health to provide commercialization support for the drug in the U.S..

Centered around the "Combo+Global" (combination therapy + internationalization) differentiated development strategy, serplulimab injection (anti-PD-1 monoclonal antibody) actively synergizes with other proprietary pipeline products. Multiple global clinical trials for combination therapies are currently underway, covering indications such as lung cancer, esophageal cancer, head and neck squamous cell carcinoma, colorectal cancer, and gastric cancer. In particular, a head-to-head bridging trial is progressing systematically in the U.S., comparing serplulimab with the first-line standard-of-care atezolizumab for extensive-stage small cell lung cancer (ES-SCLC). This trial aims to further support the drug's biologics license application in the U.S. market.

- *Increased Shareholding in Fosun Kairos (a cell therapy platform) to 100%*

  During the Reporting Period, Fosun Pharmaceutical Industrial, a subsidiary, increased its shareholding in Fosun Kairos to 100%, and continued to advance the development and commercialization cooperation of the existing licensed product Axi-Cel (namely, Fosun Kairos' launched product "Yi Kai Da") and Brexu-Cel (Fosun Kairos' projects in progress FKC889) with Kite Pharma in CAR-T cell therapy area in Chinese mainland, Hong Kong and Macau.

  Yi Kai Da (ejilunsai injection), the first CAR-T cell therapy product of Fosun Kairos, is authorized to carry out the localized production in Chinese mainland following the technology transfer of Yescarta, a CAR-T cell therapy product, from Kite Pharma, and was approved for launch in Chinese mainland in June 2021, becoming the first CAR-T cell therapy product approved for launch in Chinese mainland. As at the disclosure date of the 2024 annual results announcement, its approved indications include (1) treatment of adult patients with relapsed or refractory large B-cell lymphoma (r/r LBCL) after prior second-line or higher systemic therapy, (2) treatment of adults patients with large B-cell lymphoma (r/r LBCL) refractory to first-line immunochemotherapy or relapsing within 12 months of first-line immunochemotherapy, and its third indication for the treatment of adult patients with relapsed or refractory inert non-Hodgkin's lymphoma (r/r iNHL) containing follicular lymphoma and marginal zone lymphoma), was at the bridging clinical trial stage in Chinese mainland and included in the breakthrough therapy drug program.

  In January 2024, Yi Kai Da introduced an innovative payment plan based on therapeutic effects in Chinese mainland, exploring a new path for payment mode of high-value innovative drugs in Chinese mainland. As at the end of the Reporting Period, benefitting over 800 patients with lymphoma in total, Yi Kai Da has been included in over 110 urban customized commercial health insurances and over 80 commercial insurances, while the number of treatment centers on record exceeded 180, covering more than 28 provinces and municipalities across China.

  In addition, as at the disclosure date of the 2024 annual results announcement, the first indication (relapsed or refractory adult precursor B-cell acute lymphoblastic leukaemia (adult r/r ALL)) and the second indication (for the treatment of adult patients with relapsed or refractory mantle cell lymphoma (r/r MCL) after prior second-line or higher systemic therapy) of Fosun Kairos' second CAR-T cell therapy product FKC889 are at the bridging clinical trial stage in Chinese mainland.

- *Progress of other pipeline products*

  During the Reporting Period, the Group continued to promote the R&D and industrialization of vaccines in its pipeline. In March 2024, rabies vaccine (Vero cell) for human use (freeze dried), which is independently developed by the Group, was approved for launch in Chinese mainland. In July 2024 and September 2024, the clinical trial applications for the Group's self-developed 23-valent pneumococcal polysaccharide vaccine and self-developed rabies vaccine (human diploid cells) for human use (freeze dried) were approved by the NMPA successively. In March 2025, the clinical trial application for the Group's self-developed 24-valent pneumococcal polysaccharide conjugate vaccine was also approved in Chinese mainland.

  At the same time, during the Reporting Period, the established medicines manufacturing & supply business of the Group continued to optimize the life cycle management of established medicines on the product end, focusing on the independent R&D of first generic drugs, difficult and complex preparations and improvement of new drugs, grasped highly fit expansion opportunities, enriched pipelines, improved the capability and efficiency of the system, and actively promoted the overseas commercialization of preparations. During the Reporting Period, a total of 79 generic drugs varieties of the Group (including 43[2] domestic varieties and 36 overseas varieties) were approved for launch both domestically and internationally. In particular, isepamicin sulfate injection of Beijing Jnova, a subsidiary, is the first generic drugs approved for launch in Chinese mainland. In addition, a total of five drugs, including Shenyang Hongqi's cycloserine capsules, enzalutamide soft capsules, Yao Pharma's beprost sodium tablets, risperidone orally disintegrating tablets and carboplatin injection, are among the top five generic drugs in Chinese mainland. A total of four drugs, including Suzhou Erye's oxacillin sodium for injection, Guilin Pharma's bumetanide injection and Yao Pharma's epinastine hydrochloride capsule and propranolol hydrochoride injection, are the first production passing consistency evaluation among similar varieties domestically.

R&D innovation

The Group has established an open and globalized pharmaceutical innovation and R&D system that integrates independent R&D, cooperative development, licensed-in projects and industrial investment, which focuses on the core therapeutic areas of tumors (solid tumors, hematological tumors) and immuno-inflammatory diseases, with emphasis on the enhancement of the core technology platforms of antibody/ADC, cellular therapy and small molecules. The Group also cooperated with industry funds in the deployment of nuclear drug, RNA, gene therapy, AI drug R&D and other cutting-edge technologies. These efforts aims to continuously enhance our core R&D capabilities and pipeline value, and facilitate the R&D process of more blockbuster products in order to achieve commercialization.

[2] Including import drug license

To advance the Group's innovation strategy with excellence and enhance R&D efficiency, a Scientific Advisory Board ("SAB") at the group level, mainly composed of an external think tank, has been established to assist the management of the Group in formulating and optimizing the medium-and-long-term innovation strategy, and to provide strategic guidance and insights. In terms of improving the internal innovation management structure, by introducing senior scientists and high-level talents, the capabilities in early-stage R&D, CMC, clinical medicine, clinical operations, etc. have been comprehensively enhanced. By establishing a pipeline committee composed of internal experts to strengthen synergies and optimize the allocation of R&D resources, the improvement of the quality and effectiveness of innovative R&D has been promoted. In addition, through lean R&D projects, leveraging on the INNOX digital management system, the process management in areas such as R&D project approval, budget management, decision-making mechanisms for major milestones, etc. have been continuously optimized.

During the Reporting Period, a total of 7 innovative drugs/biosimilars independently developed by the Group or introduced through licensing, with a total of 16 indications[3], and 79 generic drug varieties (including 43 domestic varieties[4] and 36 overseas varieties) were approved both domestically and internationally; 4 innovative drugs/biosimilars, and 81 generic drug varieties (including 55[4] domestic varieties and 26 overseas varieties) were applied for launch both domestically and internationally. In addition, a total of 18 innovative drugs/biosimilars (counted on indications) were approved for clinical trial during the Reporting Period. During the Reporting Period, a total of 220 patents had been applied for in the pharmaceutical manufacturing segment of the Group, including 3 U.S. patent applications and 18 PCT applications; and 66 licensed invention patent authorization were obtained.

The Group's innovation achievements under the guidance of the innovation strategy have also received attention and recognition from the international academic community, and its global academic influence has been continuously enhanced. During the Reporting Period, the Group released the clinical data for multiple pipeline candidates and marketed products at global industry academic conferences such as the American Society of Clinical Oncology (ASCO), the Annual Meeting of the American Association for Cancer Research (AACR), the European Society for Medical Oncology (ESMO), the World Conference on Lung Cancer (WCLC), the Congress of the European Hematology Association (EHA), and in global top journals such as the New England Journal of Medicine (NEJM) and The Lancet (Lancet).

For the updated progress of the main R&D pipelines of the Group during the Reporting Period, please refer to Schedule 2.

[3] Counted on the number of indications listed on the regulatory approvals received domestically and overseas

[4] Including import drug licenses

Table 2 — Updates on major R&D pipelines during the Reporting Period

Progress during the Reporting Period	Drug name/code	Drug category	IND approved	Phase I	Phase II	Phase III	NDA accepted	Approved for launch	Remarks
Approved for launch	Trastuzumab injection (trade name in Chinese mainland: Han Qu You, trade name in the United States: HERCESSI™, trade name in Canada: Adheroza)	Biological product	(1) Adjuvant therapy for HER2-expressing breast cancer; (2) Therapy for HER2-expressing metastatic breast cancer; (3) Therapy for HER2-expressing metastatic gastric adenocarcinoma or gastroesophageal junctional adenocarcinoma (U.S.)						—
			Therapy for HER2-expressing metastatic gastric adenocarcinoma or gastroesophageal junctional adenocarcinoma (U.S.)						—
			(1) early breast cancer, (2) metastatic breast cancer, (3) metastatic gastric cancer (Canada)						—
	Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang)	Therapeutic biological product	1 new indication added: In combination with pemetrexed and carboplatin for the first-line treatment of patients with epidermal growth factor receptor (EGFR) mutation-negative and anaplastic lymphoma kinase (ALK) gene rearrangement-negative locally advanced or metastatic non-squamous non-small cell lung cancer (NSCLC) that cannot be removed through surgery						—
	Adalimumab injection (trade name in Chinese mainland: Han Da Yuan)	Therapeutic biological product	4 new indications added: (1) polyarticular juvenile idiopathic arthritis, (2) pediatric plaque psoriasis,						—
	Rabies vaccine (Vero cell) for human use (freeze dried)	Preventive biological product	Rabies prophylaxis						—
	Botulinum toxin type A for injection (trademark in Chinese mainland: 達希斐®)	Therapeutic biological product	Temporary improvement in the appearance of moderate to severeglabellar lines associated with corrugator and/or procerus muscle activity in adults						—
			Treatment for cervical dystonia in adults						—
	Avatrombopag maleate tablets (trade name in Chinese mainland: Su Ke Xin)	Chemical drug	1 new indications added for the chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment						—
	Pretomanid tablets (trade name in Chinese mainland: Pu Rui Ni)	Chemical drug	As part of a bedaquiline and linezolid combination regimen for the treatment of adult patients with tuberculosis (TB) who exhibit resistant to isoniazid, rifampicin, a fluoroquinolone, and a second-line injectable antimicrobial drug, or who demonstrate resistance to isoniazid and rifampicin alongside intolerance or non-response to standardized treatment						—
NDA review	Serplulimab injection (trade name in EU: Hetronifly)	Biological product	Combined carboplatin and etoposide for first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) (EU)						*Note 1*
	Tenapanor hydrochloride tablets (trade name in Chinese mainland: 萬諾黎)	Chemical drug	Serum phosphorus level control in adult dialysis patients with chronic kidney disease (CKD) who exhibit inadequate or intolerant efficacy of phosphorus binding agents						*Note 2*
NDA accepted	Luvometinib tablets (RCN-159)	Chemical drug	For the treatment of adult dendritic cell and histiocytic neoplasms						*Note 3*
			For the treatment of NF1 (type 1 neurofibroma)-associated plexiform neurofibromas (PN) in children aged 2 years and over						—
	HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection)	Biological product	(1) treatment of osteoporosis in postmenopausal women and men at high risk for fracture, (2) treatment for bone loss associated with hormone ablation in male patients with prostate cancer at high risk of fracture, (3) treatment for bone loss related to long-term systemic glucocorticoid therapy in adult patients at high risk of fracture, (4) prevention of skeletal-related events in adult patients with advanced bone malignancies, (5) treatment for patients with post-surgery giant cell tumor of the bone that is unresectable or may lead to severe functional impairment, including both adult and skeletally mature adolescent patients (Europe)						—
			Used for the treatment of osteoporosis in postmenopausal women at high risk of fractures and/or other indications consistent with the reference drug label (Canada, U.S.)						—
	HLX11 (recombinant anti-HER2 domain II humanized monoclonal antibody injection)	Therapeutic biological product	In combination with trastuzumab and chemotherapy as adjuvant treatment of patients with HER2-positive early breast cancer at high risk of recurrence; and use in combination with trastuzumab and docetaxel for treatment of patients with HER2-positive, metastatic or unresectable local recurrent breast cancer who have not received prior anti-HER2 therapy or chemotherapy for metastatic disease						—
	SBK010 oral medicine	Chemical drug	For the treatment of mild to moderate acute ischemic stroke						—
Under phase III clinical study	Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang)	Therapeutic biological product	First-line treatment for metastatic colorectal cancer (mCRC) (Chinese mainland/international multi-center, Japan/international multi-center#)						In combination with bevacizumab and chemotherapy
	OP0595 (Nacubactam for injection)	Chemical drug	Treatment of adults infected by aerobic gram-negative bacteria with limited options						In combination with cefepime or aztreonam, *Note 4*
	HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanized monoclonal antibody injection)	Therapeutic biological product	In combination with trastuzumab and chemotherapy (XELOX) versus trastuzumab and chemotherapy (XELOX) with or without pembrolizumab for the first-line treatment of locally advanced or metastatic gastroesophageal junctional adenocarcinoma and gastric cancer (GC) (Chinese mainland/international multi-center)						In combination with trastuzumab
	HLX78# (lasofoxifene tablets)	Chemical drug	For the treatment of ESR1 mutations in ER+/HER2- breast cancer (Chinese mainland/international multi-center)						*Note 5*
Under phase II clinical study	HLX53# (anti-TIGIT Fc fusion protein)	Therapeutic biological product	First-line treatment of locally advanced or metastatic hepatocellular carcinoma (HCC)						In combination with Han Si Zhuang (serplulimab injection) and Han Bei Tai (bevacizumab injection)

Table 2 — Updates on major R&D pipelines during the Reporting Period (Continued)

Progress during the Reporting Period	Drug name/code	Drug category	IND approved	Phase I	Phase II	Phase III	NDA accepted	Approved for launch	Remarks
Under phase I clinical study	HLX6018# (innovative anti-GARP/TGF-β1 monoclonal antibody)	Therapeutic biological product	For the treatment of Idiopathic pulmonary fibrosis						—
	XH-S004#	Chemical drug	For the treatment of non-cystic fibrosis bronchiectasis						—
	HLX42 (antibody-drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor)	Therapeutic biological product	For the treatment of advanced/ metastatic solid tumor						—
	XS-02#	Chemical drug	For the treatment of advanced solid tumors						—
	FH-2001#	Chemical drug	For the treatment of advanced solid tumors						In combination with serplulimab injection
IND approved	HLX43 (antibody-drug conjugate targeting PD-L1 with novel DNA topoisomerase I inhibitor)	Therapeutic biological product	For the treatment of advanced/ metastatic solid tumors						—
	FCN-338	Chemical drug	For the treatment of systemic light chain amyloidosis						
			For the treatment of chronic lymphoblastic leukaemia/small lymphocytic lymphoma						In combination with FCN-647
	GCK-01	Therapeutic biological product	For the treatment of relapsed or chemotherapy-resistant follicular lymphoma						—
	HLX22 (anti-human epidermal growth factor receptor-2) (HER2) humanized monoclonal antibody injection)	Biological product	First-line treatment of HER2-positive advanced gastric cancer (GC) (U.S., Japan)						In combination with trastuzumab and chemotherapy
			For the treatment of HER2-expressing solid tumors						In combination with trastuzumab and/ or chemotherapy, or in combination with trastuzumab deruxtecan
	23-valent pneumococcal polysaccharide vaccine	Preventive biological product	Prevention of pneumococcal diseases						*Note 6*
	Rabies vaccine (human diploid cells) for human use (freeze dried)	Preventive biological product	Rabies prophylaxis						*Note 7*
	XS-04	Chemical drug	For the treatment of hematological malignancies						—
	HLX17 (recombinant anti-PD-1 humanised monoclonal antibody injection)	Therapeutic biological product	For the treatment of melanoma, non-small cell lung cancer, esophageal cancer, head and neck squamous cell carcinoma						—

Innovative drugs approved for clinical trial and had commenced respective clinical study during the Reporting Period.

Note 1: In February 2025, the marketing authorization application (MAA) for serplulimab injection (anti-PD-1 monoclonal antibody) for this indication was approved by the EC.

Note 2: In February 2025, the NDA for 萬緹樂 (Tenapanor hydrochloride tablets) for this indication was approved by the NMPA.

Note 3: The two indications have been included in the priority review.

Note 4: During the Reporting Period, two of the Phase III clinical studies for the combination dosing of OP0595, and cefepime or aztreonam for the treatment of adults infected by aerobic gram-negative bacteria with limited treatment options, were commenced in Chinese mainland.

Note 5: In May 2024, HLX78 was approved by the NMPA to carry out the Phase I clinical trial for healthy subjects and the Phase III of international multi-center clinical trial in Chinese mainland (such new drug is used in combination with abemaciclib for the treatment of pre/postmenopausal women and men with locally advanced or metastatic breast cancer with disease progression, harboring estrogen receptor 1 (ESR1) mutations, estrogen receptor positive (ER+), human epidermal growth factor receptor 2-negative (HER2-) during receiving treatment of aromatase inhibitors (AI) in combination with cyclindependent kinases (CDK 4/6) inhibitors).

Note 6: In July 2024, the application for Phase I and Phase III clinical trials of the 23-valent pneumococcal polysaccharide vaccine was approved by the NMPA.

Note 7: In September 2024, the application for Phase I and Phase III clinical trials of the Group's rabies vaccine (human diploid cells) for human use (freeze dried) was approved by the NMPA.

As at the end of the Reporting Period, there were over 80 major pipeline projects of the Group on innovative drugs and biosimilars (calculated by indications); for details on major pipeline drug projects of the Group, please refer to Table 3 to Table 7.

Table 3 — Small molecular innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period
1	Anti-tumor	FCN-338	Hematological malignancies	Phase I clinical trial	Phase I clinical trial (U.S.)
2			Relapsed or refractory B-celllymphoma	Phase I clinical trial	
3			Treatment of myeloid malignancies in combination with azacitidine or chemotherapy	Phase II clinical trial	—
4		Luvometinib tablets (FCN-159)	Neurofibromatosis type 1 (children)	NDA	
5			Neurofibromatosis type 1 (adult)	Phase III clinical trial	—
6			Dendritic cell and histiocyte neoplasms in adults	NDA	—
7			Low-grade gliomas	Phase II clinical trial	—
8			Langerhans cell histiocytosis in children	Phase II clinical trial	—
9		Dimethyl malonate furmonertinib capsules (SAF-189)	Non-small cell lung cancer (ROS1+)	Phase II clinical trial	Approved for clinical trial (U.S.)
10			Non-small cell lung cancer (ALK+)	Phase III clinical trial *Note 1*	
11		Citric acid vovonsertib gel (FCN-437c)	Breast cancer 1L	Phase III clinical trial *Note 2*	—
12			Breast cancer 2L	NDA	
13		YP01001	Advanced solid tumor	Phase I clinical trial	—
14		FH-2001	Advanced malignant solid tumor	Phase Ib/II clinical trial	—
15		FH-2001+ Serplulimab injection	Advanced solid tumor	Phase I clinical trial	—
16		XS-03	RAS-mutated advanced solid tumor	Phase I clinical trial	—
17		XS-04	Hematological malignancies	Approved for clinical trial	—
18		XS-02	Advanced solid tumor	Phase I clinical trial	—
19	Others	ET-26	Anesthesia	Phase III clinical trial	—
20		Luvometinib tablets (FCN-159)	Arteriovenous malformations	Phase II clinical trial	—
21		XH-S003	IgA nephropathy and other glomerular diseases with abnormal complement activation	Phase I clinical trial *Note 3*	Phase I clinical trial (Australia)
22		XH-S004	Non-cystic fibrous bronchial dilation	Phase I clinical trial	—
23		FCN-338	Systemic light chain Amyloidose	Approved for clinical trial	—

Note 1: In March 2025, the NDA for Dimethyl malonate furmonertinib capsules (project code: SAF-189) was accepted by the NMPA. The indication applied is for the treatment of patients with locally advanced or metastatic non-small cell lung cancer (NSCLC) who are positive for anaplastic lymphoma kinase (ALK).

Note 2: In January 2025, the NDA for Citric acid vovonsertib capsules (Project Code: FCN-437c) was accepted by the NMPA. The indication applied is for locally advanced or metastatic breast cancer in hormone receptor (HR) positive and human epidermal growth factor receptor 2 (HER2) negative patients, to be used in combination with aromatase inhibitors as initial endocrine therapy for premenopausal, postmenopausal, and perimenopausal women with breast cancer.

Note 3: In January 2025, a Phase II clinical trial of XH-S003 capsule for the treatment of IgA nephropathy and other glomerular diseases with abnormal complement activation was initiated in Chinese mainland.

Table 4 — Biopharmaceutical innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period
1	Anti-tumor	Han Si Zhuang (serplulimab injection) + chemotherapy	Squamous non-small cell lung cancer (sqNSCLC)	Launched	Phase III clinical trial (international multi-center)
2			Extensive-stage small cell lung cancer (ES-SCLC)	Launched	Marketing authorization application (EU)[Note 1] Bridging trial (U.S.)
3			Non-squamous non-small cell lung cancer (nsNSCLC)	Approved for launch	—
4			Neo-/adjuvant treatment of gastric cancer (GC)	Phase III clinical trial	—
5		Han Si Zhuang (serplulimab injection) + chemotherapy + radiotherapy	Limited-stage small cell lung cancer (LS-SCLC)	Phase III clinical trial (international multi-center)	
6		Han Si Zhuang (serplulimab injection) + bevacizumab + chemotherapy	Metastatic colorectal cancer (mCRC)	Phase III clinical trial (international multi-center)	
7		Han Si Zhuang (serplulimab injection) + HLX07 (recombinant anti-EGFR humanized monoclonal antibody injection)	Recurrent or metastatic head and neck squamous cell carcinoma (HNSCC)	Phase II clinical trial	—
8			Squamous non-small cell lung cancer (sqNSCLC)	Phase II clinical trial	—
9		HLX07 (recombinant anti-EGFR humanized monoclonal antibody injection)	Solid tumor	Phase Ib/II clinical trial	Approved for clinical trial (U.S.)
10			Locally advanced or metastatic cutaneous squamous cell carcinoma (CSCC)	Phase II clinical trial	Approved for clinical trial (U.S.)
11		HLX26 (recombinant anti-LAG-3 humanized monoclonal antibody injection) + Han Si Zhuang (serplulimab injection) + chemotherapy	Advanced non-small cell lung cancer (NSCLC)	Phase II clinical trial	—
12		HLX53 (anti-TIGIT Fc fusion protein)	Solid tumor and lymphoma	Phase I clinical trial	—
13		HLX53 (anti-TIGIT Fc fusion protein) + Han Si Zhuang (serplulimab injection) + Han Bei Tai (bevacizumab injection)	First-line treatment of locally advanced or metastatic hepatocellular carcinoma (HCC)	Phase II clinical trial	—
14		HLX42 (antibody-drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor)	Advanced/metastatic solid tumor	Phase I clinical trial	Approved for clinical trial (U.S.)
15		HLX43 (antibody-drug conjugate targeting PD-L1 with novel DNA topoisomerase I inhibitor)	Advanced/metastatic solid tumor	Phase I clinical trial[Note 2]	Approved for clinical trial (U.S.)
16		VT-101	Advanced head and neck squamous cell carcinoma, melanoma, breast cancer and other solid tumors	Approved for clinical trial	Approved for clinical trial (U.S.)
17		GCK-01	Relapsed or chemotherapy-resistant follicular lymphoma	Approved for clinical trial	—
18	Others	HLX04-O (recombinant anti-VEGF humanized monoclonal antibody injection)	Wet age-related macular degeneration (wAMD)	Phase III clinical trial	Phase III clinical trial (international multi-center)
19		HLX6018 (innovative anti-GARP/TGF-β1 monoclonal antibody)	Idiopathic pulmonary fibrosis	Phase I clinical trial	—

Note 1: In February 2025, the marketing authorization application (MAA) for Serplulimab Injection (an anti-PD-1 monoclonal antibody, EU trade name: Hetronifly) in combination with carboplatin and etoposide for the first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) was approved by EC.

Note 2: In January 2025, a Phase II clinical trial of HLX43 for the treatment of recurrent/metastatic esophageal squamous cell carcinoma (ESCC) was initiated in Chinese mainland.

Table 5 — Licensed-in innovative drugs

No.	Therapeutic area	Drug name/code	Indications	R&D progress in major licensed territory as at the end of the Reporting Period
1	Anti-tumor	FS-1502 (recombinant HER2 humanized monoclonal antibody-monomethyl auristatin F conjugate for injection)	HER2-positive locally advanced or metastatic breast cancer	Chinese mainland: Phase III clinical trial
2			HER2-expressing advanced malignant solid tumors	Chinese mainland: Phase II clinical trial
3		FS-1502 (recombinant HER2 humanized monoclonal antibody-monomethyl auristatin F conjugate for injection) in combination with serplulimab and/or chemotherapy	HER2-expressing advanced gastric cancer	Chinese mainland: Phase II clinical trial
4		HLX78 (lasofoxifene tables)	Breast cancer	Chinese mainland: Phase III clinical trial (international multi-center)
5		HLX208 (BRAF V600E inhibitor)	Solid tumor (metastatic colorectal cancer, non-small cell lung cancer, etc.), LCH and ECD	Chinese mainland: Phase II clinical trial
6		HLX208 (BRAF V600E inhibitor) + serplulimab injection	BRAF V600E or BRAF V600 mutation-positive advanced solid tumor (non-small cell lung cancer)	Chinese mainland: Phase II clinical trial
7		HLX22 (anti-human epidermal factor receptor-2 (HER2) humanized monoclonal antibody injection) + standardized treatment (trastuzumab + chemotherapy)	HER2-positive locally advanced or metastatic gastroesophageal junction and gastric cancer (GC)	Chinese mainland: Phase III clinical trial (international multi-center)
8			First-line treatment of HER2- positive advanced gastric cancer (GC)	U.S.: Approved for clinical trial Japan: Approved for clinical trial
9		HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanized monoclonal antibody injection) + standardized treatment (trastuzumab + chemotherapy)/deruxtecan	HER2-expressing solid tumors	Chinese mainland: Approved for clinical trial
10		HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanized monoclonal antibody injection) + serplulimab injection + standardized treatment (trastuzumab + chemotherapy)	HER2-positive advanced gastric cancer (GC)	Chinese mainland: Approved for clinical trial
11		SVN53–67/M57-KLH peptide vaccine (SurVaxM)	Primary diagnosis of glioblastoma	Chinese mainland: Approved for clinical trial
12	Anti-infection	Pu Rui Ni (Pretomanid tablets)	Extensively drug-resistant (XDR) or multidrug-resistant tuberculosis (MDR-TB) with treatment intolerance/ low efficacy of treatment	Chinese mainland: Approved for launch Hong Kong: Launched
13		OP0595 (Nacubactam) + cefepime or aztreonam	Treatment of adults infected by aerobic gram-negative bacteria with limited options	Chinese mainland: Phase III clinical trial
14	Central nervous system	Opicapone capsules	Parkinson syndrome	Chinese mainland: NDA
15		SBK010	Light to moderate acute ischemic stroke	Chinese mainland: NDA
16	Blood system	Su Ke Xin (Avatrombopag maleate tablets)	Chronic immune thrombocytopenia (ITP)	Chinese mainland: Approved for launch
17		萬緹樂 (Tenapanor hydrochloride tablets)	Controlling serum phosphorus levels in adult dialysis patients with chronic kidney disease (CKD) who have insufficient response to or are intolerant of phosphate binders	Chinese mainland: NDA[Note]
18		Fu Ke Shu® (anti-human T-lymphocyte rabbit immunoglobulin)	Prevent graft-versus-host disease (GvHD) after the hematopoietic stem cell transplantation	Chinese mainland: Approved for clinical trial
19	Others	達希斐® (botulinum toxin type A for injection)	Moderate to severe glabellar lines in adults (GL)	Chinese mainland: Approved for launch
20			Cervical dystonia in adults (CD)	Chinese mainland: Approved for launch
21		Fortacin spray (lidocaine prilocaine spray)	Premature ejaculation	Chinese mainland: Phase III clinical trial

Note: In February 2025, the NDA for 萬緹樂 (Tenapanor hydrochloride tablets) was approved by the NMPA, with the approved indication for controlling serum phosphorus levels in adult dialysis patients with chronic kidney disease (CKD) who have insufficient response to or are intolerant of phosphate binders.

Table 6 — Biosimilars under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period
1	Anti-tumor	HLX11 (recombinant anti-HER2 domain II humanized monoclonal antibody injection)	Neoadjuvant treatment of BC	NDA
2		HLX05 (recombinant anti-EGFR human/murine chimeric monoclonal antibody injection)	Metastatic colorectal cancer (mCRC) and metastatic head and neck squamous cell carcinoma (HNSCC)	Phase I clinical trial
3		HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection)	Melanoma, renal cell carcinoma, colorectal cancer, hepatocellular carcinoma, non-small cell lung cancer, malignant pleural mesothelioma and esophageal squamous cell carcinoma	Phase I clinical trial
4			Liver cancer	Approved for clinical trial
5		HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection)	Multiple myeloma (MM)	Phase I clinical trial
6		HLX17 (recombinant anti-PD-1 humanized monoclonal antibody injection)	Melanoma, non-small cell lung cancer, esophageal cancer, head and neck squamous cell carcinoma, etc.	Approved for clinical trial
7	Metabolism and alimentary system	Mixed protamine zinc recombinant insulin lispro injection (50R)	Diabetes	Approved for launch
8		Mixed protamine zinc recombinant insulin lispro injection (25R)	Diabetes	NDA
9		Semaglutide injection	Diabetes	Phase III clinical trial
10		Liraglutide injection	Diabetes	Phase III clinical trial
11		Insulin degludec injection	Diabetes	Phase III clinical trial
12	Others	HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection)	Osteoporosis (OP), etc.	Applied for launch (Europe, Canada, U.S.)

Table 7 — Pipeline vaccines

No.	Therapeutic Area	Drug Name/Code	Indication	R&D Progress in Chinese mainland as at the end of the Reporting Period
1	Anti-infection	Rabies Vaccine (Vero Cells) for human use (freeze-dried)	Rabies prophylaxis	Approved for launch
2		13-valent pneumococcal conjugate vaccine (multivalent combinations)	Prevention of pneumococcal related diseases	Phase III clinical trial
3		Rabies Vaccine (Human Diploid Cells) for human use (freeze-dried)	Rabies prophylaxis	Approved for clinical trial
4		23-valent Pneumococcal Polysaccharide Vaccine	Prevention of related pneumococcal diseases	Approved for clinical trial
5		24-valent Pneumococcal Polysaccharide Conjugate Vaccine	Prevention of related pneumococcal diseases	*Note*

Note: In March 2025, the clinical trial application for the 24-valent Pneumococcal Polysaccharide Conjugate Vaccine was approved by the NMPA. It is intended to be used for the prevention of infectious diseases caused by pneumococcal serotypes 1, 2, 3, 4, 5, 6A, 6B, 7F, 8, 9N, 9V, 10A, 11A, 12F, 14, 15B, 17F, 18C, 19A, 19F, 20, 22F, 23F and 33F.

As at the end of the Reporting Period, a total of 42 products of the Group that had passed or deemed to have passed the consistency evaluation of generic drugs were selected in ten batches of national centralized procurement in bulk and the insulin specialty successive procurement bidding. In particular, for the details of the results of the insulin specialty successive procurement (implemented since May 2024), and the tenth batch of centralized procurement (to be implemented since April 2025), both of which were conducted during the Reporting Period, please refer to Table 8 — Products won tenders for centralized procurement during the Reporting Period. For the existing products included in centralized procurement, the Group leveraged the advantages of multi-channel marketing and lean production to strengthen the life cycle management of centralized procurement products while sacrificing price for volume, and actively promoted incremental products to quickly enter the market through centralized procurement and effectively smoothen the impact of centralized procurement to existing products.

Table 8 — Products won tenders for centralized procurement during the Reporting Period

(Specification, packaging and centralized procurement price of the drugs listed in the announced selection result)

No.	Round selected	Name of drugs	Indications	Specification and Packaging	Charge unit	Centralized Procurement Price (RMB)
1	Insulin specialty successive procurement *Note*	Insulin lispro injection	Diabetes	3ml:300 unit (refill) *1 vial	Vial	35.35
2		Insulin glargine injection	Diabetes	3ml:300 unit (refill) *1 vial	Vial	65.33
3	Tenth batch	Aspirin Enteric-coated Tablets	Unstable angina pectoris (part of standard treatment); acute myocardial infarction (part of standard treatment); prevention of the recurrence of myocardial infarction; after arterial vascular surgery or interventional surgery, such as aorto-coronary arterial saphenous vein bypass grafting, percutaneous coronary transluminal angioplasty; prevention of transient ischemic attack (TIA) and prevention of cerebral infarction after early symptoms have appeared.	100mg*14 tablets/plate × 4 plates/box	Box	2.61
4		Potassium Chloride Granules	For the treatment and prevention of hypokalemia with or without metabolic alkalosis in patients who do not respond well to dietary management through potassium-rich foods or diuretic dose reduction.	Each bag contains potassium chloride 1.0g*6 bags/box	Box	1.30
5		Latamoxef Sodium for Injection	For the treatment of infections caused by susceptible bacteria, including: sepsis, meningitis, respiratory infections (pneumonia, bronchitis, bronchiectasis, lung abscess, empyema, etc.), digestive system infections (cholangitis, cholecystitis, etc.), intraperitoneal infections (liver abscess, peritonitis, etc.), urinary and reproductive infections (pyelonephritis, cystitis, urethritis, gonorrhea, epididymitis, intrauterine infection, uterine adnexitis, pelvic inflammatory, etc.), skin and soft tissue infections, bone and joint infections, and wound infections.	0.5g*1 bottle/ bottle	Bottle	8.00
6		Ampicillin Sodium and Sulbactam Sodium for Injection	For the treatment of infections caused by susceptible bacteria. Typical indications include: sinusitis, otitis media, epiglottitis, bacterial pneumonia and other upper and lower respiratory tract infections; urinary tract infections and pyelonephritis; intra-abdominal infections such as peritonitis, cholecystitis, endometritis, pelvic cellulitis; bacterial septicemia of infections of the skin, soft tissues, bones, and joints; gonococcal infections. During the perioperative period, this medication may also be administered via injection to reduce the incidence of wound infections in patients following abdominal and pelvic surgeries, as wound infections may lead to peritoneal infections. In cases of pregnancy termination or cesarean section, Ampicillin Sodium and Sulbactam Sodium for Injection can be used prophylactically to reduce the risk of postoperative sepsis.	0.75g*1 bottle/ bottle	Bottle	1.45
7		Piperacillin Sodium for Injection	For the treatment of infections of septicemia caused by susceptible Enterobacteriaceae, Pseudomonas aeruginosa, and Acinetobacter species; upper urinary tract and complicated urinary tract infections; respiratory tract infections; biliary tract infections; intra-abdominal infections; pelvic infections; skin and soft tissue infections. Piperacillin, in combination with aminoglycosides, is also indicated for infections in immunocompromised patients with neutropenia.	1g*1 bottle/box	Bottle	1.23
8		Ampicillin Sodium for Injection	For the treatment of infections caused by susceptible bacteria, including: respiratory tract infections; gastrointestinal infections; urinary tract infections; soft tissue infections; endocarditis; meningitis; septicemia etc.	1g*1 bottle/box	Bottle	1.41
9		Penicillin Sodium for Injection	For the treatment of each infection caused by susceptible bacteria, such as abscesses, bacteremia, pneumonia, and endocarditis.	800,000 units*1 bottle/bottle	Bottle	0.56
10		Sitagliptin Phosphate Tablets	Monotherapy: This product, in conjunction with dietary management and exercise, is indicated to improve glycemic control in patients with type 2 diabetes mellitus. Combination therapy with metformin: When glycemic control is inadequate with metformin hydrochloride monotherapy, this product may be used in combination with metformin hydrochloride to improve glycemic control in patients with type 2 diabetes mellitus, in conjunction with diet and exercise.	100mg*30 tablets/bottle	Bottle	5.59

Note: The Group's products selected in the sixth batch of national centralized procurement, Human Insulin Injection and Protamine Human Mixed Insulin Injection (30R), were also elected into the 2024 national centralized procurement (insulin specialty successive procurement).

Integrated production and streamlined operation

In order to further improve the competitiveness of the production system of pharmaceutical manufacturing business, improve operational efficiency and implement the internationalization strategy, the Group continued to streamline and discover its internal competitive production capacity, deepened the integration of the production side, realized the rapid transformation of products through the construction of API and preparation bases and engineering technology centers, and developed internationally competitive star production lines and production bases.

The Group continued to consolidate production lines on the production side, built regional production centers, gathered production capacity and achieved the integration of APIs and preparations, so as to further improve production and operation efficiency and expand production cost advantages. During the Reporting Period, the Group built regional production centers in Xuzhou and Chongqing, continuously advanced the construction and operation of Xingnuo Pharma API Base, Dongting Pharma API Base and Yao Pharma Changshou API Base, and vertically integrated the APIs and preparation industry chains, realizing intensive mass production capacity. At the same time, the Group also actively deployed production lines for complex preparations and special preparations, and the production lines for BFS, spray drying and OEB4/5 have entered into the construction and/or production phases. As at the end of the Reporting Period, the validation and trial production stage of the tranexamic acid production line and Gentamicin B fermentation and purification workshop production line in Dongting Pharma API Base had commenced. The product process validation in Yao Pharma Changshou API Base for clindamycin hydrochloride had been conducted. Several products involved in some production lines of Xingnuo Pharma API Base had passed the on-site inspections on drug production license, GMP and registration verification and commenced commercial production. In particular, the OEB4 high-activity production line completed trial production. Xuzhou Industrial Park Preparation Base had completed the construction of BFS production line and new OEB4 oral solid preparation production line, the transfer of relevant products had commenced. New products would be successively introduced with increased production capacity in the subsequent stage. In addition, the Group continued with the construction of the Cote d'Ivoire park project, aiming to realize localization in drug manufacturing and supply in Africa.

At the same time, the Group continued to promote the building of production system with international quality standard, thus laying a solid foundation for the overseas distribution of preparations. The Group through different means including gap analysis, special training, reform and upgrade, etc., continued to improve quality systems based on domestic and international requirements, and enhanced the GMP knowledge, quality risk awareness and quality management capabilities of all employees. As at the end of the Reporting Period, all commercial production lines of the domestic subsidiaries under the pharmaceutical manufacturing segment of the Group obtained domestic GMP certifications, and 10 production lines had passed GMP certification in major regulatory markets such as the U.S. and the EU. During the Reporting Period, the domestic subsidiaries under the pharmaceutical manufacturing segment received over 120 official inspections as well as official sample tests on over 670 batches, all of which were passed smoothly.

2. Medical Devices and Medical Diagnosis

During the Reporting Period, the Group recorded revenue of RMB4,320 million from the medical devices and medical diagnosis segment, representing a year-on-year decrease of 1.50%, which was mainly due to the decrease in the revenue from COVID-19 related products. During the Reporting Period, the medical devices and medical diagnosis segment realized segment results of RMB–112 million, representing a year-on-year decrease in loss of RMB14 million; and segment profit amounted to RMB–52 million, representing a year-on-year increase in loss of RMB19 million. It is mainly due to, during the Reporting Period, (1) the pricing of the medical diagnosis segment is under pressure and the sales results were under expectations as affected by the volume-based procurement of diagnostic reagents; (2) the year-on-year decrease of investment income from joint ventures/ associated companies.

Medical Devices

The Group's medical devices business has formed three major business divisions focusing on medical cosmetology, respiratory health and professional medical products.

In the field of medical cosmetology, Sisram Medical, a subsidiary focused on cultivating the dual engines of "energy source equipment + dermal filler" to drive business concentration and acceleration. In terms of energy source equipment, during the Reporting Period, Sisram Medical launched a number of new products, including Alma Harmony™, a new generation of multi-functional flagship device with photorejuvenation as its main function, and Soprano Titanium™ Special Edition, a laser hair removal device. Paired with the professional diagnosis and treatment methods of Alma IQ™, these products have further enhanced the experience of patients. In terms of dermal filler, in January 2024, Sisram Medical established a strategic partnership with Prollenium, and obtained the exclusive distribution rights of the Revanesse® dermal filler collection, which applies advanced hyaluronic acid technology, in several major markets including Germany, Austria, Switzerland, Australia and New Zealand. Profhilo, a new generation of sodium hyaluronate complex (i.e. sodium hyaluronate solution for injection, trade name in Chinese mainland: Pu Fei Luo), with Sisram Medical being as its agency, was officially launched in Hainan as a licensed medical device in April 2024, and was officially launched in the newly developed direct sales market in Thailand. The licensed product, Botulinum toxin type A for injection (trademark in Chinese mainland: 達希斐®), for temporary improvement in the appearance of moderate to severe glabellar lines associated with corrugator and/or procerus muscle activity in adults was approved by the NMPA in September 2024. Its commercialization preparations are steadily advanced. During the Reporting Period, the revenue of Sisram Medical amounted to US$349 million and net profit amounted to US$29 million (based on the financial statements of Sisram Medical in its reporting currency).

In the field of respiratory health products, during the Reporting Period, Breas reported a steady increase in revenue, net profit, and operating cash flow, with the revenue generated from the U.S., Canada and other markets experiencing a significant increase compared with 2023. The product R&D and market access processes have been continuously advancing. During the Reporting Period, two domestic non-invasive ventilators were approved for marketing in Chinese mainland, and several ventilators were approved for launch by the U.S. FDA. The R&D project of the new generation of ventilators has also been steadily promoted.

In the field of professional medical products, the Group accelerated concentration and integration, and focused on building the systematic capabilities in R&D, production, products and marketing through "licensed-in and incubation" and the "Intelligent Manufacture in China". During the Reporting Period, 58 units of "Da Vinci Surgical Robot" of Intuitive Fosun, the Company's associated companies, were being installed in total in Chinese mainland and Macau. The Intuitive Fosun headquarter industrial base was completed and put into use in the Zhangjiang International Medical Park in Shanghai in June 2024. As at the end of the Reporting Period, the "Da Vinci Surgical Robot" has been installed in over 300 hospitals, with a cumulative installation volume exceeding 460 units, serving more than 670,000 patients across Chinese mainland, Hong Kong and Macau. During the Reporting Period, the Da Vinci SP endoscopic single orifice surgical system developed by Intuitive Fosun has been included in the NMPA's special review for innovative medical devices, which would facilitate the subsequent registration and approval processes; the "Ion System" adopting a flexible robot with shape sensing technology had been approved for launch in Chinese mainland and had its first unit installed for commercial uses. During the Reporting Period, four units of the Ion System were sold in Chinese mainland. In addition, during the Reporting Period, Fosun Insightec, a joint venture established by the Group and Insightec in China, recorded sales of the "MRgFUS" brain therapy system; a strategic partnership was initiated with X-Magtech to co-establish a joint laboratory for brain science in collaboration with multiple hospitals, with an aim to advance scientific research, clinical collaboration, and commercialization of innovative products such as magnetoencephalography systems.

In addition, the medical devices segment also made positive progresses in constructing a global marketing network. Sisram Medical, through strategies and methods of strengthening digital channels and combining direct sales and distribution, continuously expanded the global market. As at the end of the Reporting Period, the global direct-sales offices expanded to 12 with marketing network spanning over 110 countries and regions worldwide. The proportion of direct sales revenue further increased to 87%. At the same time, the marketing network of Breas also covered markets such as Europe, U.S., China, Japan, India and Australia.

Medical Diagnosis

During the Reporting Period, the medical diagnosis segment continued to promote product upgrading and the launch of differentiated pipelines, to continuously consolidate its foundation of pipelines. A total of 34 products were approved for market, and 28 products have entered the clinical approval stage; of which, the fully-automated chemiluminescent immunoassay analyzer F-i6000, the fully-automated high-speed chemiluminescent analyzer F-C2000, and cytokine test reagents (chemical luminescence), which are independently developed by the Group, were successively approved for launch. During the Reporting Period, the second-generation chemical luminescence products approved for launch in Chinese mainland, including tumor marker test kits, sex hormone test kits and thyroid function test kits, are expected to achieve domestic substitution.

During the Reporting Period, the medical diagnosis segment actively explored markets. 15 products of the medical diagnosis segment, including mitochondrial aspartate aminotransferase and apolipoproteins, were successfully awarded the tender for the "centralized procurement in bulk quantity of glucose metabolism and other biochemical test reagents by the inter-provincial alliance". During the Reporting Period, the fully automated chemiluminescence analyzers F-A7000 and F-i6000 as well as the fully automated biochemical analyzers F-C2000 achieved the first set of installation. In terms of operation, the medical diagnostic segment actively integrated the supply chain, production and manufacturing, and quality systems of each base to further improve operational efficiency.

As at the end of the Reporting Period, products launched of the medical diagnosis segment included dozens of equipment such as fully automated biochemical testing instruments, fully automated chemiluminescence analyzers, high-speed chemistry immunoassay integrated machines, full laboratory automation systems, fully automated molecular integrated workstations, and fully automated immunohistochemistry instruments. Nearly 200 testing projects involving liver function, kidney function, myocardial enzymogram, tumor markers, sex hormone, thyroid function, cardiac markers and liver fibrosis markers entered the stage of mass production and commercialization, and more than 120 products are under development.

3. Healthcare services

During the Reporting Period, the revenue from the healthcare services segment amounted to RMB7,642 million, representing a year-on-year increase of 14.62%. Segment results amounted to RMB71 million, representing a year-on-year increase of RMB272 million. Segment profits amounted to RMB–315 million, representing a year-on-year decrease in loss of RMB125 million. The year-on-year change was mainly due to (1) the continuous construction of key specialties, (2) the improvement of service efficiency and service quality through smart medical care, (3) the improvement of operational efficiency through integrated operations.

Healthcare services business focusing on integrated medical institution

With years of profound cultivation, Fosun Health, a subsidiary, has formed a healthcare services platform centered on the Greater Bay Area, with the provision of general and specialized medical disciplines and the integration of online and offline services. In 2024, Fosun Health ranked second in the "2024 Top 100 Social Medical Hospital Groups" of Asclepius (ranked among the top three in the list for four consecutive years), and Foshan Fosun Chancheng Hospital, a medical institution controlled by it, ranked first in the "2024 Social Medical Competitive Private Hospitals" of Asclepius (ranked first for seven consecutive years). As at the end of the Reporting Period, Fosun Health controlled 18 general hospitals, specialized hospitals, clinics, and independent testing institutions. The medical institutions controlled by Fosun health had a total of 6,578 authorized beds, and held 9 internet hospital licenses.

Regarding medical centers and regional medical institution alliance, through the continuous construction of high-level medical disciplines, the facilitation of the integrated operation, the promotion of the integration of online and offline medical institutions, the provision of multi-level and differentiated services and the expansion of primary medical services, Fosun Health focused on key regions such as the Greater Bay Area and the Yangtze River Delta to form a regional healthcare services network. During the Reporting Period, Fosun Health set up the "Greater Bay Area General Hospital" management mechanism to promote the integrated operation of four medical institutions, including Foshan Fosun Chancheng Hospital and Guangzhou Xinshi Hospital, in the areas of regional network expansion, medical discipline construction, financial operation, smart medical coverage, brand strategy improvement, supply chain efficiency enhancement and other aspects. During the Reporting Period, 13 new key specialties at the provincial/municipal level were set up by the relevant medical institutions[5], totaling 68 key specialties. As at the end of the Reporting Period, Foshan Fosun Chancheng Hospital and Shenzhen Hengsheng Hospital were designated medical institutions under the "Hong Kong and Macao Medicine and Equipment Connect".

[5] This includes the member hospitals of Huaihai Hospital, an associated company.

Regarding smart healthcare, Fosun Health provides users with closed-loop solutions throughout the treatment course and one-stop health management services that combine healthcare, medicines, health and insurance. Fosun Health continued to improve the "Cloud HIS" (a new generation of smart medical cloud platform) and the internet hospital SaaS of multiple medical institutions, including Foshan Fosun Chancheng Hospital and Guangzhou Xinshi Hospital during the Reporting Period, which promoted the online-offline integrated service model of regional medical associations at a faster pace and further expanded hospital departments and patient coverage. As at the end of the Reporting Period, nearly 160 clinics had contracted to join the Greater Bay Area regional medical institution alliances.

Regarding insurance empowerment, Fosun Health continued to promote the two-way empowerment of healthcare and insurance. During the Reporting Period, Fosun Health continued to establish the commercial insurance operation system. Leveraging the specialty departments and cutting-edge medical technologies of medical centers and regional medical associations, Fosun Health created customized innovative insurance payment solutions. In addition, Fosun Health continuously deepen the specialization in specific diseases, and integrated commercial insurance and medical services. As at the end of the Reporting Period, the medical institutions controlled by Fosun Health had contracted over 50 domestic and overseas insurance companies, and the commercial insurance service had been implemented in Foshan Fosun Chancheng Hospital, Shanghai Xingchen Children's Hospital, and Shenzhen Hengsheng Hospital.

Furthermore, Fosun Health continues to explore and innovate the application of AI technology in medical services. Regarding AI-powered patient services for more convenient medical visits, since 2024, the four hospitals in the Greater Bay Area have provided AI-driven intelligent outbound call services for chronic disease and post-surgery patients who missed their appointments. This service covers over 30 departments and more than 70 disease types, reaching over 40,000 follow-up cases. In terms of AI-assisted improvements in diagnostic efficiency, in February 2025, Fosun Health integrated DeepSeek into its "Cloud HIS" system to launch an AI assistant, which was deployed for operation in four hospitals in the Greater Bay Area.

Rehabilitation specialty business

During the Reporting Period, the Group continued to deepen its strategic deployment of the rehabilitation specialty business by actively expanding its core regional markets such as municipalities directly under the central government, new first-tier cities and provincial capitals, and promoting the "multiple locations in one city" layout model.

During the Reporting Period, Jianjia Healthcare, a subsidiary, further developed the rehabilitation medical business and accelerated the divestment of non-core assets to optimize its asset structure. Jianjia Healthcare continuously iterated the standardized model of rehabilitation hospital projects, deepened the refined management for all aspects such as project planning, operation management and discipline construction, and constantly improved operational efficiency and service quality. As at the end of the Reporting Period, 14 rehabilitation medical institutions were in operation (including 3 rehabilitation medical institutions in trial operation), and 8 rehabilitation medical institutions were under construction.

In terms of empowering rehabilitation hospital operation, the Group has taken a series of measures for the rehabilitation specialty business, including improving various operation manuals to provide detailed and standardized guidance for daily operations, establishing a periodic operation analysis and management system to promptly identify operational issues and take corresponding measures, and formulating standardized solutions for each procedure to further enhance operational efficiency and quality. In terms of improving healthcare services expertise, the rehabilitation specialty business focused on enhancing its healthcare service capacity for key diseases, such as stroke, traumatic brain injury and spinal cord injury, continued to improve the rehabilitation discipline construction and optimize cultivation mechanism for professional talents, thereby maintaining its professional advantages in the field of rehabilitation. In terms of services, the rehabilitation specialty business centered on rehabilitation butler service, conducted whole lifecycle management for patients so as to continuously improve patient satisfaction and brand loyalty. Meanwhile, the Group has actively continued to connect with commercial insurance providers to explore diversified payment channels with the aim of providing patients with a more convenient and flexible payment method, as well as deepened strategic cooperation in the whole industry chain to achieve resources sharing and complementary advantages among enterprises therein.

4. Pharmaceutical Distribution and Retail

During the Reporting Period, Sinopharm, an associated company, further clarified its development strategy and promoted the rapid transformation and upgrade of the business model on the basis of maintaining overall business stability. In 2024, Sinopharm recorded an operating income of RMB584.508 billion and net profit attributable to the parent company of RMB7.050 billion, representing a year-on-year decrease of 2.02% and 22.14%, respectively.

During the Reporting Period, the pharmaceutical distribution segment of Sinopharm showed the resilience of steady development, and recorded a revenue of RMB444.365 billion, representing a year-on-year increase of 0.75%. During the Reporting Period, Sinopharm enhanced the optimization and layout of the pharmaceutical distribution network, continued to lay a solid foundation for the development of the pharmaceutical distribution segment with high-quality terminal structure, and actively enhanced its market share. Meanwhile, Sinopharm continued to optimize the channel structure of pharmaceutical distribution business and promoted direct sales business to high-grade hospitals and retail terminals. As at the end of the Reporting Period, the proportion of its direct sales business increased steadily.

During the Reporting Period, due to the impact of comparison base arising from a reduction in device procurement projects under fiscal subsidy policies and a sharp decrease in the epidemic prevention materials with high gross profits under industry regulations, the revenue of the medical device distribution segment of Sinopharm recorded RMB117.915 billion, representing a year-on-year decrease of 9.44%.

During the Reporting Period, the revenue of the retail pharmacy segment of Sinopharm recorded RMB35.981 billion, representing a year-on-year increase of 0.82%. As at the end of the Reporting Period, the total number of retail pharmacies of Sinopharm was 11,213, among which there were 1,644 specialty pharmacies, representing an increase of 51 pharmacies compared with the end of 2023.

III. CORE COMPETENCE ANALYSIS

During the Reporting Period, the core competitiveness of the Group was reflected in its open innovative R&D ecology, forwardlooking international layout, systematic commercialization team and other aspects:

1. Advantages in R&D and innovation. The Group connected with teams with outstanding scientific talents, leading technologies and high-value products worldwide through diversified and multi-level cooperation models such as independent R&D, co-development, licensed-in projects and industrial investment. The Group continued to enrich its innovative product pipelines, enhanced the research and clinical development capabilities of FIC (First-in-class) and BIC (Best-in-class) products, and promoted the R&D and practice of innovative technologies and products through the integrated management of the innovative R&D projects by the global R&D center.

2. Advantages in internationalization. The Group implemented its internationalization strategy in multiple dimensions including innovative R&D, two-way license, production and operation as well as commercialization. The global BD team kept enhancing the two-way license of products and IP, and deployed in frontier areas through R&D cooperation and licensed-in projects, while drug clinical and registration teams in the U.S., Africa, Europe, India, Japan, Middle East and Southeast Asia continued to strengthen overseas drug registration and application capabilities. The Group also accelerated the international quality system certification of domestic production lines, and further deepened its international marketing capabilities, so as to continue to expand the international market. In particular, as at the end of the Reporting Period, in the field of medical devices, the Group's marketing network for medical cosmetology equipment covered over 110 countries and regions worldwide, and has established direct sales layouts in multiple countries.

3. Advantages in commercialization. The Group continuously enhanced the construction and integration of marketing system, and had formed a marketing system by product lines featured by professionalism, branding, digitalization and compliance that supported existing products and products to be launched. As at the end of the Reporting Period, the Group had built up a comprehensive supporting system covering aspects such as medical affairs, large access system, medical strategic alliance, brand and market promotion, etc.

IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Analysis on Principal Operations

1. Analysis of Changes in Relevant Items of Income Statement and Statement of Cash Flows

Unit: million Currency: RMB

Items	Amount for the year	Amount for last year	Year-on-year change (%)	Reasons
Revenue	40,910	41,249	–0.82	*Note 1*
Cost of sales	21,366	21,595	–1.06	*Note 1*
Selling and distribution expenses	8,680	9,712	–10.63	*Note 2*
Administrative expenses	4,440	4,495	–1.22	
Credit impairment losses	111	132	–15.91	*Note 3*
R&D expenses	3,644	4,346	–16.15	*Note 4*
Other gains	1,010	1,392	–27.44	*Note 5*
Other expenses	567	832	–31.85	*Note 6*
Finance costs	1,432	1,325	8.08	*Note 7*
Share of profits and losses of:				
Associates	1,828	2,387	–23.42	*Note 8*
Net cash flow generated from operating activities	4,477	3,414	31.13	*Note 9*
Net cash flow generated from financing activities	–1,003	–1,336	24.96	*Note 10*

Note 1: For the reasons for the year-on-year change in revenue and cost of sales, please refer to "Segment Performance Overview" in "Management Discussion and Analysis".

Note 2: During the Reporting Period, the selling and distribution expense ratio was 21.22%, representing a decrease of 2.32 percentage points as compared to the same period of last year. Gross profit margin less selling and distribution expenses ratio was 26.55%, representing an year-on-year increase of 2.44 percentage points. This was mainly due to the combined effects that: (1) the Group continued to strengthen the control of selling and distribution expenses through refined management and optimized resource allocation; (2) the structure of sales products has changed, and the sales expense ratio of centralized procurement products has decreased year-on-year; (3) the Group maintained investment in market development and sales team for new product launched.

Note 3: Mainly due to the credit impairment provisions made for COVID-19-related receivables during the same period of last year.

Note 4: Mainly due to the fact that during the Reporting Period, the Group concentrated on quality pipeline assets and enhanced efficiency by integrating its R&D system; as the R&D projects advance, multiple pipelines met the criteria for capitalization recognition, leading to the R&D investment of several projects transferred to development expenditure; in addition to self-initiated R&D, the Group actively implemented an open R&D model by leveraging industry funds and other mechanisms to incubate R&D projects, so as to ensure the sustainability of innovation and R&D investment.

Note 5: Mainly due to the fact that the gains from the disposal of non-core assets, such as Tianjin Pharma, in the same period of last year were greater than those in the current period.

Note 6: Mainly due to fair value changes on financial assets held such as YSB and BFLY.

Note 7: Mainly due to factors such as the appreciation of the United States dollars, changes in the size of interest-bearing liabilities, rehabilitation medical business's long-term leases subject to the recognition of lease liabilities in accordance with the lease standard, leading to the corresponding increase in financial costs.

Note 8: Mainly due to a year-on-year decline in the share of profits from associates.

Note 9: Mainly due to the Group's initiatives in supply chain management and operational efficiency improvement, resulting in the increase of operating cash flow over-performing the growth of operating profit for the period.

Note 10: Mainly due to the combined effects of cash inflows from the partial disposal of Gland Pharma's equity interest and changes in the scale of interest-bearing liabilities during the Reporting Period.

2. Analysis of Revenue and Cost of Sales

(1) Principal Operations by Segments, Products, Geographical Locations

Unit: million Currency: RMB

Principal Operations by Segments						
By segments	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-Year change in cost of sales (%)	Year-on-year change in gross margin
Pharmaceutical manufacturing	28,776	13,218	54.07	–4.34	–6.19	increase of 0.91 percentage point
Medical devices and medical diagnosis	4,320	2,158	50.05	–1.50	–1.95	increase of 0.23 percentage point
Healthcare services	7,642	5,910	22.66	14.62	12.98	increase of 1.12 percentage points

Principal Operations by Products						
By products	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin
Major products of anti-tumor and immune modulation	8,085	1,716	78.78	5.84	9.54	decrease of 0.71 percentage point
Major products of anti-infection[(Note)]	3,126	1,003	67.92	–27.95	–53.79	increase of 17.94 percentage points
Major products of metabolism and alimentary system	2,793	693	75.20	–0.73	8.89	decrease of 2.19 percentage points
Major products of cardiovascular system	1,912	1,185	38.02	14.00	13.75	increase of 0.13 percentage point
Major products of central nervous system	1,099	159	85.57	–21.01	–2.35	decrease of 2.76 percentage points
Major products of APIs and intermediate products	1,106	810	26.75	–12.97	–10.97	decrease of 1.65 percentage points

Principal Operations by Geographical Locations

By geographical locations	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin
Chinese mainland	29,613	14,450	51.20	–4.10	–6.70	increase of 1.36 percentage points
Regions outside Chinese mainland and other countries	11,297	6,916	38.78	8.93	13.23	decrease of 2.33 percentage points

Note: The decrease in revenue and operating cost of the major products of anti-infection as compared with the same period of last year and the year-over-year increase in gross margin were mainly due to a significant decrease in demand for COVID-19 related products Jie Bei An (azvudine tablets) and a decline in sales of Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection), as well as a change in product mix in this therapeutic segment.

(2) Analysis of Production and sales volume

Major products	Unit	Production volume	Sales volume	Inventory	Year-on-year change in production volume (%)	Year-on-year change in sales volume (%)	Year-on-year change in inventory (%)
Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang) (converted as 100mg/bottle)	'0,000 bottles	118	29	29	172	23	379
Trastuzumab injection (trade name in Chinese mainland: Han Qu You) (converted as 150mg/vial)	'0,000 vials	284	226	65	47	11	342
Rituximab injection (trade name in Chinese mainland: Han Li Kang) (converted as 100mg/vial)	'0,000 vials	175	151	41	42	1	121

Note: During the Reporting Period, the top five products are: Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang), Trastuzumab injection (trade name in Chinese mainland: Han Qu You), Rituximab injection (trade name in Chinese mainland: Han Li Kang), heparin series preparations and antimalarial series such as artesunate. In particular, heparin series preparations and antimalarial series such as artesunate involve products in multiple dosage forms, and it is impossible to convert products of different dosage forms into corresponding production and sales volume according to the same standard.

(3) Analysis of Cost

Unit: million Currency: RMB

By Segments

By Segments	Cost	Amount for the period	Percentage of the total cost for the period (%)	Amount for the corresponding period of last year	Percentage of the total cost for the corresponding period of last year (%)	Ratio of change for the period as compared with the last year (%)
Pharmaceutical manufacturing	Cost of products	13,218	61.87	14,090	65.25	–6.19
Medical devices and medical diagnosis	Cost of products and goods	2,158	10.10	2,201	10.19	–1.95
Healthcare services	Cost of services	5,910	27.66	5,231	24.22	12.98

Unit: million Currency: RMB

By Products

By Products	Cost	Amount for the period	Percentage of the total cost for the period (%)	Amount for the corresponding period of last year	Percentage of the total cost for the corresponding period of last year (%)	Ratio of change for the period as compared with the corresponding period of last year (%)
Major products of anti-tumor and immune modulation	Cost of products	1,716	12.98	1,566	11.12	9.54
Major products of anti-infection[Note]	Cost of products	1,003	7.59	2,170	15.40	–53.79
Major products of metabolism and alimentary system	Cost of products	693	5.24	636	4.51	8.89
Major products of cardiovascular system	Cost of products	1,185	8.97	1,042	7.39	13.75
Major products of central nervous system	Cost of products	159	1.20	162	1.15	–2.35
Major products of APIs and intermediate products	Cost of products	810	6.13	910	6.46	–10.97

Note: The decrease in revenue and operating cost of the major products of anti-infection as compared with the same period of last year was mainly due to a significant decrease in demand for COVID-19 related products Jie Bei An (azvudine tablets) and a decline in sales of Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection).

(4) Major Customers and Suppliers

Sales to the top 5 customers of the Group amounted to RMB10,069 million in aggregate, representing 24.52% of the total sales for the year.

Purchases from the top 5 suppliers of the Group amounted to RMB1,354 million in aggregate, representing 8.97% of the total purchases for the year.

3. Expenses

During the Reporting Period, selling and distribution expense of the Group amounted to RMB8,680 million; the selling and distribution expense ratio was 21.22%, representing a decrease of 2.32 percentage points as compared to the same period of last year; and gross profit margin less selling and distribution expenses ratio was 26.55%, representing an year-on-year increase of 2.44 percentage points. The year-on-year change in selling and distribution expense ratio was mainly due to: (1) changes in product mix; (2) refined management and optimized resource allocation, promoting flat marketing system management to concentrate resources on the front line of marketing, and promoting the improvement of team efficiency; and (3) integration of marketing resources to promote integrated access to strategic alliances, resulting in lower marketing expenses ratio.

During the Reporting Period, the administrative expense of the Group amounted to RMB4,440 million, representing a year-on-year decrease of 1.22%; excluding the impact of newly acquired companies, administrative expenses decreased by RMB318 million on the same basis.

During the Reporting Period, the finance costs of the Group amounted to RMB1,432 million, representing a year-on-year increase of 8.08%, mainly due to factors such as the appreciation of the United States dollars, changes in the size of interest-bearing liabilities, rehabilitation medical business's long-term leases subject to the recognition of lease liabilities in accordance with the lease standard, leading to the corresponding increase in financial costs.

4. R&D Expenditures

Accounting treatment of R&D expenditures

The Group divides expenses for internal R&D projects into expenses in the research phase and expenses in the development phase. Expenses in the research phase are recognized in profit or loss for the period as incurred. Expenses in the development phase may only be capitalized if the following conditions are satisfied simultaneously: the completion of such intangible assets for use or sale is technically feasible; the Company has the intention to use or sell the intangible assets upon completion; the way in which the intangible assets bring economic benefits shows that there exists a consumption market for the products with use of these intangible assets or the intangible assets themselves, or that they are useful in case of internal utilization; the Company has sufficient technological, financial and other resources to complete the development of the intangible assets and the ability to make them available for use or sale; and the expenses attributable to such intangible assets can be measured reliably at the development stage. Development expenses not satisfying all of the above conditions are recognized in profit or loss of the period as incurred. Combining the characteristics of the R&D process of the pharmaceutical industry and of the Group itself, the Group's expenses for its R&D projects may only be accounted for as capitalized R&D expenses if they are incurred after relevant approvals or certificates (Approval for Clinical Trial and Pharmaceutical Product Registration Approval Document) based on Measures on the Registration Administration of Medicines (藥品註冊管理辦法) issued by NMPA or approval from international drug regulatory authority on the regulatory market) are obtained, and if the present value of the Company's future cash flow or realizable value resulting from the evaluated project results are higher than the book value. The remainder of the R&D expenses would be expensed.

R&D Expenditures

Unit: million Currency: RMB

R&D expenditures expensed for the year	3,644
R&D expenditures capitalized for the year	1,910
Total R&D expenditures	5,554
Total R&D expenditures as a percentage of revenue (%)	13.52
R&D expenditures in the pharmaceutical manufacturing segment as a percentage of the revenue from the pharmaceutical manufacturing segment (%)	16.98
Percentage of R&D expenditures capitalized (%)	34.39
The number of R&D staff in the Group	3,047
The number of R&D staff as a percentage of the total number of staff in the Group (%)	7.51

Descriptions

During the Reporting Period, the Group maintained stable R&D intensity while continuously optimizing its innovation system. By focusing on advantageous pipelines and integrating R&D systems, operational efficiency was enhanced. During the Reporting Period, the Group's total R&D expenditure reached RMB5,554 million, including R&D expenses of RMB3,644 million and capitalized R&D expenditure of RMB1,910 million. It was mainly due to the fact that as the R&D projects advance, R&D expenditure of multiple pipelines met the criteria for capitalization recognition, leading to the R&D investment of several pipelines transferred to development expenditure, such as serplulimab injection's indications under research (gastric cancer (GC), limited-stage small cell lung cancer, etc.), HLX22 (anti-human epidermal growth factor receptor-2) (HER2) humanized monoclonal antibody injection), Dimethyl malonate formonertinib capsules, 13-valent pneumococcal conjugate vaccine (multivalent combinations). In addition to self-initiated R&D, the Group also actively implemented an open R&D model and leveraged industry funds and other mechanisms to incubate innovation and R&D projects, so as to ensure the sustainability of innovation and R&D.

5. Cash Flows

Unit: million Currency: RMB

Items	Amount for the period	Amount for the corresponding period of last year	Ratio of change (%)	Reasons
Net cash flow generated from operating activities	4,477	3,414	31.13	Mainly due to the Group's initiatives in supply chain management and operational efficiency improvement, resulting in the year-on-year increase of operating cash flow over-performing the growth of operating profit for the period.
Net cash flow generated from financing activities	–1,003	–1,336	24.96	Mainly due to the combined effect of capital inflows from the partial disposal of Gland Pharma's equity and the change in the interest-bearing liabilities scale during the Reporting Period.

(II) Assets and liabilities analysis

As at 31 December 2024, the ratio of total interest-bearing bank and other borrowings over total assets was 28.16%, as compared with 28.72% as at 31 December 2023.

Assets and liabilities

Unit: million Currency: RMB

Items	Amount as at the end of the period	Percentage of the amount as at the end of the period to the total asset (%)	Amount as at the end of last period	Percentage of the amount as at the end of last period to the total assets (%)	Ratio of change for the amount as at the end of the period as compared with the amount as at the end of last period (%)	Reasons
Financial assets at fair value through profit or loss — current	2,596	2.21	1,888	1.66	37.50	*Note 1*
Contract assets	128	0.11	146	0.13	–12.33	*Note 2*
Assets held for sale	75	0.06	–	–	100.00	*Note 3*
Investments in joint ventures	21	0.02	79	0.07	–73.42	*Note 4*
Property, plant and equipment	22,203	18.91	20,846	18.38	6.51	*Note 5*
Right-of-use asset	4,691	3.99	4,248	3.75	10.43	*Note 6*
Deferred income tax assets	758	0.65	624	0.55	21.47	*Note 7*
Lease liabilities — current	341	0.29	330	0.29	3.33	*Note 8*
Lease liabilities — non-current	2,542	2.16	2,050	1.81	24.00	*Note 8*

Note 1: Mainly due to the changes in the fair value of financial assets held, as well as the transfer of investments held from long-term assets because of the loss of significant impact and partial sales.

Note 2: Mainly due to the decrease in contract receivables.

Note 3: Mainly attributable to assets contracted for sale pending settlement at the end of the Reporting Period.

Note 4: Mainly due to the fact that Fosun Kairos has transformed to a subsidiary from a joint venture.

Note 5: Mainly due to the transfer of construction of biomedical industry park to fixed assets.

Note 6: Mainly due to new long-term leases of subsidiaries.

Note 7: Mainly due to the increase of deferred income tax assets by subsidiaries.

Note 8: Mainly due to new long-term leases of subsidiaries.

(III) Analysis on Major Subsidiaries and Investees

1. Operation and Results of Subsidiaries of the Group

(1) Operation and Results of Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Yao Pharma	Pharmaceutical R&D and manufacturing	197	8,573	6,795	5,070	1,265	1,113
Fosun Wanbang	Pharmaceutical R&D and manufacturing	480	7,577	4,577	7,992	934	792
Shanghai Henlius[Note 1]	Pharmaceutical R&D and manufacturing	543	10,598	3,014	5,724	838	820
Gland Pharma[Note 2]	Pharmaceutical R&D and manufacturing	N/A	10,533	8,582	4,898	645	405
Guilin Pharma	Pharmaceutical R&D and manufacturing	285	2,410	1,464	1,132	344	303

Note: The above figures include appraisal appreciation and amortisation of appraisal appreciation.

Note 1: The data of Shanghai Henlius is prepared in accordance with International Financial Reporting Standards.

Note 2: The data for Gland Pharma is prepared in accordance with Indian Generally Accepted Accounting Principles.

(2) Status of Other Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Net profit
Sisram Medical[Note 1]	Medial devices R&D and manufacturing	N/A	4,509	3,485	2,484	205
Foshan Fosun Chancheng Hospital[Note 2]	Healthcare services	50	4,090	2,079	2,498	118

Note 1: The data for Sisram Medical is prepared in accordance with International Financial Reporting Standards.

Note 2: The data for Foshan Fosun Chancheng Hospital included appreciation of asset evaluation and amortization of appreciation of asset evaluation.

2. Operation and Results of Investee Companies whose Profit Contribution and Investment Income Accounts More Than 10% of the Group's Net Profit

Unit: million Currency: RMB

Name of company	Principal activities	Registered capital	Total assets	Net assets	Operating Revenue	Net profit	Net profit
Sinopharm Industrial	Pharmaceutical investment	100	392,764	127,007	584,508	14,008	10,414

3. Acquisition and Disposal of Subsidiaries during the Reporting Period (including the Purposes, Methods and Effects of the Acquisitions and Disposals and the Effects on the Group's Overall Operation and Results)

(1) Acquisition of Subsidiaries during the Reporting Period

The acquisitions of the subsidiaries during the Reporting Period have had the following effect on the Group's production and results:

Name of company	Acquired through	Date of acquisition/merger
Shenzhen Fosun Pharmaceutical Technology Co., Ltd.* (深圳復星醫藥科技有限公司)	Equity transfer	22 October 2024
Fosun Kairos	Equity transfer	31 October 2024

(2) Disposal of Subsidiaries during the Reporting Period:

Name of company	Disposed through	Date of disposal
Chongqing Guoyu Health Management Co. Ltd*. (重慶國渝健康管理有限公司)	Equity transfer	28 March 2024
Guo Rong Le Yang Health Technology (Shanghai) Co. Ltd.* (國融樂養健康科技(上海)有限公司)	Equity transfer	29 March 2024
Fujian Jiahu Healthcare Management Co. Ltd.* (福建嘉護醫療管理有限公司)	Equity transfer	23 April 2024
Sinopharm Putian Hanjiang Medical Investment Management Co. Ltd.* (國藥莆田涵江醫療投資管理有限公司)	Equity transfer	27 June 2024
Tongfuhui (Shanghai) Health Service Co., Ltd.* (同福匯(上海)健康服務有限公司)	Equity transfer	23 October 2024
Shanghai Futuo Zhida Healthcare Technology Co., Ltd.* (上海復拓知達醫療科技有限公司)	Equity reorganization	20 December 2024

(IV) Employees and Remuneration Policies

As at the end of the Reporting Period, the Group had a total of 40,557 employees. The employee's remuneration policies of the Group are formulated on the basis of the performance, work experience and salary level prevailing in the market.

THE BOARD'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE GROUP

I. Industry Landscape and Trends

In terms of market demand and payment in 2024, in view of the accelerated population aging and increased burden caused by disease, as well as the growing awareness in health among residents, the government emphasizes health sector and further increases investment in public health and medical health so as to encourage innovative R&D and development of new treatment technologies as well as localization of high-end medical equipment from a policy level. The medical and healthcare market in China maintained a long-term and stable growth trend. With the population aging and the development of treatment technology, the spectrum of disease also changes. The prevalence and diagnosis rate of tumors and immune system diseases continue to rise. The population of patients with chronic diseases continues to expand, and there are still an enormous amount of clinical treatment needs to be met. These drivers will encourage local companies to firmly follow the path of innovation and transformation, and provide patients with new treatments with higher efficacy and affordability. In terms of industry policies, enterprises are led and encouraged by the government to undergo upgrade and structural optimization in terms of strategic emerging industries, in order to achieve the overall transformation of the local pharmaceutical industry while aiming at high-value innovations and promoting high quality development. In terms of payment policies, the National Medical Insurance Drugs Catalogue is further expanded to include new products into the catalogue at a faster pace, which reflects the policy orientation to develop more accessibility and affordability. Centralized procurement of drugs in bulk is regularly undertaken in line with regulations and the scope of centralized procurement of high-value medical supplies in bulk is continuously expanded, which further expands the scope for medical insurance payment and further expands the medical insurance coverage on innovative products. The policies continue to support the long-term healthy development of innovative, large-scale domestic pharmaceutical enterprises with international presence. In the overseas expansion of domestically developed innovative drugs, Chinese pharmaceutical companies are actively exploring international markets. Through the NewCo model (collaborating with overseas investors to establish new joint ventures), domestic innovative drug companies are establishing overseas structures to realise the overseas expansion of their pipeline interests. Diversified external licensing has driven the enterprise's rapid growth while providing high-quality innovative medicines to more patients in need globally.

As the industry has become more regulated, standardized and professional in the course of development, a further rise was seen in level of concentration of the industry. The continuous upgrade of the industry unavoidably presents pressure and challenges in terms of operations in the transformation process to local enterprises in the short term. Nevertheless, such circumstance will benefit the rapid development of leading enterprises and innovative individual business in the long term. Meanwhile, uncertainties lurk within the global economy environment. The international expansion of domestic enterprises will be subject to various challenges, but enterprises with robust independent innovation capabilities will continue to enjoy the room for international development.

II. Corporate Development Strategies

The Group will commit to its mission of improving human health, adhere to its corporate philosophy of "Innovation for Good Health", and endeavor to capture the momentum presented by the broad pharmaceutical market in China as well as the rapid growth in mainstream markets such as Europe and the U.S. and certain emerging markets. The Group adheres to the development strategies of innovation and transformation, integrated operation and steady development, so as to further enhance the establishment of core competence to improve the operating results. In terms of innovation and internationalization, the Group will continuously enhance its independent R&D capability and continue to achieve the transformation and practice of global innovative advanced technology by adopting license-in projects, industry funds and other models so as to facilitate the innovation and transformation and propel the international expansion of the Group. With respect to production and operation, the Group will strengthen the upgrading and optimization of production and manufacturing system, continue to improve supply chain management, promote the consolidation of production resources and realization of star production lines for products within the Group. By taking smart factories as standard, the Group will build new manufacturing bases for preparations and APIs, so as to secure production capacity for newly launched products and key products. At the same time, the Group will continue to promote digitalisation and AI transformation and upgrade.

III. Operation Plan

In 2025, the Group will continue to promote and enhance its R&D efficiency, accelerate to achieve the commercialization value of its launched products, and further improve the quality and efficiency of internal operations. In terms of innovative R&D, the Group will tap into the domestic market and expand into the international market, roll out targeted planning around products and technologies in core therapeutic fields with large unmet needs, improve R&D efficiency, and focus on the internal development and external introduction of high-value pipelines. In terms of improving operation and management efficiency, the Group will proactively promote lean operations, cost reduction, efficiency improvement and asset rationalization to optimize the financial structure and lay a solid foundation for the Group's long-term stable development. In order to achieve the above operating objectives, specific strategies and actions include:

Pharmaceutical Manufacturing

In 2025, the Group will continue to implement the "4IN" (i.e. Innovation, Internationalization, Intelligentization and Integration) strategy, enhance capabilities in innovative R&D, strive to develop strategic products, expand global market opportunities, optimize asset allocation, and promote efficiency in R&D and operation.

In terms of the innovative drug business, the Group will continue to focus on its competitive resources to ensure the smooth advancement of key projects, comprehensively upgrade its BD capabilities to consolidate its dominant position in breast cancers, lung cancers, hematological tumors and other tumors, expand the layout opportunities of immune inflammation, central nervous system and chronic diseases (cardiovascular and cerebrovascular, liver disease, metabolism, kidney disease, etc.). By expanding industry-university-research cooperation with world-class universities and scientific research institutes, the Group will capture the originally innovative products in the early stage. At the same time, the Group will actively promote the export of quality products and promote global simultaneous development. On the marketing side, the Group will promote the upgrading of the marketing organization and strengthen product life cycle management through a large access system and innovative omni channel marketing, so as to maximize the commercial value of innovative products and strive to create a matrix of blockbuster products.

In terms of the established medicines manufacturing & supply business, with respect to R&D, the Group will establish R&D projects for difficult generic drugs and differentiated products as well as improved new drugs and innovative drugs, efficiently promote the development of pipeline products, and actively make deployment in high-end/complex preparations such as in situ gels, minitablets, oral fast dissolving film, inhalation and sustained and controlled release, to form a differentiated R&D layout. In terms of operation, the Group will consolidate and plan the industrial layout, strengthen the integration of APIs and preparations, as well as deploy characteristic APIs and emerging technology platforms, strengthen the capacity construction of international registration and marketing system of APIs, comprehensively improve operational efficiency, develop leadership in terms of cost, and focus on promoting the integration and international collaboration of the heparin industry. In terms of marketing, the Group will actively respond to centralized procurement, and accelerate the transformation of the marketing model. While further deepening its presence in the existing market, the Group aims to achieve rapid breakthroughs through strategic layout in emerging markets such as the Middle East and Southeast Asia, so as to comprehensively promote global layout, form a regional focus, and accelerate international market expansion with the help of external mergers and acquisitions.

In terms of the vaccines business, the Group will continue to enrich the product portfolio of bacterial vaccines, viral vaccines and emerging vaccine technology platforms. The Group will actively promote the phase III clinical trials of 13-valent pneumococcal conjugate vaccine (multivalent combinations), rabies vaccine (human diploid cells) for human use (freeze dried) and the phase I clinical trials of 23-valent pneumococcal polysaccharide vaccine and 24-valent pneumococcal polysaccharide conjugate vaccine, accelerate the launch progress of quadrivalent influenza virus lysate vaccine, and orderly advance the R&D of strategic vaccine products in the pipeline. At the same time, the Group will strengthen independent R&D and open cooperation, reinforce the core competitiveness of the vaccine technology platform, and continue to promote the improvement of the production capacity and quality system of the vaccine industry.

Medical Devices and Medical Diagnosis

In 2025, in terms of the medical devices business, the Group will continue to focus on medical cosmetology, respiratory health, professional medical products and other business areas to accelerate the breakthrough in industry concentration by focusing on two major objectives of efficient asset operation and profitability enhancement with innovation and deepening internationalization as the main focuses. In particular, the Group will strengthen the diversity of the medical cosmetic business and the value creation of the global network coverage through both internal and external expansion. The Group will continue to deeply integrate into the respiratory health business, expand the business and enhance the quality of profitability. The professional medical products business will concentrate on the development of oncology, neuroscience and other specialty fields, enhancing product competitiveness, marketing strength and incubation capabilities, and establish a superior brand presence in specialized medical segments.

In 2025, in terms of the medical diagnosis segment, the Group will further optimize its asset structure and integrate internal and external resources, prioritizing the development and commercial promotion of advanced pipelines and high potential pipelines, and continue to implement measures to enhance quality and efficiency. In R&D, the Group will continue to build a collaborative pipeline layout and overall solutions focusing on fields such as infections, tumors, the central nervous system, and chronic diseases. In marketing, the Group will focus on pipelines such as biochemistry, chemiluminescence, and molecular fields, and improve marketing capabilities and terminal output. In operations, the Group will be committed to achieving a dual improvement in quality and efficiency, and further enhance the ability to deliver high-quality products and the capability of refined cost management.

Healthcare services

In 2025, based on the continuous consolidation on its existing advantageous areas, the healthcare services business with focus on comprehensive medical institutions, will continue to improve specialized service capabilities and a full life cycle management system based on patients' disease process, so as to further enhance the standard of its medical services. It will also continue to strengthen its core capabilities, promote the innovation and application of medical technologies, and enhance the integrated operation efficiency. It will continue to enhance the cooperation with commercial insurance in terms of depth and breadth, increase the coverage of commercial insurance in healthcare services business, and accelerate the expansion of one-stop health management services for the integration of medicine, healthcare and insurance. It will continue to deepen the integrated online and offline smart healthcare services based on the digital platform. Meanwhile, it will explore capabilities of international medical services, with a focus on the Greater Bay Area.

In 2025, regarding the rehabilitation specialty business, the Group will promote the opening of rehabilitation hospitals under construction and continue to refine the rehabilitation hospital standardization model 3.0 to enhance operational benchmarking and capability empowerment. Efforts will be continued to promote the standardization of rehabilitation assessment criteria and quality control systems. The Group will further improve brand management and service platform development to solidify its market positioning as "precision rehabilitation" with a "mid-to-high-end" brand image, alongside building and continuously improving an interconnected group-base rehabilitation information system. In parallel, the "clinical-rehabilitation integration" development will be strengthened to further enhance the experience of rehabilitation patients and realize full-cycle management and optimization of rehabilitation services.

IV. Potential Risks

(I) Industry policies adjustments

The medical healthcare industry is one of the industries most affected by national policies, involving various ministries and commissions and institutions such as national medical insurance, health, drug supervision and administration, industry and information technology, technology and intellectual property rights. With intensified efforts in the reform of drug production and manufacturing, medical health and healthcare security, the landscape of the healthcare industry is still in the midst of continuous changes, leading to the innovative transformation, industry consolidation and transformation in business models becoming a matter of great urgency. As the connection among the elements in "Three Medical Linkages" grows stronger, the promotion and implementation of new policies on national and regional centralized procurement of drugs and devices in bulk, rational drug use policies, control of medical cost growth rates, adjustments to price and payment method for medical insurance, dynamic adjustments to National Medical Insurance Drug Catalogue, National Medical Insurance Drug Catalogue preferential inclusion of cost-effective innovative drugs, and biosafety and environmental protection mechanisms have affected the production costs and profitability of the entire pharmaceutical industry and brought about a renovated competitive structure to the industry.

In the field of medical devices and medical diagnosis, the policies encourage the integration of the enterprise's resources and advantage complementation, and put innovation as the development focus, which intensifies the support for the innovation of high-end medical devices, and thus the technology levels of clinical products are continuously improved. Equipment upgrade and centralized procurement of medical consumables in bulk also bring about a drastic change to the industry.

In the field of healthcare services, socially organized medical institutions need to conduct more strategic and diversified deliberations on how to strengthen collaboration with dominant public healthcare providers while pursuing differentiated development patterns and collaborative expansion. Concurrently, rapidly refined policies on internet-based healthcare have propelled medical services into a new phase of integrated online-offline development, transitioning from the traditional single offline model.

In this regard, the Group will closely monitor and analyze on the policy trends of related industries, keep abreast of the development trends of the industry and continuously improve business management mechanisms, so as to fully reduce the business risks caused by policy changes.

(II) Market competition risks

With the deepening reform of the medical system, the National Healthcare Security Administration has initiated a comprehensive governance of drug and consumable prices, and extended it to retail terminals. Meanwhile, it increased the reform efforts in healthcare payment based on Diagnosis Related Groups (DRG) and Diagnosis Intervention Packet (DIP), aiming to further optimize and reshape medical practices.

In the field of innovative drugs, since the market size of generic drugs has shrunk drastically, numerous generic drugs companies seek transformation. With China's entry into the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) and the domestic drug review and approval system being gradually brought into line with international standards, more and more innovative drugs are being launched at a faster pace. The internal competition among local innovative pharmaceutical companies has been increasingly fierce, and at the same time, they are also facing competition from international pharmaceutical companies. The National Reimbursement Drug List negotiation mechanism, primarily targeting innovative drugs, demonstrates a trend of accelerating the inclusion of newly launched products, while simultaneously tightening pricing restrictions on innovative drug products. In addition, the development and launch of innovative products by domestic pharmaceutical companies in overseas markets also face challenges such as heavy investment and lack of familiarity with regulatory requirements.

In the field of generic drugs, the tightening of medical insurance cost control policies, coupled with the advancement of the generic drug consistency evaluation and the implementation of the centralized procurement in bulk policy, are driving a further increase in industry concentration within the generic drugs. Meanwhile, with the progressing supply-side reforms and the rapid launch of more innovative drugs, the market shares and profit margins of generic pharmaceutical products will be subject to further pressure.

In addition, the competition for generic drugs in the overseas markets, mainly in the U.S., has been intense and price pressure has further increased. At the same time, the drug regulatory agencies are imposing increasingly stringent requirements on production quality. These factors constitute unavoidable risks during the deepening of internationalization. In emerging markets such as Africa, more and more generic drugs companies have joined the competition, resulting in intensified price pressure on government tenders, as well as increasing risks of competition.

In this regard, the Group will continuously track and keep abreast of the changes in development trend of the industry, insist on innovation R&D, enrich product pipelines, optimize product structure, and enhance the R&D efficiency. At the same time, the Group will enhance the benefits from economies of scale, and proactively improve quality and increase productivity for production. In terms of marketing, the Group will increase efforts in market development and enhance the marketability of products, so as to further expand market coverage.

(III) Business and operating risks

1. R&D risks of drugs

Drugs must undergo processes ranging from preclinical studies, clinical trials, application for registration and approval for production from the R&D stage to marketing stage, and drug R&D is characterized by large investment, long cycles, high risks, etc. and is also susceptible to various unpredictable factors. In addition, if the R&D of drugs does not match future market demand, or if the sales of the new drugs are not sufficient due to intensified competition and other factors, the recovery of the initial investment and the realization of economic benefits may be affected, which will in turn adversely affect the profitability and development of the Group.

In this regard, the Group will continue to strengthen its project and early research capabilities, adhere to a lean R&D concept and process, scientifically employ Go/No-go decisions, and promote the continuous improvement of R&D efficiency and output with an effective reward and punishment mechanism. In addition, the Group will further strengthen the construction of BD and clinical registration capabilities by introducing and developing product pipelines with high clinical value and strong innovative attributes, and accelerate the launch of innovative products. At the same time, the Group will also actively promote and develop competitive product pipelines by virtue of various models such as industry-university-research cooperation, industrial investment and fund incubation.

2. Quality control risks of products and services

Drugs, medical devices and diagnostic products are special commodities, and the society pays a great deal of attention to their quality. The Group has been continuously increasing its management efforts and investment in technological upgrading in terms of quality management. The technology and equipment standards of subsidiaries have significantly improved. However, due to the multiple production stages for pharmaceutical products, quality issues may arise due to raw materials, production, transportation, storage, use and other matters. Meanwhile, the Group has formulated corresponding management measures and established management agencies to ensure that the procurement, inventory, preparation, and sales of pharmaceuticals, medical devices, and diagnostic products comply with GMP or GSP and relevant requirements and operate in accordance with the laws. However, there may still be the possibility that the relevant operating entities will be punished for failing to strictly abide by relevant laws and regulations due to reasons such as poor management in the actual course of operation.

The healthcare services segment may be subject to risks of medical malpractice claims or disputes, including complaints and disputes between doctors and patients arising from surgical errors, medical misdiagnosis and incidents relating to defects of treatment and diagnostic devices. In the event of serious medical malpractice, relevant compensation and loss may be incurred by the Group, which may in turn affect the operation results, brand and market reputation of the Group's healthcare services institutions.

In this regard, the Group will continue to maintain lean operation, adhere to quality and risk management throughout the life cycle of its products, and practically implement quality and safety control mechanisms and pharmacovigilance mechanism. For healthcare services, the Group will strengthen the construction of disciplines and improve the quality of operations while pursuing business development.

3. *Safety and environmental risks*

Manufacturing companies are also exposed to safety and environmental risks during the production process. In the process of production of drugs, medical devices and diagnostic products, due to the dangerous chemical substances involved in the APIs, improper operation or inadequate maintenance measures during loading, unloading, handling, storage and use may cause production safety incident. Residue, waste gas, waste liquid and other pollutants produced during the manufacturing of products or provision of healthcare services may be harmful to the surrounding environment if they are not treated properly, which in turn will affect the normal production and operation of the Group. Although the Group has treated and emitted pollutants in compliance with the relevant environmental laws, regulations and standards applicable in the relevant places of operation, the environmental protection costs incurred by the Group may increase in light of the enhanced social awareness on environmental protection over time, and the potential implementation of more stringent environmental protection laws and regulations by the countries and localities where the Group operates.

In this regard, the Group will continuously strengthen production safety management, reinforce staff training and implement relevant safety production measures to reasonably control risks. Meanwhile, the Group will attach importance and fulfill its social responsibility for environmental protection, to ensure the normal operation of environmental protection facilities and ensure that the target of emissions is met.

(IV) Management risks

1. *Risks of internationalization*

Geopolitical uncertainty poses risks to the internationalization of the biopharmaceutical industry. The Chinese biopharmaceutical companies' international cooperation may be affected by the new pattern and new policies.

Meanwhile, the Group may face various problems during the implementation of its internationalization strategy, including unfamiliarity with the overseas regulatory environment and markets, difference in the demands between overseas and domestic customers, and implementation of trade protection policies in certain countries. At the same time, with the further expansion of the global sales network, the scale of sales and the scope of business, there will be higher requirements on the operating and management capabilities of the Group. If the Group's capability on aspects such as production and operation, marketing, quality control, risk management, compliance with integrity, data protection and talent training does not align with the development pace of the internationalization and the requirement for the expansion of the Group, the Group may be exposed to operating and management risks.

2. *Risks arising from mergers, acquisitions and integration*

Legal, policy and operating risk exposures may also be confronted by the Group during the process of mergers, acquisitions and business consolidations. Upon completion of acquisitions, the requirements on the operation and management of the Group will become higher. If mergers and acquisitions could not bring about a synergistic impact, the operating results of the Group may be adversely affected.

In this regard, the Group will continue to improve its technologies and professionalism, the understanding of regulatory rules and policies of overseas market so as to minimize the potential operational risks of operational activities.

(V) Exchange rate fluctuation risks

With the implementation of internationalization strategies, the Group continued to expand its operation areas, and the proportion of purchases, sales, and mergers and acquisitions denominated in foreign currencies has continued to increase. Changes in exchange rates will affect the value of assets and liabilities denominated in foreign currencies and the value of invested overseas entities, thereby indirectly causing changes in the Group's income or cash flow over a period of time. With the continuous deepening of the reform of exchange rate marketization, the exchange rate between RMB and other convertible currencies fluctuates in a greater range during the exchange rate settlement process and therefore brings the risk of exchange rate fluctuations.

In this regard, the Group will keep paying attention to fluctuations of the foreign exchange rate, optimizing the structure of domestic and overseas assets, and reasonably controlling foreign exchange exposure so as to improve the ability to deal with exchange rate fluctuation risks.

(VI) Force majeure risks

Severe natural disasters and abrupt public health incidents may harm the properties and personnel of the Group, and may affect the normal production and operation of the Group.

In this regard, the Group will continue to strengthen the analysis and prediction of force majeure risks and improve the emergency management system so as to try to reduce the adverse impact that force majeure incidents may bring to operations.

OTHER EVENTS

I. Progress of Increase in Shareholding by a Controlling Shareholder

Fosun High Tech, a controlling shareholder of the Company, planned to further increase its shareholding in the Company (including A Shares and/or H Shares) by way of, including but not limited to, centralised price bidding or block trade at the stock exchanges and transfer by agreement (and/or through parties acting in concert with it) within the 12-month period commencing from 13 September 2023, if and where appropriate, and the cumulative total consideration thereof shall not be less than RMB100 million (including the total consideration for an increase in shareholding of A Shares of not less than RMB100 million) and the additional shareholding interest to be acquired in aggregate shall not exceed 2% of the total number of shares of the Company as at 13 September 2023 (i.e. 2,672,156,611 shares, the same below) (and the aggregated number of shares in the Company to be acquired in the 12-month period on a rolling basis shall not exceed 2% of the total number of shares of the Company) (the "**Shareholding Increase Plan**"). Fosun High Tech and/or parties acting in concert with it shall not reduce its/their shareholding in the Company during the implementation of the Shareholding Increase Plan and within the statutory restricted period.

As at 12 September 2024, the term of the Shareholding Increase Plan expired. Under the Shareholding Increase Plan, Fosun High Tech acquired a total of 4,295,000 A Shares of the Company, representing approximately 0.16% of the total number of Shares of the Company as at 13 September 2023, with a cumulative consideration of approximately RMB101.19 million.

II. Merger by Absorption and Privatization of Shanghai Henlius

By resolutions of the Board dated 24 June 2024 and 23 August 2024 respectively, the privatization proposal of Shanghai Henlius, a subsidiary of the Company, and the amendments thereto were approved. Pursuant to the proposal (as amended), Fosun New Medicine (as the offeror and acquirer), a subsidiary of the Company proposed to acquire and cancel all shares of Shanghai Henlius (including H shares and unlisted shares) held by other existing shareholders of Shanghai Henlius by cash and/or share alternative (the "**Merger**"), and to privatize Shanghai Henlius. Upon the completion of the Merger, Fosun New Medicine (as the subsisting entity after the Merger) will inherit and assume all assets, liabilities, interests, businesses, personnel, contracts and all rights and obligations of Shanghai Henlius, and the legal entity of Shanghai Henlius will be eventually deregistered.

On 22 January 2025, the Merger, as a special resolution, was approved by more than two-thirds of the voting shareholders present at the extraordinary general meeting of Shanghai Henlius. However, it was not passed at the H shareholders class meeting of Shanghai Henlius, where only independent H shareholders had the right to vote. Therefore, the Merger has not been implemented, and Shanghai Henlius will retain its H Share listing status.

Five-Year Statistics

Unit: million Currency: RMB

Year	2020 (Restated)	2021 (Restated)	2022	2023	**2024**
Operating Results					
Revenue	30,167	38,864	43,811	41,249	**40,910**
Profit for the year	3,938	4,976	3,954	2,907	**3,512**
Profit for the year attributable to owners of the parent	3,662	4,729	3,737	2,399	**2,770**
EBITDA	7,285	8,814	8,041	7,720	**8,772**
Proposed final dividend (in RMB Yuan)	0.43	0.56	0.42	0.27	**0.32**
Earnings per share (in RMB Yuan)					
Earnings per share — basic	1.43	1.85	1.43	0.90	**1.04**
Earnings per share — diluted	1.43	1.85	1.43	0.90	**1.04**
Equity					
Total equity	45,932	48,323	54,058	56,578	**59,895**
Equity attributable to owners of the parent	36,944	39,139	44,532	45,646	**47,223**
Equity per share attributable to owners of the parent	14.41	15.27	16.67	17.08	**17.68**
Debt					
Total debt	22,965	24,509	29,116	32,574	**33,064**
Gearing ratio (%)	27.46%	26.28%	27.18%	28.72%	**28.16%**
Interest coverage (times)	8.27	10.41	7.94	5.61	**6.03**
Assets					
Cash and bank balances	9,971	10,317	16,241	13,694	**13,524**
Property, plant and equipment	12,580	13,012	15,719	20,846	**22,203**
Right-of-use asset	2,666	2,570	2,837	4,248	**4,691**
Investments in joint ventures	382	283	231	79	**21**
Investments in associates	21,871	22,344	22,863	23,802	**24,632**
Financial assets at fair value through profit or loss — non-current	1,461	1,206	2,389	1,040	**1,157**
Financial assets at fair value through profit or loss — current	1,970	4,241	929	1,888	**2,596**
Equity investments designated at fair value through other comprehensive income	1	30	15	53	**16**
Segment net profit					
Pharmaceutical manufacturing	2,355	2,630	3,419	1,974	**3,250**
Medical devices and medical diagnosis	907	2,000	771	(33)	**(52)**
Healthcare service	109	(433)	(792)	(440)	**(315)**
Pharmaceutical distribution and retail	1,807	1,948	2,114	2,242	**1,777**

EBITDA = profit before tax + finance costs + depreciation and amortization

Report of the Directors

The Directors are pleased to present their 2024 report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group's scope of business is strategically organized along the pharmaceutical and healthcare industry chain, with a focus on the domestic market while expanding globally. Businesses directly operated by the Group include pharmaceutical manufacturing, medical devices and medical diagnosis and healthcare service. The Group also has a presence in pharmaceutical commerce through its investment in Sinopharm.

Details of the principal activities of the Group's principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

BUSINESS REVIEW

A review of the business of the Group in 2024 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 "Financial Review" and "Business Review" in the Management Discussion and Analysis in this annual report, respectively. Description of the major risks and uncertainties confronted by the Group can be found throughout this annual report, particularly in the section headed "Potential Risks" in the Management Discussion and Analysis in this annual report. Particulars of important events affecting the Group that have occurred since the end of the Reporting Period, can be found in note 53 to financial statements. The outlook of the Group's business is discussed throughout this annual report including the Chairman's Statement and the section headed "The Board's Discussion and Analysis on Future Development of the Group" in the Management Discussion and Analysis in this annual report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2024 and the financial position of the Group at that date are set out in the financial statements and the accompanying notes on pages 135 to 273.

The Board has proposed the 2024 Final Dividend of RMB0.32 per share, before tax, for the year ended 31 December 2024, which will be subject to the approval by the Shareholders at the forthcoming annual general meeting of the Company.

The Company will dispatch a circular containing, inter alia, further information relating to the proposed distribution of the 2024 Final Dividend and the forthcoming annual general meeting of the Company to Shareholders in due course.

PROFIT DISTRIBUTION PLAN

According to the Articles of Association, the Company may distribute its profit by means of cash, shares or a combination of cash and shares. If the Company satisfies the conditions for cash dividends, priority should be given to profit distribution by means of cash dividends. The Company makes a profit distribution each year in principle, and the Board may propose to distribute interim cash dividends under the circumstances of the Company. Under the circumstances that the profit of the year and the accumulated undistributed profit are both positive, the cash dividends for the year of the Company should not be less than 10% of the distributable profit realized for the year in principle if the Company does not have any major investment plans or (plan to) incur any significant cash expenses. The specific plan for distribution shall be decided by the Shareholders at the general meeting according to the Company's actual operation status of the year. The Board shall comprehensively take account of the features of the industry where the Company operates, its stage of development, its own business model, profitability and factors such as whether there is significant capital expenditure arrangement, when distinguishing the following situations and forming different cash dividend distribution plans:

a. If the Company is at the mature stage of development and has no significant capital expenditure arrangements, the proportion of cash dividends shall be at least 80% of the profit distribution;

b. If the Company is at the mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends shall be at least 40% of the profit distribution;

c. If the Company is at the growth stage and has significant capital expenditure arrangement, the proportion of cash dividends shall be at least 20% of the profit distribution.

If it is difficult to distinguish the Company's stage of development but there is significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the rules in the preceding paragraph.

AGM AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The notice of the forthcoming annual general meeting of the Company will be published and dispatched to Shareholders in accordance with the requirements of the Hong Kong Listing Rules and the Articles of Association. The Company will announce the period of closure of register of members of H Shares in the notice of annual general meeting to be issued or the announcement to be otherwise issued.

SUMMARY OF FINANCIAL INFORMATION

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

ISSUED CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 39 to the financial statements.

SUBSIDIARIES

Particulars of the names, places of incorporation and issued/registered share capital of the Company's principal subsidiaries are set out in note 1 to the financial statements.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Repurchase of H Shares on the Open Market

Pursuant to the general mandate to repurchase H shares of the Company, which was considered and approved at the annual general meeting, the A Shareholders class meeting and the H Shareholders class meeting of the Company (the "**General Meetings**") respectively, and in order to preserve the value of the Company, the H Share repurchase plan ("**H Share Repurchase Plan**") was considered and approved at the 55th meeting of the ninth session of the Board of the Company on 12 July 2024. It was approved the repurchase of the H Shares by the Company on or before 31 December 2024 with internal financial resources, and the total number of H Shares to be repurchased not exceed 5% of the total number of H shares (i.e. 551,940,500 shares, the same below) of the Company as at the date of the resolution of the General Meetings (i.e. 26 June 2024, the same below).

As at 31 December 2024, the implementation period of the H Share Repurchase Plan expired. During the Reporting Period, the Company repurchased a total of 7,558,500 H Shares (representing approximately 0.28% of the total number of shares of the Company (i.e. 2,671,326,465 shares) as at 31 December 2024 and 1.37% of the total number of H shares of the Company as at the date of resolution of the General Meetings) on the Hong Kong Stock Exchange with an aggregated repurchase amount of approximately HK$96.71 million under the H Share Repurchase Plan, details of which are summarized below:

Months	Number of H Shares repurchased (shares)	Highest repurchase price (HK$ per share)	Lowest repurchase price (HK$ per share)	Total repurchase amount (HK$ million)
August 2024	3,132,500	12.64	11.98	38.56
September 2024	2,339,000	12.82	11.52	28.33
November 2024	862,500	14.98	13.96	12.46
December 2024	1,224,500	14.46	13.94	17.35
Total	7,558,500			96.71

Note: Any discrepancies between totals and sums of figures are due to rounding.

Repurchase of A Shares on the Open Market

Pursuant to the general mandate to repurchase A shares of the Company, which was considered and approved at the annual general meeting, the A Shareholders class meeting and the H Shareholders class meeting of the Company respectively, with reference to the confidence in the Group's development prospects and recognition of its value, and in order to safeguard the interests of investors, enhance investor confidence, as well as promote the establishment and improvement of the incentive mechanism of the Group, effectively align the interests of the Shareholders, corporate(s) and operators, taking into account of the A Share performance on the secondary market as well as the Group's financial position and development prospects, the A Share repurchase plan ("**A Share Repurchase Plan**") was considered and approved at the 47th meeting of the ninth session of the Board of the Company on 26 March 2024. The repurchase of A Shares by the Company with internal financial resources through centralized price bidding on the trading system of Shanghai Stock Exchange has been approved, with the total repurchase amount of not less than RMB100 million and of not more than RMB200 million as well as the repurchase price of not more than RMB30 per share. The repurchase period is 6 months from the date of consideration and approval of the A Share Repurchase Plan by the Board. As a result of the profit distribution for the year of 2023, the A Share repurchase price limit was adjusted to RMB29.7302 per share with effect from 6 August 2024 (being the ex-dividend date of the A Shares for the profit distribution for the year of 2023) pursuant to the A Share Repurchase Plan.

As at the close of trading on 25 September 2024, the implementation period of the A Share Repurchase Plan expired and the Company has completed the implementation of the plan. During the Reporting Period, the Company repurchased a total of 5,677,700 A Shares (representing approximately 0.21% of the total number of shares of the Company <i.e. 2,672,398,711 shares> as at 25 September 2024) on the Shanghai Stock Exchange with an aggregated repurchase amount of approximately RMB126.64 million under the A Shares Repurchase Plan, details of which are summarized below:

Months	Number of A Shares repurchased (shares)	Highest repurchase price (RMB per share)	Lowest repurchase price (RMB per share)	Total repurchase amount (RMB million)
June 2024	1,457,800	22.32	22.03	32.32
July 2024	482,000	22.13	22.03	10.63
August 2024	896,300	22.42	21.87	19.87
September 2024	2,841,600	23.52	21.94	63.81
Total	5,677,700			126.64

Note: Any discrepancies between totals and sums are due to rounding.

Repurchase of A Shares under Restricted A Share Incentive Scheme

Pursuant to the 2022 Restricted A Share Incentive Scheme and relevant authorizations approved by the Shareholders of the Company at the extraordinary general meeting, the A Shareholders class meeting and the H Shareholders class meeting held on 29 November 2022, due to the occurrence of repurchase and cancellation situations as set out in the Restricted A Share Incentive Scheme, including: (1) the resignation of certain participants in the first grant and reserved grant or their retirement in accordance with national and the Company's regulations regarding retirement age; and (2) underperformance of appraisal indicator for 2023 annual results at the Group level, on 7 August 2024, the Board and the Supervisory Committee approved the Company to repurchase and cancel a total of 1,072,246 restricted A Shares with the total amount of RMB22,830,809.73. Excluding the interest of 5,025 restricted A Shares held by the retired participants accrued at the benchmark interest rate for deposit of the same period, the repurchase price of each restricted A Shares was RMB21.29. The relevant shares were repurchased on 27 September 2024 and cancelled on 8 October 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities and has not disposed or sold of any of its treasury shares during the year ended 31 December 2024.

DISTRIBUTABLE RESERVES

The amount of the Company's reserves available for distribution as at 31 December 2024, calculated in accordance with PRC rules and regulations, was RMB13,598 million.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's total purchases attributable to the Group's five largest suppliers were less than 30%, and the Group's total turnover attributable to the Group's five largest customers was less than 30%.

DIRECTORS

As at the end of the Reporting Period, the Board consisted of 12 Directors. The Directors are as follows:

Executive Directors

Mr. Wu Yifang (吳以芳) *(Chairman)*
Mr. Wang Kexin (王可心) *(Co-Chairman)*
Ms. Guan Xiaohui (關曉暉) *(Vice Chairman)*
Mr. Wen Deyong (文德鏞) *(Chief Executive Officer)*

Non-executive Directors

Mr. Chen Qiyu (陳啟宇)
Mr. Xu Xiaoliang (徐曉亮)
Mr. Pan Donghui (潘東輝)
Mr. Chen Yuqing (陳玉卿)

Independent non-executive Directors

Ms. Li Ling (李玲)
Mr. Tang Guliang (湯谷良)
Mr. Wang Quandi (王全弟)
Mr. Yu Tze Shan Hailson (余梓山)

On 30 June 2024, Mr. Yao Fang resigned as a non-executive Director. At the 2024 first extraordinary general meeting held on 27 September 2024, Mr. Chen Yuqing was appointed as a non-executive Director.

SUPERVISORS

As at the end of the Reporting Period, the Supervisory Committee consists of three Supervisors. The Supervisors are as follows:

Mr. Chen Bing (陳冰) *(Chairman)*
Mr. Guan Yimin (管一民)
Ms. Wang Lina (王麗娜)

Ms. Ren Qian resigned as the employee Supervisor and the chairman of the Supervisory Committee with effect from 19 June 2024. At the employee representatives meeting held on 19 June 2024, Ms. Wang Lina was appointed as the employee Supervisor with effect from 19 June 2024 until the expiry of the term of the current session of the Supervisory Committee. At the Supervisory Committee meeting held on 19 June 2024, Mr. Chen Bing was appointed as the chairman of the Supervisory Committee with effect from 19 June 2024 until the expiry of the term of the current session of the Supervisory Committee.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors, Supervisors and the senior management of the Company are set out on pages 117 to 129 of this annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of not more than three years until the conclusion of the forthcoming general meeting of the Company, at which members of the next session of the Board and Supervisory Committee will be elected. None of the Directors or Supervisors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The executive Director who is also the senior management of the Company is not entitled to receive by way of remuneration for their services as being executive Directors, but entitled to receive by way of remuneration for their services as the senior management of the Company, and such remuneration will be assessed and determined by the Board. The remuneration for the full-time Directors should be determined by the Shareholders at the general meetings of the Company based on the economic benefits received by the Company and by reference to factors including the responsibilities and performance of the Directors and the remuneration standards of the industry. The allowances for the independent non-executive Directors should be determined by the Shareholders at the general meeting of the Company.

Details of the remuneration of Directors, Supervisors and chief executive and details of the five highest paid employees' remuneration are set out in note 10 and note 11 to the financial statements.

The remuneration for the year ended 31 December 2024, including salaries, allowances and benefits in kind, performance related bonuses, pension scheme contribution and cash-based long-term incentive scheme, of those who were senior management of the Company on 31 December 2024 and whose profiles are included in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this annual report fell within the following bands:

Remuneration bands	Number of individuals
RMB Nil to RMB2,000,000	2
RMB2,000,001 to RMB4,000,000	11
RMB4,000,001 to RMB6,000,000	2
RMB6,000,001 to RMB8,000,000	1
RMB8,000,001 to RMB10,000,000	1
RMB10,000,001 to RMB20,000,000	1

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

There is no transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party subsisted at the end of the Reporting Period or at any time during the Reporting Period in which a Director, an entity connected with a Director, a Supervisor or an entity connected with a Supervisor had a material interest.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the connected transactions as disclosed in the section headed "Connected Transactions" under the "Report of the Directors" in this annual report, no contracts of significance (including those for the provision of services to the Group) were entered into between the Company or any of subsidiaries and the controlling shareholder or any of its subsidiaries during the Reporting Period.

PENSION SCHEME

The full-time employees of the Group 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 (subject to maximum caps) 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. The Group's pension cost charged to the income statement for the Reporting Period was RMB638.48 million.

MANAGEMENT CONTRACT

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

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, except for the 2022 Restricted A Share Incentive Scheme and the 2022 H Share Employee Share Ownership Scheme as disclosed in the "SHARE INCENTIVE SCHEMES" section under "Report of the Directors" in this annual report, none of the Company, its subsidiaries, the Company's controlling shareholders and their subsidiaries is a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of any shares or debentures in the Company or any other body corporate, and none of the Directors, Supervisors or their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right for the year.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests or short positions of the Directors, Supervisors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which should be recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

(1) Interests in the Shares, underlying Shares and debentures of the Company

Name	Capacity	Class of Shares	Number of Shares[1]	Approximate percentage of Shares in relevant class of Shares
Mr. Wu Yifang	Beneficial owner	H Share	373,000(L)	0.07%
	Beneficial owner	A Share	922,224(L)	0.04%
Mr. Wang Kexin	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	A Share	376,684(L)	0.02%
Ms. Guan Xiaohui	Beneficial owner	H Share	25,000(L)	0.005%
	Beneficial owner	A Share	331,357(L)	0.02%
Mr. Wen Deyong	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	A Share	145,357(L)	0.01%
Mr. Chen Qiyu	Beneficial owner	A Share	114,075(L)	0.01%
Mr. Chen Yuqing	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	A Share	134,000(L)	0.01%
Ms. Wang Lina	Beneficial owner	A Share	1,900(L)	0.0001%

Note:

(1) (L) — Long position

(2) Interests in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name	Name of associated corporations	Class of shares	Capacity	Number of Shares[1]	Approximate percentage of Shares in relevant class of Shares
Mr. Wu Yifang	Fosun International	Ordinary share	Beneficial owner	760,000(L)	0.01%
Mr. Wang Kexin	Fosun International	Ordinary share	Beneficial owner	1,460,000(L)	0.02%
Ms. Guan Xiaohui	Fosun International	Ordinary share	Beneficial owner	1,400,000(L)	0.02%
Mr. Chen Qiyu	Fosun International	Ordinary share	Beneficial owner	36,380,400(L)	0.44%
	Fosun Tourism[2]	Ordinary share	Beneficial owner	501,478(L)	0.04%
Mr. Xu Xiaoliang	Fosun International	Ordinary share	Beneficial owner	32,776,000(L)	0.40%
	Fosun Tourism[2]	Ordinary share	Beneficial owner	4,302,328(L)	0.35%
	Yuyuan	Ordinary share	Beneficial owner	282,320(L)	0.01%
Mr. Pan Donghui	Fosun International	Ordinary share	Beneficial owner	17,314,484(L)	0.21%
	Fosun Tourism[2]	Ordinary share	Beneficial owner	865,000(L)	0.07%
Mr. Chen Yuqing	Fosun International	Ordinary share	Beneficial owner	1,140,000(L)	0.01%
Mr. Chen Bing	Fosun International	Ordinary share	Beneficial owner	4,337,358(L)	0.05%
	Fosun Tourism[2]	Ordinary share	Beneficial owner	66,663(L)	0.01%

Notes:

(1) (L) — Long position

(2) Delisted from the Hong Kong Stock Exchange in March 2025.

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

As at 31 December 2024, so far as is known to the Directors and Supervisors, the persons or entities, other than the Directors, Supervisors or chief executive of the Company, who had interests or short positions recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholders	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate percentage of Shares in relevant class of Shares
Fosun High Tech	Beneficial owner	H Share	71,533,500(L)	12.96%
	Beneficial owner	A Share	889,890,955(L)[2]	41.99%
Fosun International	Beneficial owner	H Share	6,000,000(L)	1.09%
	Interest of a controlled corporation	H Share	71,533,500(L)[3]	12.96%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	41.99%
Fosun Holdings	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	41.99%
Fosun International Holdings	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	41.99%
Mr. Guo Guangchang	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	41.99%
	Beneficial owner	A Share	114,075(L)	0.01%

Notes:

(1) (L) — Long position;

(2) As at the end of the Reporting Period, 711,800,000 Shares of these shares were under pledge, and the proceeds from the loan(s) to which the share pledge relates are to be applied towards repayment of Fosun High Tech's own debt(s).

(3) The Shares are held by Fosun High Tech. Fosun High Tech is wholly owned by Fosun International and therefore Fosun International is deemed to be interested in these Shares.

(4) These Shares are held by Fosun High Tech. As at the end of the Reporting Period, Fosun High Tech is wholly owned by Fosun International, which in turn is owned as to 72.76% by Fosun Holdings, and Fosun Holdings is wholly owned by Fosun International Holdings. As Fosun International Holdings is owned as to 85.29% by Mr. Guo Guangchang, Fosun International, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang are deemed to be interested in these Shares.

(5) These Shares, of which 71,533,500 Shares are held by Fosun High Tech, and of which 6,000,000 Shares are held by Fosun International. As at the end of the Reporting Period, Fosun High Tech is wholly owned by Fosun International, which in turn is owned as to 72.76% by Fosun Holdings, and Fosun Holdings is wholly owned by Fosun International Holdings. As Fosun International Holdings is owned as to 85.29% by Mr. Guo Guangchang, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang are deemed to be interested in these Shares.

PERMITTED INDEMNITY

At no time during the year ended 31 December 2024 and up to the date of this report was there any permitted indemnity provision in force for the benefit of any of the Directors and the Supervisors (whether made by the Company or otherwise) or any directors and supervisors of an associated company (if made by the Company). The Company has arranged appropriate Directors', Supervisors' and senior management's liability insurance coverage for the Directors, Supervisors and senior management.

SHARE INCENTIVE SCHEMES

2022 Restricted A Share Incentive Scheme

The adoption of the 2022 Restricted A Share Incentive Scheme was approved by the Shareholders of the Company at the extraordinary general meeting, the A Shareholders class meeting and the H Shareholders class meeting held on 29 November 2022. A summary of the principal terms of the Restricted A Share Incentive Scheme is set out below.

(1) Purpose

The Restricted A Share Incentive Scheme aims to further improve the corporate governance structure, promote the establishment and improvement of the incentive mechanism of the Group, fully mobilize the enthusiasm of the executive Directors and senior management personnel of the Company and employees of the Group, effectively align the interests of the Shareholders, corporate(s) and operators to focus on and work collectively for the long-term development of the Group.

(2) Participants

The participants under the Restricted A Share Incentive Scheme include executive Directors, senior management personnel of the Company, the mid-level management personnel of the Group and other employees to whom the Board considers provision of incentives to be appropriate. The detailed list of participants and their respective allocation under the scheme shall be proposed by the Board, independent non-executive Directors and the Supervisory Committee shall opine on the same, subject to the relevant procedures in the event the approval at the general meeting, the A Shareholders class meeting and the H Shareholders class meeting of the Company is required.

Participants under the Restricted A Share Incentive Scheme do not include any independent non-executive Director or Supervisor of the Company, or Shareholders individually or collectively holding more than 5% of the Shares of the Company or actual controller and his/her spouse, parents and children. The executive Directors and senior management personnel of the Company among the participants shall be elected at the general meetings or appointed by the Board. All participants shall have entered into employment agreements or engagement documents with the Company or its subsidiaries at the time of grant under the Restricted A Share Incentive Scheme and during the term of the Restricted A Share Incentive Scheme.

(3) **Maximum number of shares to be issued and maximum shareholdings entitled by the participants**

A number of up to 3,434,300 restricted A Shares were proposed to be granted to the participants under the Restricted A Share Incentive Scheme, representing up to 0.13% of the total number of shares of the Company (excluding treasury shares)[1] as at the date of this report. Specifically, a number of up to 2,747,500 Shares were granted under the first grant, representing up to 0.10% of the total number of shares of the Company (excluding treasury shares) as at the date of this report; and a number of up to 686,800 Shares were reserved for further grant, representing up to 0.03% of the total number of shares of the Company (excluding treasury shares) as at date of this report. The reserved grant portion represents up to 20% of the total Restricted A Shares to be granted under the Restricted A Share Incentive Scheme. The total number of shares of the Company granted to any of the participants under all share incentive schemes currently in force does not in the aggregate exceed 0.1% of the total number of shares of the Company as at 29 August 2022.

(4) **Term, restriction period and unlocking arrangement**

The term of the Restricted A Share Incentive Scheme shall be commencing from the completion date of registration of the Shares under the first grant (i.e. 13 December 2022, the same below) and ending on the date of all the Restricted A Shares granted to the participants having unlocked or repurchased and cancelled, the maximum period of which shall not exceed 60 months.

The restricted A Shares granted under the Restricted A Share Incentive Scheme shall be locked after completion of their registration. During the restriction period, the cash dividend from the restricted A Shares granted to the participants shall be held by the Company and payable to the participants upon unlocking; and in the event of the restricted A Shares are unable to be unlocked, the corresponding cash divided shall be forfeited by the Company. Within the unlocking period, the Company shall deal with matters related to the unlocking of those restricted A Shares which satisfy the conditions to such unlocking. The restricted A Shares which fail to satisfy the unlocking conditions, or fail to apply for unlocking the relevant restricted A Shares within the prescribed period as listed above, shall be repurchased by the Company at the repurchase price equal to the grant price in accordance with the terms of the Restricted A Share Incentive Scheme and cancelled accordingly.

[1] i.e. 2,657,108,265 Shares being the total number of shares of the Company (i.e. 2,671,326,465 shares) after deduction of shares repurchased but not canceled (i.e. 14,218,200 shares)

The restriction period (i.e. the vesting period) of the restricted A Shares granted under the first grant of the Restricted A Share Incentive Scheme (took place in 2022) shall be 12 months, 24 months and 36 months from the relevant completion date of registration of the Shares under the first grant (i.e. 13 December 2022), respectively. The unlocking schedule and arrangements for the restricted A Shares to be granted under the first grant are set out below:

Unlocking period for the restricted A Shares under the first grant	Unlocking schedule	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted under the Restricted A Share Incentive Scheme
First unlocking period	Commencing from the first trading day after expiry of the 12-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	33%
Second unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	33%
Third unlocking period	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 48-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	34%

The restriction period (i.e. the vesting period) of the restricted A Shares granted under the reserved grant of the Restricted A Share Incentive Scheme (took place in 2023) shall be 12 months and 24 months from the relevant completion date of registration of the restricted A Shares under the reserved grant (i.e. 21 September 2023, same as below) , respectively. The unlocking schedule and arrangements for the restricted A Shares to be granted under the reserved grant are set out below:

Unlocking period for the restricted A Shares under the reserved grant	Unlocking schedule	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted under the Restricted A Share Incentive Scheme
First unlocking period	Commencing from the first trading day after expiry of the 12-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant and ending on the last trading day of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant	50%
Second unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant	50%

(5) **Grant price of restricted A Shares and the basis of determination**

The grant price under the Restricted A Share Incentive Scheme (including the grant prices of the first grant and the reserved grant) shall be RMB21.29 per share. Upon fulfilment of grant conditions, each participant is entitled to purchase the A Shares newly issued to him or her by the Company at the price of RMB21.29 per share.

The grant price underlying the first grant of the Restricted A Share Incentive Scheme shall not be less than the nominal value of the Shares, and shall not be less than the higher of the following prices:

(a) 50% of the average trading price of the A Shares on the last trading day prior to the date of the A-Share announcement on the Restricted A Share Incentive Scheme (i.e. 29 August 2022); and

(b) 50% of the average trading price of the A Shares on the last 20 trading days prior to the date of the A-Share announcement on the Restricted A Share Incentive Scheme.

The grant price underlying the reserved grant of the Restricted A Share Incentive Scheme shall not be less than the nominal value of the Shares, and shall not be less than the higher of the following prices:

(a) 50% of the average trading price of the A Shares on the last trading day prior to the date of the announcement of Board resolution on the reserved grant (i.e. 31 August 2023);

(b) 50% of the average trading price of the A Shares on the last 20, 60 or 120 trading days prior to the date of the announcement of Board resolutions on the reserved grant; and

(c) the grant price of the first grant.

Pursuant to the Restricted A Share Incentive Scheme and under the authorization of the aforesaid extraordinary general meeting and class meetings, on 9 January 2024, the Board and the Supervisory Committee considered and approved, among other things, unlocking the first tranche of the first grant under the Restricted A Share Incentive Scheme. The unlocking conditions of the first unlocking period under the Restricted A Share Incentive Scheme for a total of 774,114 restricted A Shares held by 113 participants had been fulfilled and relevant Shares have been traded on 16 January 2024 (i.e. the first unlocking date). The weighted average closing price of the A Shares of the Company on the trading day prior to the first unlocking date was RMB23.72 per share. On 7 August 2024, the Board and the Supervisory Committee considered and approved, among other things, the repurchase and cancellation of 1,072,246 Restricted A Shares not yet unlocked, at a total repurchase amount of RMB22,830,809.73. In addition, its was approved to forfeit the cash dividends from such Shares repurchased and cancelled for the corresponding year(s) as held in escrow by the Company. As at 8 October 2024, the repurchase and cancellation of relevant Shares have been completed.

On 1 January 2024 and 31 December 2024, the maximum number of restricted A Shares to be granted under the Restricted A Share Incentive Scheme was 0 share. During the Reporting Period, the number of restricted A Shares that the Company may grant under the Restricted A Share Incentive Scheme was 0 share, representing 0.00% of the weighted average number of the total number of A Shares issued by the Company in 2024.

During the Reporting Period, details of changes in the relevant restricted A Shares under the Restricted A Share Incentive Scheme are set out as follows:

Participant(s)	Grant date	Grant price (RMB/share)	Lock-up period	Number of restricted A Shares granted and issued (shares)	Number of restricted A Shares not yet unlocked as at 1 January 2024 (shares)	Granted during the Reporting Period (shares)	Unlocked during the Reporting Period (shares)	Lapsed/ cancelled during the Reporting Period (shares)	Number of restricted A Shares not yet unlocked as at 21 December 2024 (shares)
Wu Yifang	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	257,200	257,200	0	84,876	84,876	87,448
Wang Kexin	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	215,200	215,200	0	71,016	71,016	73,168
Guan Xiaohui	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	187,100	187,100	0	61,743	61,743	63,614
Wen Deyong	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	187,100	187,100	0	61,743	61,743	63,614
Subtotal	—	—	—	846,600	846,600	0	279,378	279,378	287,844
Other participants	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	1,654,800	1,525,300	0	494,736	576,868	453,696
Other participants	1 September 2023	21.29	From 21 September 2023 to 20 September 2025[2]	371,600	371,600	0	0	216,000	155,600
Total	—	—	—	2,873,000	2,743,500	0	774,114	1,072,246	897,140

Notes:

(1) Upon fulfilment of certain unlocking conditions of the Restricted A Share Incentive Scheme (including Group level performance appraisal and individual level performance appraisal of participants, please refer to the Company's circular dated 31 October 2022 for details), the arrangement for the unlocking of restricted A Shares granted on 1 December 2022 is as follows:

Lock-Up period	Unlocking period	Maximum proportion of the unlocked restricted Shares in the total restricted Shares to be granted
From 13 December 2022 to 12 December 2023	From 13 December 2023 to 12 December 2024	33%
From 13 December 2022 to 12 December 2024	From 13 December 2024 to 12 December 2025	33%
From 13 December 2022 to 12 December 2025	From 13 December 2025 to 12 December 2026	34%

(2) Upon fulfilment of certain unlocking conditions of the Restricted A Share Incentive Scheme (including Group level performance appraisal and individual level performance appraisal of participants, please refer to the Company's circular dated 31 October 2022 for details), the arrangement for the unlocking of restricted A Shares granted on 1 September 2023 is as follows:

Lock-Up period	Unlocking period	Maximum proportion of the unlocked restricted Shares in the total restricted Shares to be granted
From 21 September 2023 to 20 September 2024	From 21 September 2024 to 20 September 2025	50%
From 21 September 2023 to 20 September 2025	From 21 September 2025 to 20 September 2026	50%

The impact of the implementation of the Restricted A Share Incentive Scheme on the Group's accounting costs for each period would be calculated and amortized in accordance with the requirements of the HKFRS.

2022 H Share Employee Share Ownership Scheme

The 2022 H Share Employee Share Ownership Scheme was approved by the Shareholders of the Company at the extraordinary general meeting held on 29 November 2022. A summary of the principal terms of the 2022 H Share Employee Share Ownership Scheme is set out below.

(1) **Purpose**

The 2022 H Share Employee Share Ownership Scheme aims to further improve the corporate governance structure of the Group, promote the establishment and improvement of the incentive mechanism of the Group, fully mobilize the enthusiasm of the executive Directors and senior management personnel of the Company and employees of the Group, and effectively align the interests of the shareholders, corporate(s) and operators to focus on and work collectively for the long-term development of the Group.

(2) **Participants**

The holders under the 2022 H Share Employee Share Ownership Scheme include executive Directors and senior management personnel of the Company and the mid-level management personnel of the Group and other employees to whom the Board considers provision of incentives to be appropriate. The detailed list of holders and their respective allocation shall be proposed by the Board, and independent non-executive Directors and the Supervisory Committee shall opine on the same, subject to the relevant procedures in the event the approval at the general meeting of the Company is required.

Participants under the H Share Employee Share Ownership Scheme do not include any independent non-executive Director or Supervisor of the Company, or Shareholders individually or collectively holding more than 5% of the shares of the Company or actual controller and his/her spouse, parents and children. The executive Directors and senior management personnel of the Company among the holders shall be elected at the general meeting or appointed by the Board. All holders shall enter into employment agreements or engagement documents with the Company or its subsidiaries at the time of grant under the H Share Employee Share Ownership Scheme and during the term of the H Share Employee Share Ownership Scheme.

(3) **Source of funds, source of target shares and upper limit of interests granted to holders**

The source of funds of the H Share Employee Share Ownership Scheme is the Company's funds designated for incentive purposes with a size of RMB73,462,500, and the holders are not required to pay any consideration. The management institution of the H Share Employee Share Ownership Scheme shall purchase the relevant target shares on the open market through the Shanghai-Hong Kong Stock Connect. The H Share Employee Share Ownership Scheme is denominated in "units", each being RMB1 in value, i.e. the maximum number of units under the scheme is 73,462,500. Amongst which, there are up to 58,770,000 units under the first grant, and the remainder of up to 14,692,500 units are reserved units. The total number of H Shares to be held under the H Share Employee Share Ownership Scheme shall not exceed 0.5% of the total share capital of the Company, and the total number of H Shares corresponding to units to be held by a holder under the scheme shall not in the aggregate exceed 0.5% of the total share capital of the Company.

(4) Term, lock-up period and vesting

The term of the H Share Employee Share Ownership Scheme shall not exceed 60 months commencing from the date on which the H Share Employee Share Ownership Scheme is considered and approved at the general meeting of the Company and the target shares under the H Share Employee Share Ownership Scheme are purchased as announced by the Company (i.e. 29 December 2022, same as below). Unless otherwise extended as reviewed by the holders' meeting under the H Share Employee Share Ownership Scheme and resolved and approved by the Board, the H Share Employee Share Ownership Scheme shall be automatically terminated upon its expiry.

The lock-up period for the target shares under the H Share Employee Share Ownership Scheme shall be 12 months commencing from the date on which the H Shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company. In case of capitalization of capital reserves, bonus issue and refinancing by the Company during the lock-up period, the Shares newly acquired under the H Share Employee Share Ownership Scheme due to holding of the Company's Shares cannot be sold in the secondary market or otherwise disposed of. The lock-up period of such newly acquired Shares under the scheme shall be the same as that of their corresponding target shares.

The units under the first grant of the H Share Employee Share Ownership Scheme (granted in 2022) shall be vested according to the performance appraisal results at the Group level and the performance appraisal results of the respective holder at the individual level in three batches. The specific vesting periods and vesting arrangements are set out below:

Vesting period of units under the first grant	Vesting schedule	Maximum proportion of the units that can be vested in the total number of units granted under the H Share Employee Share Ownership Scheme
First vesting period	Commencing from the first trading day after the expiry of the 12-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 24-month period from such date	33%
Second vesting period	Commencing from the first trading day after the expiry of the 24-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 36-month period from such date	33%
Third vesting period	Commencing from the first trading day after the expiry of the 36-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 48-month period from such date	34%

The units under the reserved grant of the H Share Employee Share Ownership Scheme (granted in 2023) shall be vested according to the performance appraisal results at the Group level and the performance appraisal results of the respective holder at the individual level in two batches. The specific vesting periods and vesting arrangements are set out below:

Vesting period of the units under the reserved grant	Vesting schedule	Maximum proportion of the units that can be vested in the total number of units granted under the H Share Employee Share Ownership Scheme
First vesting period	Commencing from the first trading day after expiry of the 12-month period from the reserved unit grant date under the H Share Employee Share Ownership Scheme as announced by the Company and ending on the last trading day of the 24-month period from such date	50%
Second vesting period	Commencing from the first trading day after expiry of the 24-month period from the reserved unit grant date under the H Share Employee Share Ownership Scheme as announced by the Company and ending on the last trading day of the 36-month period from such date	50%

In accordance with the H Share Employee Share Ownership Scheme and the authorization granted at the aforementioned extraordinary general meeting, on 9 January 2024, the Board considered and approved, among other things, the first vesting of the first grant under the H Share Employee Share Ownership Scheme, i.e. on 9 January 2024 as the first vesting date, a total of 16,556,200 units under the H Share Employee Share Ownership Scheme held by 113 participants who met the first vesting conditions stipulated by the H Share Employee Share Ownership Scheme, were vested to them. On the trading day immediately preceding the first vesting date, the weighted average closing price of the Company's H Shares was HK$16.32 per Share. On 7 August 2024, the Board considered and approved, among other things, the forfeiture of 22,963,400 unvested units under the H Share Employee Share Ownership Scheme by the H Share Employee Share Ownership Scheme management committee.

On 1 January 2024 and 31 December 2024, the units to be granted under the H Share Employee Share Ownership Scheme were both 0.

During the Reporting Period, the details of the changes in the shares of the H Share Employee Share Ownership Scheme are set out as follows:

Participant(s)	Grant date	Lock-up period	Number of units granted (units)	Not yet vested as at 1 January 2024 (units)	Number of units granted during the Reporting Period (units)	Number of units vested during the Reporting Period (units)	Number of units lapsed/ cancelled during the Reporting Period (units)	Not yet vested as at 31 December 2024 (units)
Wu Yifang	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	5,500,000	5,500,000	0	1,815,000	1,815,000	1,870,000
Wang Kexin	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,600,000	4,600,000	0	1,518,000	1,518,000	1,564,000
Guan Xiaohui	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,000,000	4,000,000	0	1,320,000	1,320,000	1,360,000
Wen Deyong	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,000,000	4,000,000	0	1,320,000	1,320,000	1,360,000
Subtotal	—	—	18,100,000	18,100,000	0	5,973,000	5,973,000	6,154,000
Other participants	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	35,400,000	32,630,000	0	10,583,200	12,343,400	9,703,400
Other participants	1 September 2023	From 1 September 2023 to 31 August 2025[3]	7,994,000	7,994,000	0	0	4,647,000	3,347,000
Total	—	—	61,494,000	58,724,000	0	16,556,200	22,963,400	19,204,400

Notes:

(1) The H Share Employee Share Ownership Scheme (including the first grant under the H Share Employee Share Ownership Scheme) was approved to be implemented by the Shareholders of the Company on 29 November 2022. Therefore, the grant date of the first grant under the H Share Employee Share Ownership Scheme was 29 November 2022.

(2) The units under the first grant granted to holders under the H Share Employee Share Ownership Scheme shall be vested as follows upon fulfilment of certain vesting conditions of the H Share Employee Share Ownership Scheme (including Group level performance appraisal and individual level performance appraisal of the participants, please refer to the Company's circular dated 31 October 2022 for details):

Lock-up period	Vesting period	Maximum proportion of the units that can be vested in the total number of units granted
From 29 December 2022 to 28 December 2023	From 29 December 2023 to 28 December 2024	33%
From 29 December 2022 to 28 December 2024	From 29 December 2024 to 28 December 2025	33%
From 29 December 2022 to 28 December 2025	From 29 December 2025 to 28 December 2026	34%

(3) The units under the reserved grant granted to holders under the H Share Employee Share Ownership Scheme shall be vested as follows upon fulfilment of certain vesting conditions of the H Share Employee Share Ownership Scheme (including Group level performance appraisal and individual level performance appraisal of the participants, please refer to the Company's circular dated 31 October 2022 for details):

Lock-up period	Vesting period	Maximum proportion of the units that can be vested in the total number of units granted
From 1 September 2023 to 31 August 2024	From 1 September 2024 to 31 August 2025	50%
From 1 September 2023 to 31 August 2025	From 1 September 2025 to 31 August 2026	50%

The impact of the implementation of the H Share Employee Share Ownership Scheme on the Group's accounting costs would be calculated and amortized in accordance with the requirements of the HKFRS.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, as at the date of this annual report, the Company has been maintaining sufficient public float as required by the Hong Kong Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or applicable laws of the PRC where the Company is incorporated.

DONATIONS

During the Reporting Period, the Group made donations of approximately RMB52.49 million.

CONNECTED TRANSACTIONS

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

(A) Non-exempt Connected Transactions

1. As disclosed in the announcement of the Company dated 31 May 2024, on 31 May 2024, Foshan Fosun Chancheng Hospital, a subsidiary of the Company, and Xingshuangjian Investment entered into an equity transfer agreement, pursuant to which Xingshuangjian Investment agreed to sell, and Foshan Fosun Chancheng Hospital agreed to purchase the 49% equity interest in Foshan Xinglian Nursing Home Limited* (佛山市星蓮護理院有限公司) held by Xingshuangjian Investment at a consideration of RMB131,146 to be settled in cash. Upon completion of the transaction under the equity transfer agreement, the equity interest in Foshan Xinglian Nursing Home Limited* (佛山市星蓮護理院有限公司) held by the Company through Foshan Fosun Chancheng Hospital will increase to 100% from 51%.

   As Xingshuangjian Investment is a subsidiary of Fosun High Tech, the Company's controlling shareholder. As such, Xingshuangjian Investment is an associate of Fosun High Tech, and is a connected person of the Company. Therefore, the transaction under the equity transfer agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

2. As disclosed in the announcement of the Company dated 31 May 2024, on 31 May 2024, Suzhou Angel Fund, a subsidiary of the Company, entered into a capital increase agreement with, among others, Hongshulin Investment (being an independent third party of the Company and an existing shareholder of Puling Biomedical), Puling Biomedical and its founding shareholders, pursuant to which Suzhou Angel Fund and Hongshulin Investment proposed to make capital contribution in cash in the aggregate amount of RMB16,833,333 to subscribe for additional registered capital of Puling Biomedical totaling RMB1,230,506.79, of which Suzhou Angel Fund proposed to make capital contribution in cash in the amount of RMB7,500,000 to subscribe for additional registered capital of Puling Biomedical of RMB548,245.61. Meanwhile, based on the comprehensive consideration of factors including investment strategies, as one of the existing investor shareholders of Puling Biomedical, Shanghai Futuo, a subsidiary of the Company issued a confirmation of non-exercise of the right of first refusal to Puling Biomedical on 31 May 2024 to waive its right of first refusal in respect of the additional registered capital of Puling Biomedical. Upon completion of the transactions under the capital increase agreement, the shareholding percentage of the Group in Puling Biomedical (through Shanghai Futuo and Suzhou Angel Fund) will increase to 12.60% from 10.65%.

As Fosun High Tech, the controlling shareholder of the Company, held more than 10% of the equity interest of Suzhou Angel Fund, a subsidiary of the Company, Suzhou Angel Fund constitutes a connected subsidiary and hence a connected person of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. Therefore, Shanghai Futuo (a subsidiary of the Company)'s waiver of its right of first refusal in respect of the additional registered capital of Puling Biomedical proposed to be subscribed by Suzhou Angel Fund under the capital increase constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

3. As disclosed in the announcement of the Company dated 11 December 2024, on 11 December 2024, Ningbo Fuying, a subsidiary of the Company, as a limited partner of each of Nanjing Fund, Dalian Xingweilai Fund and Suzhou Angel Fund, entered into the transfer agreements with Fosun High Tech for the acquisition of certain equity interest in such funds, pursuant to which:

   (1) Ningbo Fuying will acquire equity interest of Nanjing Fund in the amount of RMB200.00 million (with RMB110.00 million paid-up) from Fosun High Tech, at a consideration of RMB90.92 million;

   (2) Ningbo Fuying will acquire equity interest of Dalian Xingweilai Fund in the amount of RMB50.00 million (with RMB25.00 million paid-up) from Fosun High Tech, at a consideration of RMB25.00 million;

   (3) Ningbo Fuying will acquire equity interest of Suzhou Angel Fund in the amount of RMB44.00 million (with RMB24.50 million paid-up) from Fosun High Tech, at a consideration of RMB24.50 million.

   Upon completion of the transactions under the transfer agreements, the Group's subscribed equity interest in Nanjing Fund, Dalian Xingweilai Fund and Suzhou Angel Fund will increase from 41.15%, 41.00% and 39.20% to 66.24%, 51.00% and 64.20%, respectively.

   As Fosun High Tech is the controlling shareholder of the Company, Fosun High Tech is a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the transfer agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

(B) Non-exempt Continuing Connected Transactions

1. As disclosed in the announcement of the Company dated 7 January 2022, Dalian Xingweilai Fund, Dalian Fujian and Fujian Fund Management Company proposed to enter into a fund management agreement, pursuant to which Fujian Fund Management Company shall be the fund manager of Dalian Xingweilai Fund to provide fund management services for a term commencing from date of signing of the fund management agreement (i.e. 17 January 2022) and ending on 31 December 2024.

   As Fosun High Tech is a controlling shareholder of the Company, Fosun High Tech constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. During the Reporting Period, Fosun High Tech held 16.40% equity interest in Dalian Fujian, a subsidiary of the Company (which is the general partner of Dalian Xingweilai Fund, a subsidiary of the Company). Accordingly, Dalian Fujian and Dalian Xingweilai Fund constitute connected subsidiaries of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules and connected persons of the Company pursuant to the Hong Kong Listing Rules. Therefore, the transactions under such fund management agreement constitute the continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

2. As disclosed in the announcement of the Company dated 24 January 2022, Suzhou Angel Fund, Xingsheng Fuying and Fujian Fund Management Company proposed to enter into a fund management agreement, pursuant to which Fujian Fund Management Company shall be the fund manager of Suzhou Angel Fund to provide fund management services for a term commencing from the first closing date of the fund and ending on 31 December 2024. The fund management agreement was entered into on 29 January 2022.

   As Fosun High Tech is a controlling shareholder of the Company, Fosun High Tech constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. During the Reporting Period, Fosun High Tech held 29.60% equity interest in Xingsheng Fuying, a subsidiary of the Company (which is the general partner of Suzhou Angel Fund, a subsidiary of the Company). Accordingly, Xingsheng Fuying and Suzhou Angel Fund constitute connected subsidiaries of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules and connected persons of the Company pursuant to the Hong Kong Listing Rules. Therefore, the transactions under such fund management agreement constitute the continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

3. As disclosed in the announcement of the Company dated 29 August 2022, as well as the circular dated 31 October 2022, on 29 August 2022, the Company entered into a financial services agreement with Fosun Finance (as service provider) to renew the financial services agreement expiring on 31 December 2022 for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

   As Fosun Finance is a subsidiary of Fosun High Tech, a controlling shareholder of the Company, Fosun Finance constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the renewed financial services agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

4. As disclosed in the announcement of the Company dated 22 December 2022, on 22 December 2022, the Company and CQ Pharma Holdings entered into a mutual supply framework agreement in relation to the supply of sales products and the purchase of procurement products, and the mutual provision of services between the Group and CQ Pharma Holdings and its subsidiaries for a term of three year commencing from 1 January 2023 and ending on 31 December 2025.

   As CQ Pharma Holdings is a substantial shareholder of Yao Pharma, an indirect non-wholly-owned major subsidiary of the Company, CQ Pharma Holdings constitutes a connected person of the Company at the subsidiary level pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under such mutual supply framework agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

5. As disclosed in the announcement of the Company dated 15 December 2023, on 15 December 2023, the Company and Fosun International entered into a lessee framework agreement (the "**2024 Lessee Framework Agreement**") in relation to the lease of relevant premises of Fosun International and/or its associates to relevant members of the Group, as tenant, for a term of 1 year commencing from 1 January 2024 and ending on 31 December 2024. On the same date, the Company and Fosun International entered into a lessor framework agreement (the "**2024 Lessor Framework Agreement**") in relation to the lease of relevant premises of Fosun Pharma by Fosun International and/or its associates from relevant members of the Group, as lessor, for a term of 1 year commencing from 1 January 2024 and ending on 31 December 2024.

   As disclosed in the announcement of the Company dated 11 December 2024, as the 2024 Lessee Framework Agreement was about to expire, on 11 December 2024, the Company entered into a new lessee framework agreement with Fosun International to renew the 2024 Lessee Framework Agreement for a term of 1 year commencing from 1 January 2025 and ending on 31 December 2025. On the same date, as the 2024 Lessor Framework Agreement was about to expire, the Company entered into a new lessor framework agreement with Fosun International to renew the 2024 Lessor Framework Agreement for a term of 1 year commencing from 1 January 2025 and ending on 31 December 2025.

   As Fosun International is a controlling shareholder of the Company, Fosun International and its associates constitute connected persons of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the aforesaid tenancy framework agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

6. As disclosed in the announcement of the Company dated 15 December 2023, on 15 December 2023, the Company and Fosun International entered into a mutual supply framework agreement (the "**2024 Fosun International Mutual Supply Framework Agreement**") in relation to the mutual supply of products and provision of services between the Group and Fosun International and/or its associates, for a term of 1 year commencing from 1 January 2024 and ending on 31 December 2024.

   As disclosed in the announcement of the Company dated 11 December 2024, as the 2024 Fosun International Mutual Supply Framework Agreement was about to expire, on 11 December 2024, the Company entered into a new mutual supply framework agreement with Fosun International to renew the 2024 Fosun International Mutual Supply Framework Agreement for a term of 1 year commencing from 1 January 2025 and ending on 1 December 2025.

As Fosun International is a controlling shareholder of the Company, Fosun International constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under such mutual supply framework agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

The Company has complied and will continue to comply with relevant requirements pursuant to Chapter 14A of the Hong Kong Listing Rules in respect of connected transactions, including, among others, conducting an annual review of the continuing connected transactions.

Certain details of the continuing connected transactions during the year ended 31 December 2024 are summarized in the table below.

Connected persons	Type of the Transactions	Actual amount of the Transactions 2024 RMB	Annual cap for the Transactions 2024 RMB
Fosun International and its associates	Leasing of premises and receiving property management services by the Group from Fosun International and its associates (Short-term leases/Low-value leases)	44,722,534	80,000,000
	Leasing of premises and provision of property management services by the Group to Fosun International and its associates (Short-term leases/Low-value leases)	1,622,451	10,000,000
		46,344,985	**90,000,000**

Connected persons	Type of the Transactions	Actual amount of the Transactions 2024 RMB	Annual cap for the Transactions 2024 RMB
Fosun International and its associates	The Group's acceptance of the services provided by Fosun International and its associates	48,039,793	80,000,000
	Purchase of products by the Group from Fosun International and its associates	16,917,593	30,000,000
	Provision of services by the Group to Fosun International and its associates	25,265,577	70,000,000
	Sales of products by the Group to Fosun International and its associates	21,913,849	30,000,000
		112,136,812	**210,000,000**

Connected persons	Type of the Transactions	Actual amount of the Transactions 2024 RMB	Annual cap for the Transactions 2024 RMB
Fosun Finance	Provision of financial services by Fosun Finance to the Group:		
	(a) Maximum daily amount of the credit facility granted by Fosun Finance to the Group	1,789,802,143	2,000,000,000
	(b) Maximum daily balance of deposits placed by the Group with Fosun Finance	1,899,863,171	2,000,000,000
	(c) Fees and charges paid by the Group to Fosun Finance for settlement services and other financial services	—	1,000,000

Connected persons	Type of the Transactions	Actual amount of the Transactions 2024 RMB	Annual cap for the Transactions 2024 RMB
CQ Pharma Holdings	Sales of products by the Group to CQ Pharma Holdings and its subsidiaries	875,442,133	2,000,000,000
	Purchase of products by the Group from CQ Pharma Holdings and its subsidiaries	22,195,804	480,000,000
	The provision of services by the Group to CQ Pharma Holdings and its subsidiaries	—	6,000,000
	The Group's acceptance of the services provided by CQ Pharma Holdings and its subsidiaries	22,633,693	24,000,000
		920,271,630	**2,510,000,000**

Connected persons	Type of the Transactions	Actual amount of the Transactions 2024 RMB	Annual cap for the Transactions 2024 RMB
Dalian Fund	Provision of fund management services by Fujian Fund Management Company to Dalian Fund	9,433,962	10,000,000
Suzhou Angel Fund	Provision of fund management services by Fujian Fund Management Company to Suzhou Angel Fund	2,168,648	10,000,000
		11,602,610	**20,000,000**

The Board (including independent non-executive Directors) has reviewed the continuing connected transactions as described above and confirmed that in 2024, 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 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.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in note 47 to the financial statements. Save as disclosed in the paragraph headed "Connected Transactions" in this annual report, the related party transactions disclosed in note 47 were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

NON-COMPETITION UNDERTAKING

The independent non-executive Directors have reviewed all the matters, if any, relating to the enforcement of the Deed of Non-Competition. Fosun International Holdings, Fosun Holdings, Fosun International, Fosun High Tech, Mr. Guo Guangchang and Mr. Wang Qunbin have provided the Company with an annual declaration of compliance with the provisions of the Deed of Non-Competition.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events of the Group after the Reporting Period are set out in note 53 to the financial statements.

USE OF PROCEEDS

Pursuant the "Approval in relation to the Non-public Issuance of Shares by Shanghai Fosun Pharmaceutical (Group) Co., Ltd." by the CSRC (Zheng Jian Xu Ke [2021] No. 2501), the Company completed the issuance of 106,756,666 new A Shares (with a nominal value of RMB1.00 per share) in July 2022. The issuance price of the 2022 Non-public Issuance of A Shares was RMB42.00 per share, and the total amount of proceeds raised was RMB4,483.78 million. The net amount of the aforementioned total proceeds after deducting the issuance expenses was RMB4,456.20 million.

Regarding the net proceeds raised from the 2022 Non-public Issuance of A Shares, RMB568.38 million had been utilized during the Reporting Period, and an aggregate of RMB4,239.76 million had been utilized as at the end of the Reporting Period. The aggregated utilization details as at the end of the Reporting Period are as follows:

Unit: million Currency: RMB

Project name	Proposed investment amount from the proceeds	Actual accumulated amount of the proceeds invested as at 31 December 2024
Innovative drug clinical, license-in and relevant marketing preparation	2,607.62	1,851.18
Intensive comprehensive base for APIs and preparations	1,156.16	1,156.16
Replenishment of working capital	1,232.42	1,232.42
Total	**4,456.20**	**4,239.76**

As at 31 December 2024, the remaining net proceeds raised from the Non-public Issuance was RMB216.44 million, which will be invested to the proposed projects in 2025 (and subsequent years).

THE MODEL CODE AND THE WRITTEN CODE

The Company has adopted the Model Code and the Written Code as its codes of conduct regarding securities transactions. Having made specific enquiry of the Directors, all the Directors have confirmed that they have complied with the standards as set out in the Model Code and the Written Code throughout the Reporting Period.

COMPLIANCE WITH THE CG CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Hong Kong Listing Rules. The Board is of the view that, during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code.

Further information on the corporate governance practices of the Company is set out in the Corporate Governance Report on pages 105 to 116 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group must comply with a number of laws and regulations, which mainly include the PRC Company Law, the Civil Code of the PRC, the Drug Administration Law of the PRC, and exchange rules of listing places of the Company's shares, such as the Hong Kong Listing Rules and the Shanghai Listing Rules, as well as other applicable regulations, policies and regulatory legal documents promulgated pursuant to the aforementioned laws, regulations and rules.

Through various measures such as internal control, compliance management, business approval procedures and employee training, the Group ensures the compliance with applicable laws, regulations, and regulatory legal documents (especially those that have significant impact on the main business). Whenever there are any changes to the applicable laws, regulations, and regulatory legal documents, the Group will notify the relevant employees and the operating team from time to time.

During the Reporting Period, as far as the Directors were aware, there was no breach or non-compliance with the relevant laws and regulations by the Group which would have a material impact on the Group.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group complied with the Environmental Protection Law of the PRC, Environmental Impact Assessment Law of the PRC, Environmental Protection Tax Law of the PRC and other laws and regulations. The Company and relevant subsidiaries have established the EHS special committee and the EHS team to establish and continuously improve EHS-related policies and formulate EHS management strategic objectives. Relevant subsidiaries continued to improve the environmental management system and operating procedures for pollution prevention and control facilities to ensure that all production processes comply with the requirements of laws, regulations and technical specifications for ecological and environmental protection, as well as to establish and improve environmental management ledgers to record the operation and management of pollution prevention and control facilities, testing records and other environmental management information. For details on environmental policies and performance, please refer to the "2024 Environment, Society and Governance (ESG) and Sustainability Report" of the Company.

AUDIT COMMITTEE

As at the end of the Reporting Period, the Audit Committee of the ninth session of the Board comprised independent non-executive Directors Mr. Tang Guliang (chairman), Ms. Li Ling and Mr. Wang Quandi.

The main duties of the Audit Committee are to review and monitor the financial reporting procedures and internal control system of the Group, and to provide recommendations and advice to the Board. The Audit Committee of the Company has reviewed the 2024 annual results of the Group.

Report of the Directors

AUDITOR

The consolidated financial statements of the Group have been audited by Ernst & Young.

A resolution for re-appointing Ernst & Young as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board
Wu Yifang
Chairman

Shanghai, PRC
25 March 2025

Supervisory Committee Report

A. DURING THE REPORTING PERIOD, THE DAILY OPERATION OF THE SUPERVISORY COMMITTEE IS AS FOLLOWS:

In 2024, the ninth sessions of the Supervisory Committee of the Company carried out the work diligently, lawfully and efficiently in accordance with the Articles of Association and the Procedural Rules of the Supervisory Committee:

Supervisors attended relevant board meetings, and held 11 Supervisory Committee Meetings in 2024. Details are as follows:

1. On 9 January 2024, the first meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the unlocking of the first tranche of the restricted A Shares of the first grant under the 2022 Restricted A Share Incentive Scheme.

2. On 26 March 2024, the second meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the 2023 Annual Report of the Group, the Working Report of the Supervisory Committee for 2023, the 2023 Internal Control Assessment Report and the Special Report of the Placement and Actual Use of the Proceeds in 2023.

3. On 29 April 2024, the third meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the 2024 First Quarterly Report of the Group.

4. On 14 May 2024, the fourth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the amendments to the Procedural Rules of the Supervisory Committee appended to Articles of Association.

5. On 19 June 2024, the fifth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the election of the Chairman of the Supervisory Committee.

6. On 9 July 2024, the sixth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the temporary replenishment of working capital with some of the Idle Proceeds.

7. On 19 July 2024, the seventh meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the amendments to the Procedural Rules of the Supervisory Committee appended to Articles of Association.

8. On 29 July 2024, the eighth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the subject of the additional projects funded by proceeds from the 2022 Non-Public Issuance.

9. On 7 August 2024, the ninth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the repurchase and cancellation of certain restricted A Shares that are not yet unlocked.

10. On 27 August 2024, the tenth meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the 2024 Interim Report of the Group, the Special Report of the Placement and Actual Use of the Proceeds in the first half of 2024 of the Group and the 2024 Interim Internal Control Assessment Report.

11. On 29 October 2024, the eleventh meeting of the ninth session of the Supervisory Committee in 2024 was convened to review and approve the resolution in relation to the 2024 Third Quarterly Report of the Group.

B. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE LAWFUL OPERATION OF THE COMPANY

The Supervisory Committee is of the view that, during the Reporting Period, the operation of the Company had been consistent with the provisions of the PRC Company Law, the PRC Securities Law and the Articles of Association; that the decision-making process of the Company had been in compliance with the laws, and the Company had established a relatively comprehensive internal control system; and that the Directors and senior management of the Company, in discharging their duties, had not violated any law, regulation or the Articles of Association, nor had they acted in a way which is prejudicial to the interests of the Company.

C. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE FINANCIAL POSITION OF THE GROUP

The Supervisory Committee agrees with the audit opinion issued by Ernst & Young Hua Ming LLP and Ernst & Young on the 2024 financial report of the Group.

D. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE ACQUISITIONS OR DISPOSALS OF ASSETS BY THE GROUP

The Supervisory Committee is of the view that the Group acquired and disposed of assets at reasonable prices, and it was not aware of any insider dealing or any act that was prejudicial to the interests of Shareholders or resulting in any loss of assets of the Group during the Reporting Period.

E. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON RELATED PARTY/ CONNECTED TRANSACTIONS OF THE GROUP

The Supervisory Committee is of the view that the related party/connected transactions of the Group were fair, and were not prejudicial to the interests of the Group during the Reporting Period.

F. REVIEW OF THE INTERNAL CONTROL ASSESSMENT REPORT BY THE SUPERVISORY COMMITTEE

The Supervisory Committee has reviewed the 2024 Internal Control Assessment Report of the Group, and considers that, as at the end of the Reporting Period, the Group has established an appropriate internal control system in all material respects. During the Reporting Period, the internal control system has operated efficiently, which ensures the implementation of the internal control measures and the normal conduct of production and operation.

On Behalf of the Supervisory Committee
Chen Bing
Chairman

Shanghai, PRC
25 March 2025

Corporate Governance Report

The Board hereby presents to the Shareholders the corporate governance report of the Group for the year ended 31 December 2024 (the "**Corporate Governance Report**").

CORPORATE GOVERNANCE PRACTICES

As a company whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, the Company has strictly complied with relevant regulations, the Hong Kong Listing Rules, the Shanghai Listing Rules and the Articles of Association. The Company is committed to continuously improving its corporate governance structure, and optimizing its internal management and control and its business operation in order to improve the corporate governance of the Company.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability, as well as the formulation of corporate business strategy and policy outline.

The Company's corporate governance practices are based on the principles and Code Provisions as set out in the CG Code contained in Appendix C1 to the Hong Kong Listing Rules.

The Board is of the view that throughout the Reporting Period, the Company had complied with all the applicable code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules and formulated the Written Code as its code of conduct regarding securities transactions.

Specific enquiries have been made to all the Directors, and the Directors have confirmed that they had complied with the Model Code and the Written Code throughout the Reporting Period.

No incident of non-compliance of the Written Code by the Directors and relevant employees is noted by the Company.

BOARD OF DIRECTORS

As at the end of the Reporting Period, the Board constituted twelve members, including four executive Directors, four non-executive Directors and four independent non-executive Directors.

The composition of the Board is as follows:

Executive Directors:

Mr. Wu Yifang (吳以芳) *(Chairman)*
Mr. Wang Kexin (王可心) *(Co-Chairman)*
Ms. Guan Xiaohui (關曉暉) *(Vice Chairman)*
Mr. Wen Deyong (文德鏞) *(Chief Executive Officer)*

Non-executive Directors:

Mr. Chen Qiyu (陳啟宇)
Mr. Xu Xiaoliang (徐曉亮)
Mr. Pan Donghui (潘東輝)
Mr. Chen Yuqing (陳玉卿)

Independent non-executive Directors:

Ms. Li Ling (李玲)
Mr. Tang Guliang (湯谷良)
Mr. Wang Quandi (王全弟)
Mr. Yu Tze Shan Hailson (余梓山)

Notes:

Mr. Yao Fang resigned as a non-executive Director on 30 June 2024.

Mr. Chen Yuqing was appointed as a non-executive Director at the first extraordinary general meeting of 2024 held on 27 September 2024. Mr. Chen Yuqing has obtained the legal advice as at 27 September 2024 referred to in Rule 3.09D of the Hong Kong Listing Rules and confirms that he understands all the obligations under the Hong Kong Listing Rules that are applicable to him as a director of a listed company and the consequences that may arise if he makes a false statement or provides false information to the Hong Kong Stock Exchange.

Biographical information of the Directors is set out on pages 117 to 121 of this annual report.

The members of the Board do not have any relationship, including financial, business, family or other material or relevant relationship, with each other.

Chairman of the Board and Chief Executive Officer of the Company

During the Reporting Period, the positions of chairman and chief executive officer of the Company were served by Mr. Wu Yifang and Mr. Wen Deyong, respectively. The chairman provides leadership and is responsible for the effective functioning of the Board. The chief executive officer generally focuses on the business development and daily management and operation of the Group. Their respective duties have been clearly defined in written form.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Hong Kong 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, and the independent non-executive directors represent at least one-third of the Board.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. In accordance with the guidelines for assessing independence set out therein, the Company is of the view that all independent non-executive Directors are independent.

Appointment, Removal and Re-election of Directors

Directors shall have a term of office of three years and shall be entitled to be re-appointed when the term of office expires provided that the term of office of independent non-executive Directors shall not exceed six years. The Company has entered into a service contract with each executive Director and a letter of appointment with each non-executive Director and independent non-executive Director for a term of three years of each session (unless otherwise required by relevant laws and regulations). The appointment and removal of Directors shall be approved by Shareholders in the general meeting.

Responsibilities, Accountabilities and Contributions of the Board and the Management

The Board is responsible for leading and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the development of the Group by directing and supervising its affairs. Directors shall make decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation.

All Directors have timely access to all the information of the Company as well as the services and advice from the joint company secretaries and senior management to ensure independent views and input are available to the Board. The Directors may also, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision as to all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Group. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Group are delegated to the senior management.

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a director and of the conduct, business activities and developments of the Group. The Directors make full use of various channels to participate in trainings in respect of operations of listed companies and continuously enhance their performance capabilities, including but not limited to various types of special training/forums and continuous professional development courses, as well as the implementation briefings of regulatory communications/ listing rules published by each stock exchange where the Company is listed.

Every newly appointed Director will receive formal, comprehensive and tailored induction when he/she was first appointed to ensure appropriate understanding of the business and operations of the Group and full awareness of his/her responsibilities and obligations under the Hong Kong Listing Rules and relevant laws and regulations.

All Directors had participated in a continuous professional development program during the Reporting Period in order to refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expense.

According to the records maintained by the Company, for the year ended 31 December 2024, all Directors received training with an emphasis on the roles, functions and duties as a director of a listed company in compliance with the code provisions relating to continuous professional development under the CG Code. In addition, relevant training, reading materials and legal and regulatory updates have been provided to the Directors for their reference and studying. The continuous professional development records of the Directors for the year ended 31 December 2024 are set out in the table on page 111 of this annual report.

BOARD COMMITTEES

As at the end of the Reporting Period, the Board had established five committees, namely, Strategic Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and ESG Committee, for overseeing all aspects of the Group's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website (www.fosunpharma.com) and the Hong Kong Stock Exchange's website (www.hkexnews.hk) and are available to Shareholders upon request.

The majority of the members of each Board committee (except the Strategic Committee) are independent non-executive Directors, and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

Strategic Committee

The primary responsibilities of the Strategic Committee are to research and advise on the strategic planning of the Group's medium and long-term development and major issues affecting the Group's development, and to approve research reports on development strategy.

During the Reporting Period, the Strategic Committee held 1 meeting to research and advise on the strategic planning of the Group's 2024-to-2034 period and medium and long-term development.

Audit Committee

The principal duties of the Audit Committee are to assist the Board to review the financial information and periodic reports, to review and monitor internal control procedures and its risk management system, to review and monitor the effectiveness of the internal audit function, to review and inspect the appointment and removal of external auditors, to formulate and review the Company's corporate governance and practices, and to make recommendations on the above matters.

During the Reporting Period, the Audit Committee held 12 meetings to review periodic reports, audit plan, internal control implementation, major and ongoing related party/connected transactions, and the Group's Code of Business Ethics and its implementation, and make recommendations to the Group on strengthening the internal control system.

During the Reporting Period, the Audit Committee also held 2 meetings with the external auditors without the presence of the executive Directors.

Nomination Committee

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors and senior management, making recommendations to the Board on the appointment and succession planning of Directors and senior management, assessing the independence of independent non-executive Directors and reviewing the training and continuous professional development of Directors and senior management.

The Board has adopted a Director nomination policy, setting out the standards and procedures for nomination and appointment of directors, to ensure the members of the Board have the skills, knowledge, experience and diversity that meet the business requirements of the Group and to ensure the continuity of the Board and maintain its leadership, for the nomination of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge and qualification, personal integrity and time commitments of such individuals, the Group's needs and other relevant statutory requirements and regulations.

During the Reporting Period, the Nomination Committee held 3 meetings to discuss, review and make recommendations to the Board on matters relating to the selection and/or re-appointment of Directors and senior management of the Company (including diversity-related matters). The Nomination Committee considered an appropriate balance of diversity of the Board had been maintained.

Remuneration and Appraisal Committee

The primary duties of the Remuneration and Appraisal Committee include formulating, reviewing and making recommendations to the Board on the remuneration policy and structure for Directors and senior management, reviewing the performance of duties by Directors and senior management as well as reviewing their annual performance appraisal and remuneration packages.

During the Reporting Period, the Remuneration and Appraisal Committee held 3 meetings to review the implementation of performance appraisal and remuneration packages of the Directors and senior management of the Company during the prior year and the appraisal plan for the current year, to discuss and review the matters related to the unlocking, repurchase and cancellation of restricted A Shares under the Restricted A Share Incentive Scheme and the vesting and forfeiture of units under the H Share Employee Share Ownership Scheme of the Company, and to make recommendations to the Board. The Remuneration and Appraisal Committee is of the view that the implementation of the Restricted A Share Incentive Scheme and the H Share Employee Share Ownership Scheme during the Reporting Period has contributed to promote the establishment and improvement of the incentive and restraint mechanism of the Group, fully mobilize the enthusiasm of the Directors and senior management personnel of the Company and employees of the Group, effectively align the interests of the Company and Shareholders with the interests of the participants to focus the long-term development and achieve the development goals of the Group.

ESG Committee

The primary duties of the ESG Committee include formulating the ESG vision, targets, strategies and structure and reviewing the implementation of the ESG vision, strategies and structure, evaluating the external and internal impacts of ESG efforts, obtaining feedbacks on ESG efforts from internal and external consultants or experts, reviewing the reports on relevant results, reviewing the progress of the fulfillment of ESG goals, and making recommendations on the improvement for ESG efforts in the next phase.

During the Reporting Period, the ESG Committee held 2 meetings to review the 2023 ESG and Sustainability Report and the working plan for the 2024 ESG and Sustainability Report of the Group, and make recommendations to the Board.

Independent Non-Executive Director Special Meeting Mechanism

During the Reporting Period, the Company established a special meeting mechanism for independent non-executive Directors (the "**INED Special Committee**") to create a platform for independent non-executive Directors to fulfill their duties. This initiative actively leverages their professional expertise and advantages to promote the Company's standardized operations and informed decision-making. The primary duties of the INED Special Committee include independently engaging intermediary institutions to conduct audits, consultations, or verifications on specific matters of the Company, and reviewing notifiable connected/related party transactions, etc.

During the Reporting Period, the INED Special Committee held 11 meetings to review notifiable connected/related party transactions, thereby promoting the Company's standardized operations and protecting **Shareholders'** interests.

CORPORATE GOVERNANCE RESPONSIBILITIES

The Board is responsible for performing the functions as set out in Code Provision A.2.1 of the CG Code to ensure that the Company has established comprehensive corporate governance practices and procedures. During the Reporting Period, the Board:

(1) established (modified) and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;

(2) reviewed and monitored the training and continuous development of the Directors and senior management;

(3) reviewed and monitored the policies and practices of the Company regarding the compliance of relevant legal and regulatory requirements;

(4) established (modified), reviewed and monitored the code of conduct for Directors and employees; and

(5) reviewed as to whether the Company has complied with the CG Code and made disclosures in the Corporate Governance Report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board meetings and Board committee meetings of the Company held for the year ended 31 December 2024 is set out in the table below:

	Attendance/Number of Meetings							
Name of Directors	Board	Strategic Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	ESG Committee	General Meeting[1]	Continuous Professional Development
Executive Directors								
Mr. Wu Yifang	26/26	1/1(C)				2/2(M)	4/4	✓
Mr. Wang Kexin[2]	26/26	1/1(M)					4/4	✓
Ms. Guan Xiaohui	26/26					2/2 (M)	3/4	✓
Mr. Wen Deyong	26/26						4/4	✓
Non-executive Directors								
Mr. Chen Qiyu	26/26	1/1(M)			3/3(M)		3/4	✓
Mr. Xu Xiaoliang	26/26	1/1(M)					0/4	✓
Mr. Pan Donghui	26/26			3/3(M)	3/3(M)		4/4	✓
Mr. Chen Yuqing[3]	5/5						1/1	✓
Mr. Yao Fang[4]	11/11	0/0(M)					0/3	✓
Independent Non-executive Directors								
Ms. Li Ling	26/26	1/1(M)	12/12(M)	3/3(M)		2/2(M)	4/4	✓
Mr. Tang Guliang	26/26		12/12(C)		3/3(M)		3/4	✓
Mr. Wang Quandi	26/26		12/12(M)	3/3(C)	3/3(M)	2/2 (M)	4/4	✓
Mr. Yu Tsz Shan Hailson	26/26				3/3(C)	2/2(C)	3/4	✓

Notes:

(1) During the Reporting Period, the Company held a total of 4 general meetings, including 1 annual general meeting, 1 extraordinary general meeting, 1 A Shareholders class meeting and 1 H Shareholders class meeting.

(2) Mr. Wang Kexin was appointed as a member of the Strategic Committee on 1 July 2024. During his term of office in the Reporting Period, he was required to attend 1 meeting of the Strategic Committee.

(3) Mr. Chen Yuqing was appointed as a non-executive Director on 27 September 2024. During his term of office in the Reporting Period, he was required to attend 5 Board meetings and attended 1 general meeting.

(4) Mr. Yao Fang resigned as a non-executive Director on 30 June 2024. During his term of office in the Reporting Period, he was required to attend 11 Board meetings, 0 meeting of the Strategic Committee and 3 general meetings.

(5) (C) – Chairman of the committee; (M) – Committee member.

During the year ended 31 December 2024, the Company convened a meeting among the chairman and independent non-executive Directors only without the presence of other Directors.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2024. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 130 to 134.

AUDITORS' REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services for the annual report for the year ended 31 December 2024 amounted to RMB4.66 million. There is no remuneration paid to external auditors in respect of significant non-audit services.

INTERNAL CONTROL

The Board, particularly the Audit Committee, is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and interests of shareholders of the Company, and reviewing and monitoring the effectiveness of the Group's internal control and risk management systems on a regular basis in order to ensure that the internal control and risk management systems in place are adequate. The Company conducts reviews of the effectiveness of the internal control systems on a regular basis in order to ensure that they are able to satisfy and deal with different scenarios and the dynamic business environment.

During the Reporting Period, the Board and the Audit Committee, conducted annual review of the effectiveness on the internal control system of the Group, including review of all the Group's material controls, including financial operations and compliance controls and risk management functions, as well as review of the adequacy of accounting, internal audit, financial reporting functions, as well as resources, staff qualifications and experience, training programs and budget relating to the Group's ESG performance and reporting.

Through years of optimization, the Group proactively promoted the continuous improvement of internal control management system in terms of internal environment, risk assessment, activity control, information and communication, as well as internal supervision. Meanwhile, through internal inspection and supervision, communication and feedback, the Group can ensure the effective implementation of relevant administrative rules, smooth communication of feedback received, discovery of defaults and timely rectification. During the Reporting Period, the Group has maintained effective internal control in accordance with rules under laws and regulations and requirements of internal control. Operations were conducted normally, orderly and effectively.

In respect of the procedures for handling and announcement of inside information and internal control measures, the Company is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Hong Kong Listing Rules; strictly follow the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in handling its affairs; the Company has also adopted the Management System for Person Accessing to Inside Information, aiming to further regulate the management of inside information and person accessing to inside information.

The Board believes that existing internal control system was adequate and effective during the Reporting Period.

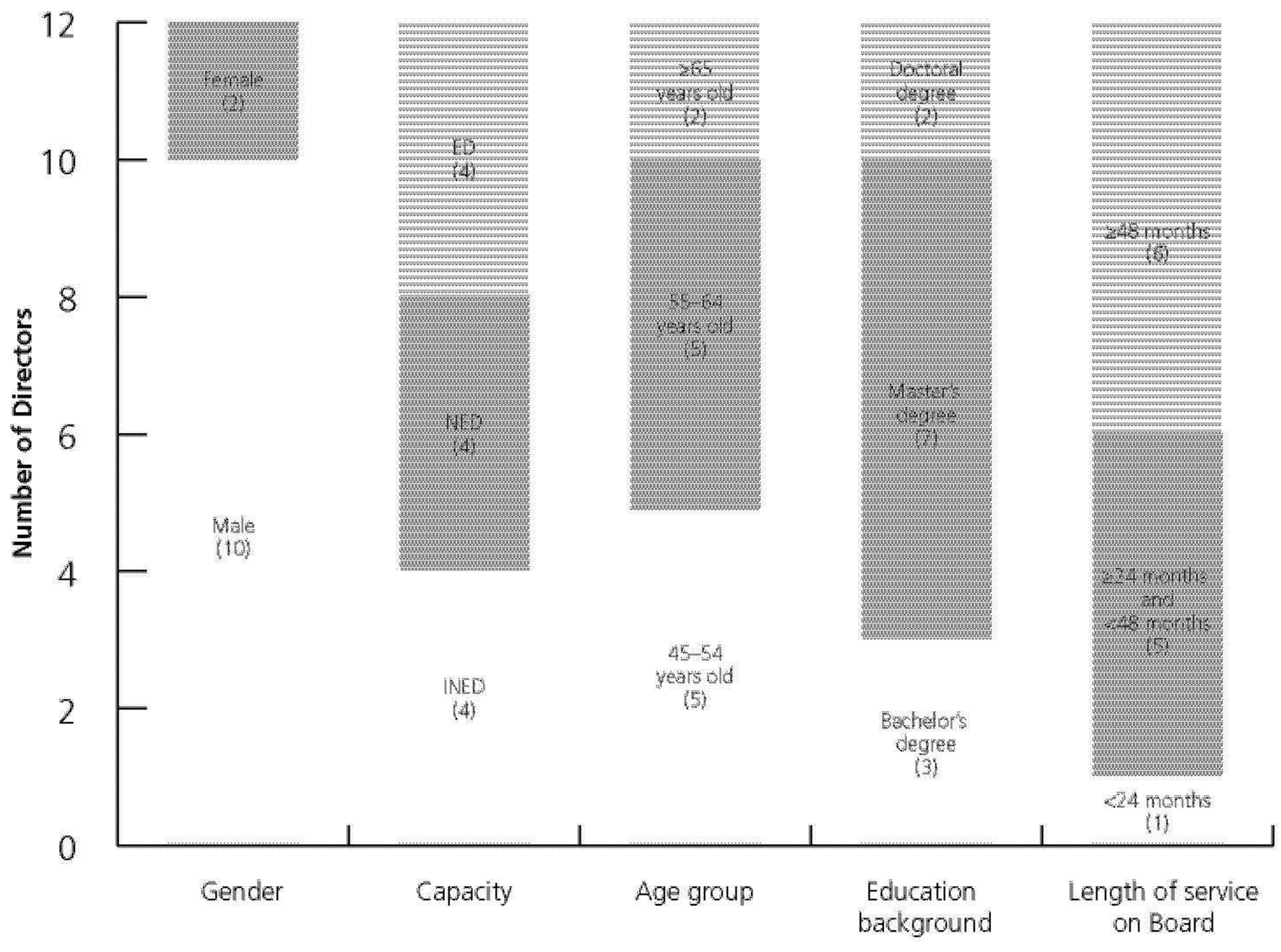
JOINT COMPANY SECRETARIES

Ms. Kam Mei Ha, Wendy has ceased to be the joint company secretary and the authorized representative of the Company as she has reached the age of retirement, with effect from 27 August 2024. Ms. Chan Sau Ling has been appointed as the joint company secretary and the authorized representative of the Company with effect from 27 August 2024.

As at the end of the Reporting Period, Ms. Dong Xiaoxian and Ms. Chan Sau Ling of Tricor Services Limited, an external service provider, were the joint company secretaries of the Company. The primary contact person for Ms. Chan Sau Ling was Ms. Dong Xiaoxian, who was a vice president, secretary to the Board and a joint company secretary of the Company. During the Reporting Period, both Ms. Dong Xiaoxian and Ms. Chan Sau Ling attended no less than 15 hours of professional training.

DIVERSITY

The Company adopted the Board Diversity Policy, which has been made available on the Company's website (www.fosunpharma.com). The Nomination Committee, in nominating and appointing new Board members, shall consider a range of diversity perspectives pursuant to the Policy, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and term of service, and make the final decision based on the merits and contribution that the candidate will bring to the Board. When nominating a successive director, the Nomination Committee will also adopt measures, including taking into consideration of the gender of the former director and successive director, to ensure the gender diversity of the Board. The Nomination Committee will review the Policy from time to time to ensure its continued effectiveness. The Nomination Committee viewed that during the Reporting Period, the relevant diversity elements have been substantially included into the Board composition. An analysis of the Board's diversity as at the end of the Reporting Period is set out as follows:



The Company also adopted the Diversity Policy of Employees to protect employees free from race, color, gender, religion, nationality, disability, marital status, retirement status, sexual orientation, gender identity or other legally protected status in the search for employment, compensation, and advancement. In order to ensure the diversity of the Board and employees, the Group has taken diversity into account when appointing directors, selecting senior management or recruiting employees. Taking gender diversity as an example, as at the end of the Reporting Period, the ratio of male to female staff (including senior management) of the Group was approximately 49.73% : 50.27%. The Board is of the view that as at the end of the Reporting Period, the Group has achieved gender diversity among its employees.

RIGHTS OF SHAREHOLDERS

To safeguard the interests and rights of the Shareholders, a separate resolution is proposed for each substantially separate issue at the shareholders' general meetings, including the election of individual Directors. All resolutions put forward at the shareholders' general meetings will be voted on by poll pursuant to the Hong Kong Listing Rules except where the chairman of the meeting, in good faith, decides to allow a resolution which relates merely to a procedural or administrative matter to be voted on by a show of hands, and poll results will be posted on the website of the Company (www.fosunpharma.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) after each the shareholders' general meeting.

(1) Shareholder's Requests to Convene an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association, if Shareholders require the convening of an extraordinary general meeting or a class general meeting, the following procedures shall be followed:

(i) Shareholder(s) individually or jointly holding more than ten percent (10%) of the Company's shares shall have the right to make a request to the Board for the holding of an extraordinary general meeting, which request shall be in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees that an extraordinary general meeting should be held within ten (10) days after receipt of such request.

(ii) If the Board agrees to convene an extraordinary general meeting, it shall serve a notice of such shareholders' general meeting within five (5) days after the resolution has been made by the Board. Any change to the original proposal set forth in the notice shall be subject to approval by the relevant Shareholders.

(iii) If the Board does not agree to convene an extraordinary general meeting or fails to give a written reply within ten (10) days after receipt of the request, the Shareholder(s) individually or jointly holding more than ten percent (10%) of shares of the Company shall have the right to request the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

(iv) If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall serve a notice of such shareholders' general meeting within five (5) days after receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of the relevant Shareholders shall be obtained.

(v) If the Supervisory Committee fails to serve the notice of such shareholders' general meeting within the prescribed period, it shall be deemed as having failed to convene and preside over the shareholders' general meeting, and the Shareholder(s) individually or jointly holding more than ten percent (10%) of the shares of the Company for over ninety (90) consecutive days may convene and preside over the meeting on their own, the procedures for convening such meeting shall follow those for convening a shareholders' general meeting by the Board as closely as practicable.

(vi) When the Shareholders convene a shareholders' general meeting as the Board has failed to convene the meeting pursuant to the aforesaid provision, the reasonable expense incurred shall be borne by the Company and shall be deducted from the outstanding amounts payable by the Company to the defaulting Directors.

(2) Proposals of Shareholders' General Meetings

Pursuant to Article 69 of the Articles of Association, Shareholder(s) individually or jointly holding more than one percent (1%) of the shares of the Company shall have the right to propose motions to the Company, and the Company shall include in the agenda of the said shareholders' general meeting the matters of the said motions falling within the functions and powers of shareholders' general meetings. In addition, Shareholder(s) individually or jointly holding more than one percent (1%) of the shares of the Company may submit written provisional motion(s) to the convener ten (10) days before a shareholders' general meeting is convened. The convener shall serve a supplementary notice of shareholders' general meeting within two (2) days after receipt of the motion(s) and announce the contents thereof.

(3) Putting Forward Enquiries to the Board

If any shareholder wants to raise any enquiries to the Board, such Shareholder may send written enquiries to the Company.

Note: The Company normally does not deal with verbal or anonymous enquiries.

(4) Primary Contact Persons

Shareholders may send their enquiries or requests as mentioned above to the Company by means of facsimile, email or post. The details of contact are as follows:

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Address: Building A, No. 1289 Yishan Road, Shanghai, China
Fax: 8621-33987871
Email: ir@fosunpharma.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice, statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company in Hong Kong, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information will be disclosed in accordance with applicable laws.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

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 endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other shareholders' general meetings of the Company.

As illustrated above, the Company has listed the rights of shareholders of the Company and the channels for shareholders to express or solicit opinions from shareholders, so that shareholders can understand their rights and how to exercise them. The Company also reviewed the implementation and effectiveness of the shareholder communication policy during the Reporting Period. Based on the results of the review, the Board is of the opinion that the Shareholders' Communication Policy has been properly implemented and effective during the year.

In light of, among other things, the newly revised PRC Company Law (effective from 1 July 2024), the abolition of the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Mandatory Provisions for Companies Listing Overseas (《到境外上市公司章程必備條款》) on 31 March 2023, the formulation and issuance of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and the recent amendments to the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) (effective from 15 December 2023) and the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (effective from 15 December 2023) by the CSRC, and certain recent amendments to the Listing Rules, as well as taking into account the actual conditions of the Company, at the 2024 first extraordinary general meeting held on 27 September 2024, the Company considered and approved a resolution on the amendments to the Articles of Association and its Appendices (including deletions and additions of certain clauses) (for details, please refer to the announcements of the Company dated 19 July 2024, the circular dated 19 August 2024). Based on the authorization granted at the 2022 second extraordinary general meeting, the 2022 second A Shareholders class meeting and the 2022 second H Shareholders class meeting of the Company, the Board approved the resolution in relation to the amendments to Article 19 and Article 20 to the Articles of Association on 10 October 2024. The latest version of the Articles of Association is available at the Company's website (www.fosunpharma.com) and the website of Hong Kong Stock Exchange (www.hkexnews.hk).

To promote effective communication, the Company maintains an official website at www.fosunpharma.com, where information and updates on the Group's business developments and operation, financial information, corporate governance practices and other information are available for public access.

Biographical Details of Directors, Supervisors and Senior Management

DIRECTORS

Mr. Wu Yifang (吳以芳), aged 55, was appointed as an executive Director of the Company in August 2016 and the chairman of the Company in October 2020. Mr. Wu joined the Group in April 2004 and served as a senior vice president, chief operating officer, president, chief executive officer and other positions of the Company. Mr. Wu is currently a non-executive director of Sisram Medical (stock code: 01696), a company listed on the Hong Kong Stock Exchange, a non-executive director of Shanghai Henlius (stock code: 02696), a company listed on the Hong Kong Stock Exchange, and a senior vice president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Mr. Wu was the chairman of the supervisory committee of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, and a non-executive director of Gland Pharma (stock code: GLAND), a company listed on the BSE and the NSE. Prior to joining the Group, Mr. Wu served at Xuzhou Biochemical Pharmaceutical Factory* (徐州生物化學製藥廠), Xuzhou (Wanbang) Biopharmaceuticals Manufactures Plant* (徐州(萬邦)生物化學製藥廠), and Xuzhou Wanbang Biochemical Pharmaceutical Co., Ltd.* (徐州萬邦生化製藥有限公司) and Fosun Wanbang (where Xuzhou Biochemical Pharmaceutical Factory* (徐州生物化學製藥廠), Xuzhou (Wanbang) Biopharmaceuticals Manufactures Plant* (徐州(萬邦)生物化學製藥廠) and Xuzhou Wanbang Biochemical Pharmaceutical Co., Ltd.* (徐州萬邦生化製藥有限公司) were predecessors of Fosun Wanbang, a subsidiary of the Company). Mr. Wu is currently a deputy to the 14th People's Congress of Jiangsu province, an executive member of China Society for Drug Regulation (中國藥品監督管理研究會), a vice chairman of China News of Drug Information Association (中國醫藥新聞信息協會), a vice chairman of China Pharmaceutical Enterprise Association (中國醫藥企業管理協會), a vice chairman of China Pharmaceutical Industry Association (中國化學製藥工業協會), an honorary President chairman of China Non-prescription Medicines Association (中國非處方藥物協會), a vice chairman of the Shanghai Pharmaceutical Profession Association (上海醫藥行業協會), and a vice chairman of the China Association of Enterprises with Foreign Investment (中國外商投資企業協會). Mr. Wu graduated from Nanjing University of Science and Technology majoring in international commerce and obtained a master's degree in business administration from Saint Joseph's University in the U.S.

Mr. Wang Kexin (王可心), aged 60, was appointed as an executive Director of the Company in December 2021 and the co-chairman of the Company in June 2022. Mr. Wang joined the Group in June 2010 and served as a vice president, a senior vice president, the co-president and chief investment officer, the vice chairman and other positions of the Company. Mr. Wang is currently a senior vice president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Prior to joining the Group, Mr. Wang served as the deputy general manager of Sea Rainbow Holding Corporation* (海虹控股醫藥電子商務有限公司), the marketing director of Kunming Pharmaceutical Group Corporation Limited* (昆明製藥集團股份有限公司) (stock code: 600422), a company listed on Shanghai Stock Exchange, the general manager of Kunming Pharmaceutical Retail Company Limited* (昆明製藥藥品銷售有限公司), the general manager of Beijing Huali Jiuzhou Medical Company Limited* (北京華立九州醫藥有限公司), the vice president of Chongqing Huali Pharmaceutical Industry Company Limited* (重慶華立藥業股份有限公司) (former stock code: 000607), a company formerly listed on the Shenzhen Stock Exchange, and the chairman of Beijing Tianren Hexin Pharmaceutical Company Limited* (北京天仁合信醫藥經營有限責任公司). Mr. Wang is a deputy to the 14th People's Congress of Liaoning province. Mr. Wang obtained a bachelor's degree of medicine from Shenyang Pharmaceutical University (formerly known as Shenyang Pharmaceutical College).

Ms. Guan Xiaohui (關曉暉), aged 53, was appointed as an executive Director of the Company in December 2021 and the vice chairman of the Company in January 2022. Ms. Guan joined the Group in May 2000 and served as the assistant to the president, general manager of the financial department, chief accountant, vice president and chief accountant, senior vice president and chief financial officer, the executive president, chief financial officer and other positions of the Company. Ms. Guan is currently a non-executive director of Shanghai Henlius (stock code: 02696), a company listed on the Hong Kong Stock Exchange, the chairman of the supervisory committee of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, and a vice-president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Ms. Guan served as a non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, and a non-executive director of Gland Pharma (stock code: GLAND), a company listed on the BSE and the NSE. Prior to joining the Group, Ms. Guan worked at Jiangxi Branch of Industrial and Commercial Bank of China. Ms. Guan obtained a bachelor's degree in economics from Jiangxi University of Finance and Economics, and a master's degree of professional accountancy from Chinese University of Hong Kong. Ms. Guan has the qualifications of a Chinese Certified Public Accountant (CPA) and is a member of the Association of Chartered Certified Accountants (ACCA).

Mr. Wen Deyong (文德鏞), aged 53, was appointed as the chief executive officer of the Company in June 2022 and an executive Director of the Company in August 2022. Mr. Wen joined the Group in May 2002. He worked several positions including a vice president, a senior vice president, the co-president and the president of the Company. Mr. Wen is currently a non-executive director of Shanghai Henlius (stock code: 02696), a company listed on the Hong Kong Stock Exchange, a non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, a director of China National Medicines Corporation Ltd.* (國藥集團藥業股份有限公司) (stock code: 600511), a company listed on the Shanghai Stock Exchange, and the chairman of the supervisory committee of China National Accord Medicines Corporation Ltd. (stock code: 000028), a company listed on the Shenzhen Stock Exchange. Mr. Wen was a director of Anhui Sunhere Pharmaceutical Excipients Co., Ltd.* (安徽山河藥用輔料股份有限公司) (stock code: 300452), a company listed on the Shenzhen Stock Exchange. Prior to joining the Group, Mr. Wen worked at Chongqing Yaoyou Factory VI* (重慶製藥六廠), the predecessor of Chongqing Yaoyou Pharmacy Co., Ltd.* (重慶藥友製藥有限責任公司), a subsidiary of the Company. Mr. Wen is currently a deputy of the 16th People's Congress of Shanghai Municipality, a vice president of Shanghai Licensed Pharmacist Association (上海執業藥師協會), a vice president of China Association of Pharmaceutical Commerce (中國醫藥商業協會), and a member of Chinese Preventive Medicine Association (中華預防醫學會). Mr. Wen graduated from West China University of Medical Science majoring in pharmacy, which is now known as West China Medical Center of Sichuan University, and obtained a master's degree in business administration from Donghua University.

Mr. Chen Qiyu (陳啟宇), aged 52, was appointed as a non-executive Director of the Company in October 2020. Mr. Chen served as a secretary to the Board, general manager, vice chairman, executive Director, chairman and other positions of the Company from April 1994 to October 2020. Mr. Chen is currently the chairman of Fosun High Tech, an executive director and a co-chief executive officer of Fosun International (stock code: 00656), a non-executive director and vice chairman of Sinopharm (stock code: 01099) and a non-executive director of Shanghai Henlius (stock code: 02696), all of which are companies listed on the Hong Kong Stock Exchange. Mr. Chen was a non-executive director of Babytree Group (former stock code: 01761, delisted from the Hong Kong Stock Exchange in December 2024), a co-chairman of the board of New Frontier Health Corporation (former stock code: NFH), which was delisted from the New York Stock Exchange in January 2022 and merged into Unicorn II Holdings Limited, and a director of Beijing Sanyuan Foods Co., Ltd.* (北京三元食品股份有限公司) (stock code: 600429), a company listed on the Shanghai Stock Exchange, and a non-executive director of Gland Pharma (stock code: GLAND), a company listed on the BSE and the NSE, from October 2017 to August 2024. Mr. Chen is a member of the 14th Standing Committee of the Chinese People's Political Consultative Conference of Shanghai Municipality, chairman of Shanghai Federation of Industry and Commerce Biomedical Chamber of Commerce (上海市工商聯生物醫藥商會會長), the chairman of China Medical Pharmaceutical Material Association (中國醫藥物資協會), vice president of China Pharmaceutical Industry Research and Development Association (中國醫藥創新促進會), honorary chairman and chief supervisor of the Shanghai Biopharmaceutical Industry Association (上海市生物醫藥行業協會) and a part-time vice chairman of Shanghai Federation of Industry and Commerce (General Chamber of Commerce) (上海市工商業聯合會(總商會)). Mr. Chen obtained a bachelor's degree of science in genetics from Fudan University and EMBA from China Europe International Business School.

Mr. Xu Xiaoliang (徐曉亮), aged 51, was appointed as a non-executive Director of the Company in June 2019. Mr. Xu is currently a director and general manager of Fosun High Tech, an executive director and co-chief executive officer of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, an executive director and chairman of Fosun Tourism (former stock code: 01992, delisted from the Hong Kong Stock Exchange in March 2025), a director of Yuyuan (stock code: 600655), a company listed on the Shanghai Stock Exchange, and a director of Shanghai Foyo Culture & Entertainment Co., Ltd.* (上海復娛文化傳播股份有限公司) (delisted from NEEQ in April 2021). Mr. Xu was a non-executive director and vice chairman of Zhaojin Mining Industry Company Limited* (招金礦業股份有限公司) (stock code: 01818), a company listed on the Hong Kong Stock Exchange, a director of Shanghai Resource Property Consulting Co., Ltd.* (上海策源置業顧問股份有限公司) (delisted from NEEQ in December 2020), and a director of Hainan Mining Co., Ltd.* (海南礦業股份有限公司) (stock code: 601969), a company listed on the Shanghai Stock Exchange. Mr. Xu is currently a deputy of the 16th People's Congress of Shanghai Municipality, and the chairman of the Shanghai International Fashion Federation (上海國際時尚聯合會), Mr. Xu graduated from Innova Education School of Singapore with a diploma, obtained a master's degree in business administration from the East China Normal University and EMBA from Fudan University.

Mr. Pan Donghui (潘東輝), aged 55, was appointed as a non-executive Director of the Company in June 2020. Mr. Pan is currently the executive president and chief human resources officer and executive director of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Mr. Pan is also currently a non-executive director of Fosun Tourism (former stock code: 01992, delisted from the Hong Kong Stock Exchange in March 2025), and a director of Shanghai Foyo Culture & Entertainment Co., Ltd.* (上海復娛文化傳播股份有限公司) (delisted from NEEQ in April 2021). Mr. Pan was a director and chairman of the supervisory committee of Shanghai Ganglian E-Commerce Holdings Co., Ltd.* (上海鋼聯電子商務股份有限公司) (stock code: 300226), a company listed on the Shenzhen Stock Exchange. Mr. Pan worked at Zhejiang Ningbo Tiandi Group Co., Ltd.* (浙江寧波天地集團股份有限公司, now known as Ningbo Tiandi (Group) Co., Ltd.* (寧波天地(集團)股份有限公司)). Mr. Pan obtained a bachelor's degree in engineering from Shanghai Jiaotong University, and a master's degree in business administration from the University of Southern California in the U.S.

Mr. Chen Yuqing (陳玉卿), aged 49, was appointed as a non-executive Director of the Company in September 2024. Mr Chen is currently the vice president of the Fosun International Limited (stock code: 00656), a company listed on the Hong Kong Stock Exchange, the chairman of Fosun Health, a subsidiary of the Company, and holds directorships in certain subsidiaries of Fosun Health. Mr. Chen held several the positions of assistant president and general manager of human resources, vice president, senior vice president, co-president and co-chief executive officer of the Company from January 2010 to June 2023, among others. Previously before October 2009, Mr. Chen had been a teacher at the School of Materials of Shanghai University, the human resources manager of each of Yanfeng Visteon Automotive Trim Systems Co., Ltd* (延鋒偉世通汽車飾件系統有限公司) (now renamed as Yanfeng Automotive Trim Systems Co., Ltd.* (延鋒汽車飾件系統有限公司)), Yanfeng Visteon (Beijing) Automotive Trim Systems Co., Ltd.* (延鋒偉世通(北京)汽車飾件系統有限公司) and Shanghai Yanfeng Johnson Controls Seating Co., Ltd.* (上海延鋒江森座椅有限公司), the development manager of the human resources department of Shanghai Alison (Group) Co., Ltd.* (上海埃力生(集團)有限公司), the Central China human resources manager of Schindler China Elevator Co. Ltd.* (迅達(中國)電梯有限公司), the senior human resources integration manager of Global Mart Limited* (購寶商業集團), and the chief human resources director of Kubao Information Technology (Shanghai) Co., Ltd.* (酷寶信息技術(上海)有限公司). Mr. Chen obtained a bachelor's degree in engineering from Shanghai University.

Ms. Li Ling (李玲), aged 63, was appointed as the Company's independent non-executive Director in June 2019. As an expert in health economics, Ms. Li is experienced in research in areas such as medical and health policy, health economics, economics of ageing and economic growth, and has published many research outcomes. Ms. Li is currently an economics professor and a Ph.D. supervisor of National School of Development at Peking University, the director of Research Center of China Healthy Development at Peking University and concurrently serves as an independent non-executive director of JD Health International Inc.* (京東健康股份有限公司) (stock code: 06618), a company listed on the Hong Kong Stock Exchange. Ms. Li served as a lecturer at Wuhan University, an assistant to professor and an associate professor with tenure at the Department of Economics of Towson University, as well as a deputy director, an economics professor and a Ph.D. supervisor at China Center for Economic Research of Peking University. Ms. Li is also a member of the State Council Health Reform Advisory Commission, an advisor to the Beijing Municipal Government, and a vice chairman of the China Association of Gerontology and Geriatrics (中國老年學和老年醫學學會). Ms. Li obtained a bachelor's degree in physics from Wuhan University, and obtained a master's degree and a doctoral degree in economics from University of Pittsburgh in the U.S.

Mr. Tang Guliang (湯谷良), aged 62, was appointed as the Company's independent non-executive Director in June 2019. As an expert in financial accounting, Mr. Tang has extensive experience in management accounting, corporate investment and financing, group management and control, and corporate finance and accounting digital transformation, and has published many research outcomes. Mr. Tang is currently a professor at the Department of Economics of International Business School of University of International Business and Economics, and concurrently served as an independent director of Jointown Pharmaceutical Group Co., Ltd.* (九州通醫藥集團股份有限公司) (stock code: 600998), a company listed on the Shanghai Stock Exchange, an independent director of Chongqing Changan Automobile Company Limited* (重慶長安汽車股份有限公司) (stock code: 000625), a company listed on the Shenzhen Stock Exchange, an independent director of Three Gorges Capital Holdings Co., Ltd.*(三峽資本控股有限責任公司), an independent director of JIC Leasing Co., Ltd.* (中建投租賃股份有限公司). Mr. Tang was an assistant lecturer, lecturer, associate professor and professor at the Accounting Department of Beijing Business School (currently Beijing Technology and Business University), the dean and professor at School of Accounting of Beijing Technology and Business University, and the dean of International Business School of University of International Business and Economics. He also served an independent director of Appotronics Corporation Limited* (深圳光峰科技股份有限公司) (stock code: 688007), a company listed on the STAR Market of the Shanghai Stock Exchange. Mr. Tang is a non-practicing member of The Chinese Institute of Certified Public Accountants. Mr. Tang obtained a bachelor's degree in accounting from Beijing Business School (currently Beijing Technology and Business University), a master's degree in accounting from Beijing Business School, and a doctoral degree in finance from Chinese Academy of Fiscal Sciences under the Ministry of Finance.

Mr. Wang Quandi (王全弟), aged 74, was appointed as the Company's independent non-executive Director in June 2021. As a legal expert, Mr. Wang has published major works and papers such as General Principles to Civil Law (民法總論), Law of Obligations (債法) and Property Law (物權法). Mr. Wang is currently an independent director of Shandong Bohui Paper Industrial Co., LTD* (山東博匯紙業股份有限公司) (stock code: 600966), a listed company on the Shanghai Stock Exchange. Mr. Wang taught at Fudan University Law School for more than 30 years, with the professional field of law (civil and commercial law). Mr. Wang was an arbitrator at the Shanghai Arbitration Commission. Mr. Wang obtained a bachelor degree in law from Jilin University.

Mr. Yu Tze Shan Hailson (余梓山), aged 68, was appointed as the Company's independent non-executive Director in June 2021. As an expert in the authorization and transformation of scientific and technological achievements, Mr. Yu has extensive experience in biopharmaceuticals, Chinese medicine, patent and authorization, venture capital investment, systems engineering and computer engineering. Mr. Yu is currently an independent non-executive director of China Traditional Chinese Medicine Holdings Co., Ltd.* (中國中藥控股有限公司) (stock code: 00570) and an independent non-executive director of China NT Pharma Group Company Limited* (中國泰凌醫藥集團有限公司) (stock code: 01011), both of which are listed on the Hong Kong Stock Exchange, and is also a director of Innovation & Entrepreneurship of Macau University of Science and Technology. Mr. Yu was an independent non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Mr. Yu was the deputy managing director of Versitech Limited and deputy director of Technology Transfer Office of the University of Hong Kong from February 1998 to September 2022, and served as the chief operating officer of HKU Innovation Holdings Limited from April 2020 to September 2022. Mr. Yu currently is a Chartered Engineer, fellow of each of the Institution of Engineering and Technology, the Hong Kong Institution of Engineers, the Chartered Institute of Arbitrators and Hong Kong Institute of Arbitrators, and a member of the expert audit committee of Logistics and Supply Chain MultiTech R&D Centre. Mr. Yu obtained a bachelor's degree in Electrical Engineering from the University of Calgary, a master's degree in Engineering from the University of Hong Kong, and a master's degree in Arbitration and Dispute Resolution from City University of Hong Kong.

SUPERVISORS

Mr. Chen Bing (陳冰), aged 50, was appointed as the Company's Supervisor in June 2023 and the chairman of the Supervisory Committee of the Company in June 2024. Mr. Chen is currently the vice president, the co-chief risk officer and the general manager of the audit department of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, and has been the chairman of the supervisory committee of Zhejiang Wansheng Co., Ltd.* (浙江萬盛股份有限公司) (stock code: 603010), a company listed on the Shanghai Stock Exchange, since December 2024. Mr. Chen served at KPMG. He served as a senior audit manager and partner of MAZARS Shanghai Certified Public Accountants LLP* (上海瑪澤會計師事務所(普通合夥)). He served various positions including the joint general manager of the audit department, assistant to the president and senior assistant to the president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, from July 2017 to December 2021. Mr. Chen had been a director of Zhejiang Wansheng Co., Ltd.* (浙江萬盛股份有限公司) (stock code: 603010), a company listed on the Shanghai Stock Exchange, from November 2023 to December 2024, and a non-executive director of Babytree Group (former stock code: 01761, delisted from the Hong Kong Stock Exchange in December 2024) from July 2021 to December 2024. Mr. Chen is currently a non-practicing member of the Chinese Institute of Certified Public Accountants and a member of Shanghai Institute of Certified Public Accountants. Mr. Chen obtained a bachelor's degree in economics from Fudan University.

Mr. Guan Yimin (管一民), aged 74, was appointed as the Company's Supervisor in June 2014. Mr. Guan is currently an independent director of China Fortune Securities Co., Ltd.* (華鑫證券有限責任公司), an independent director of Greenland Holdings Group Co., Ltd.* (綠地控股集團有限公司) (stock code: 600606), a company listed on the Shanghai Stock Exchange, an independent director of Jiangsu Nonghua Intelligent Agriculture Technology Co., Ltd.* (江蘇農華智慧農業科技股份有限公司) (stock code: 000816), a company listed on the Shenzhen Stock Exchange, and an independent director of Shanghai Jinjiang Shipping (Group) Co., Ltd.* (上海錦江航運(集團)股份有限公司) (stock code: 601083), a company listed on the Shanghai Stock Exchange. Mr. Guan had been an independent Director and independent non-executive Director of the Company from May 2007 to June 2013. Mr. Guan was the vice president and professor of Shanghai National Accounting Institute, and concurrently served as an independent director of Bringspring Science and Technology Co., Ltd.* (榮科科技股份有限公司) (stock code: 300290), a company listed on the Shenzhen Stock Exchange, and an independent director of Hefei Genius Advanced Material Co., Ltd.* (合肥杰事杰新材料股份有限公司) (stock code: 834166), a company listed on the NEEQ. Mr. Guan had been an independent director of Yihai Kerry Arawana Holdings Co., Ltd.* (益海嘉里金龍魚糧油食品股份有限公司) (stock code: 300999), a company listed on the Shenzhen Stock Exchange, from March 2019 to April 2024, and an independent director of Shanghai Huayi (Group) Company* (上海華誼集團股份有限公司) (stock code: 600623), a company listed on the Shanghai Stock Exchange, from June 2020 to June 2024. Mr. Guan obtained a bachelor's degree in accounting from Shanghai University of Finance and Economics (SUFE).

Ms. Wang Lina (王麗娜), aged 39, was appointed as the Company's Supervisor (an employee Supervisor) in June 2024. Ms. Wang is currently the executive general manager of the human resources department of the Company and the vice president, CHO and general manager of the human resources department of Fosun Health, a subsidiary of the company. Ms. Wang joined the Group in July 2007. She has served successively as management trainee, human resources specialist, compensation and benefits specialist, compensation and benefits supervisor, compensation and benefits manager, senior compensation and benefits manager, deputy director of remuneration and performance, director of remuneration and performance, assistant to the general manager of the human resources department (in charge of remuneration, performance and recruitment), deputy general manager and executive general manager of the human resources department of the Company from July 2007 to present. During that time, Ms. Wang has served successively as general manager of the human resources and administration department, assistant to the president and general manager of the human resources and administration department, vice president, chief human resources officer (CHO) and general manager of the human resources department of Shanghai Fosun Hospital Investment (Group) Co., Ltd.* (上海復星醫院投資(集團)有限公司), which has been renamed as Fosun Health, from January 2018 to present. Ms. Wang obtained a bachelor's degree in economics from Shanghai Maritime University and a master's degree in management from Renmin University of China.

SENIOR MANAGEMENT

Mr. Wen Deyong (文德鏞) is the Company's executive Director and chief executive officer. His biographical details are set out on page 118 of this annual report.

Mr. Xingli Wang, aged 62, is currently the Company's executive president (appointed in January 2023), the chief executive officer of the global R&D center and co-chief executive officer of innovative medicine division. Mr. Wang joined the Group in January 2023, and has served as a non-executive director of Shanghai Henlius (stock code: 02696), a company listed on the Hong Kong Stock Exchange, since August 2023. Prior to joining the Group, Mr. Wang served as a senior lecturer in cardiovascular medicine at The University of New South Wales, Australia, and as a cardiologist and professor with tenure at Baylor College of Medicine, USA, medical director of Schering-Plough Corporation, a company formerly listed on the NYSE (stock code: SGP) (merged into Merck & Co., Inc. in 2009). He also worked in Novartis AG (stock code: NVS), a company listed on the NYSE, mainly serving as project supervisor, global project clinical head, head of Novartis global drug R&D (China) and general manager of Biomedical Research Institute (China). Mr. Wang obtained a bachelor's degree in medicine from Shandong Medical College (merged into Shandong University in 2000) and a doctorate degree in cardiovascular science from the UNSW. Mr. Wang also holds a license to practice medicine in Australia.

Mr. Wenjie Zhang, aged 57, is currently the Company's executive president (appointed in July 2023) and co-CEO of innovative medicines division. Mr. Zhang joined the Group in March 2019. He was a senior vice president, chief commercial operations officer, chief strategic officer, president and chief executive officer of Shanghai Henlius (stock code: 02696), a company listed on the Hong Kong Stock Exchange, from March 2019 to July 2023. He was an executive director of Shanghai Henlius from November 2020 to March 2025 and is currently a non-executive director and the chairman of the board of directors of Shanghai Henlius. Mr Zhang has also been a non-executive director of Gland Pharma (stock code: GLAND), a company listed on the BSE and the NSE, since August 2024. Prior to joining the Group, Mr. Zhang served as the assistant engineer of research and development of Jinan Corbère Bioengineering Co., Ltd.* (濟南科貝爾生物工程有限公司), the China sales representative of Sino-American Shanghai Squibb Pharmaceuticals Co., Ltd.* (中美上海施貴寶製藥有限公司). He worked at Bayer Group (stock code: BAYGn), a company listed on Frankfurt Stock Exchange, and served as the product manager of US Marketing Division at Bayer Pharmaceutical's US subsidiary, business development manager and deputy director of global marketing, head of business development at Bayer Healthcare's Asia Pacific headquarters, the head of Oncology and Specialty Medicine Business at Bayer Schering Pharma China, and the head of Oncology and Specialty Medicine Business in Asia Pacific, vice president of Tumor Business Department II of Shanghai Roche Pharmaceutical Co., Ltd.* (上海羅氏製藥有限公司). He also worked at Amgen Inc. (stock code: AMGN) ("Amgen"), a company listed on the NASDAQ, and served as the executive director of Japan and Asia Pacific of Amgen and the general manager of Amgen Biopharmaceutical (Shanghai) Co., Ltd.* (安進生物醫藥(上海)有限公司). Mr. Zhang obtained a bachelor's degree in science from Shandong University and a master's degree in business administration from Yale University.

Ms. Feng Rongli (馮蓉麗), aged 49, is currently the Company's executive president (appointed in January 2024) and chief human resources officer. Ms. Feng joined the Group in April 2020. She was a vice president and senior vice president of the Company from April 2020 to January 2024. Ms. Feng is currently a non-executive director of Sisram Medical (stock code: 01696), the chairman of the supervisory committee of Shanghai Henlius (stock code: 02696), and a non-executive director of Sinopharm (stock code: 01099), all of which are companies listed on the Hong Kong Stock Exchange. Prior to joining the Group, Ms. Feng served as a human resources supervisor of Sealed Air Packaging (Shanghai) Co., Ltd.* (希悅爾包裝(上海)有限公司), a human resources manager of Grundfos Pumps (Shanghai) Co., Ltd.* (格蘭富水泵(上海)有限公司), the Asia-Pacific human resources manager of Emerson Electric (China) Holdings Co., Ltd.* (艾默生電氣(中國)投資有限公司), the China human resources planning manager of Dow Chemical (China) Co., Ltd.* (陶氏化學(中國)有限公司), the director of human resources of Shanghai Roche Pharmaceutical Co., Ltd.* (上海羅氏製藥有限公司), the senior director of human resources at F. Hoffmann-La Roche AG, the deputy chief human resources officer of Fosun High Tech and the managing director of the human resources of Shanghai Fosun Venture Capital Investment Management Co., Ltd.* (上海復星創業投資管理有限公司). Ms. Feng graduated from Shanghai University with a major in computer application, and obtained a master's degree in business administration from Columbia Southern University.

Ms. Li Jing (李靜), aged 52, is currently the Company's executive president (appointed in January 2024) and chief executive officer of established medicines manufacturing and supply division. Ms. Li joined the Group in May 2022. She was the senior vice president of the Company from August 2022 to January 2024. Prior to joining the Group, Ms. Li held the positions including engineer, office director and deputy president of Tianjin Pharmaceutical Company Research Institute* (天津藥業公司研究所) (the predecessor of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司)), assistant to general manager and chief engineer of Tianjin Pharmaceutical Group Co., Ltd.* (天津藥業集團有限公司), general manager and president of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司), chairman of Tianjin Jinyao Amino Acids Co., Ltd.* (天津金耀氨基酸有限公司). She also served as deputy secretary of the Party Committee, general manager, chairman of the board, secretary of the Party Committee and director of Tianjin Pharmaceutical Group Co., Ltd.* (天津藥業集團有限公司), chairman of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司), chief engineer of Tianjin Pharmaceutical Holdings Ltd.* (天津市醫藥集團有限公司), chairman of Tianjin Pharmaceutical Group Research Institute Co., Ltd.* (天津醫藥集團研究院有限公司), now known as Jinyao Biotechnology (Tianjin) Co., Ltd.* (津藥生物科技(天津)有限公司), and chairman and secretary of the Party Committee of Tianjin Tianyao Pharmaceutical Co., Ltd.* (天津天藥藥業股份有限公司) (stock code: 600488), a company listed on the Shanghai Stock Exchange. Ms. Li obtained a bachelor's degree in medicine from Tianjin College of Traditional Chinese Medicine (now known as Tianjin University of Traditional Chinese Medicine) and a master's degree in business administration from Tianjin University.

Mr. Wang Donghua (王冬華), aged 55, is currently the Company's senior vice president (appointed in October 2020) and chief strategic enabler. Mr. Wang joined the Group in October 2015. He was a vice president of the Company from January 2016 to October 2020. Prior to joining the Group, Mr. Wang was the deputy manager and manager of the corporate culture department, deputy general manager of the investment development department, deputy general manager and spokesman of the brand development department, and deputy general manager, executive general manager and joint general manager of the public affairs department of Fosun High Tech. Mr. Wang obtained a bachelor's degree in agriculture from Yangzhou University and a master's degree in business administration from Shanghai University of Finance and Economics.

Mr. Li Dongjiu (李東久), aged 59, is currently the Company's senior vice president (appointed in March 2021) and the director of pharmaceutical commerce administration committee. Mr. Li was the vice president and senior vice president of the Company from December 2009 to January 2018, and re-joined the Group in March 2021. Mr. Li is a non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Prior to initially joining the Group, Mr. Li served as the deputy general manager and chief financial officer of North China Pharmaceutical Co., Ltd.* (華北製藥股份有限公司) (stock code: 600812), a company listed on the Shanghai Stock Exchange. Mr. Li was a company listed on the Shanghai Stock Exchange, the vice president and general counsel of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, and a director of Sinopharm Group Accord Pharmaceutical Co., Ltd.* (國藥集團一致藥業股份有限公司) (stock code: 000028), a company listed on the Shenzhen Stock Exchange. Mr. Li obtained a bachelor's degree in chemical engineering from Dalian Institute of Technology (now known as Dalian University of Technology), a master's degree in management science and engineering from Wuhan Jiaotong University of Science and Technology, a master's degree in international economic and trade relations from Flinders University, Australia, a Ph.D. degree in transportation planning and management from Wuhan University of Technology and an Executive Master of Business Administration degree from China Europe International Business School.

Mr. Liu Yi (劉毅), aged 49, is currently the Company's senior vice president (appointed in January 2022) and the chairman and chief executive officer of the medical devices division and the chairman of the medical diagnosis division. Mr. Liu joined the Group in November 2015. He was the vice president of the Company from January 2017 to January 2022. Mr. Liu is currently the executive director and chairman of the board of directors of Sisram Medical (stock code: 01696), a company listed on the Hong Kong Stock Exchange. Prior to joining the Group, Mr. Liu worked at the State Food and Drug Administration (now known as the National Medical Products Administration) and Beijing Medical Equipment Laboratory (北京市醫療器械檢驗所). Mr. Liu obtained a bachelor's degree in engineering from Beijing Institute of Technology, a master's degree in management from Peking University and a doctorate degree in biomedical engineering from Beihang University.

Mr. Hu Hang (胡航), aged 41, is currently the Company's senior vice president (appointed in January 2022) and the chief executive officer of Fosun Health, a subsidiary of the Company. Mr. Hu joined the Group in September 2010, and was the assistant to the president, vice president and other positions of Fosun Health, a subsidiary, and was a vice president of the Company from January 2020 to January 2022. Prior to joining the Group, Mr. Hu served as an auditor at PricewaterhouseCoopers Zhong Tian LLP* (普華永道中天會計師事務所(特殊普通合夥)), a senior auditor at Ernst & Young Hua Ming LLP* (安永華明會計師事務所(特殊普通合夥)), and a senior adviser on risk control at PricewaterhouseCoopers Management Consulting (Shanghai) Limited* (普華永道管理諮詢(上海)有限公司). Mr. Hu obtained a bachelor's degree in economics from Fudan University and a master's degree in business administration from Shanghai Jiao Tong University.

Mr. Bao Qingui (包勤貴), aged 40, is currently the Company's senior vice president (appointed in January 2022) . Mr. Bao joined the Group in July 2010. He was the assistant to the president, vice president and executive president of Fosun Health, a subsidiary, among others, and also a vice president of the Company from January 2020 to January 2022. Mr. Bao obtained a bachelor's degree in engineering from Hefei University of Technology and a master's degree of science from Fudan University.

Mr. Rong Yang, aged 46, is currently the Company's senior vice president (appointed in August 2022). Mr. Yang joined the Group in January 2022, and is currently the chief executive officer of Fosun Pharma USA Inc., a subsidiary. Mr. Yang is currently a director of Nature's Sunshine Products, Inc. (stock code: NATR), a company listed on the NASDAQ. Prior to joining the Group, Mr. Yang previously worked for the Bayer Group, mainly as the global market development manager of Bayer Schering Pharma AG, marketing director of Bayer Austria Ges.m.b.H, assistant to chairman of Bayer Pharma AG, general manager of Bayer S.R.O., vice president of Bayer US LLC, and he was in charge of the finance and strategy department (Americas), business insight and data analysis department, blood marketing department, and specialty drug sales department. Mr. Yang obtained a bachelor's degree of art in German from Beijing Foreign Studies University, a master's degree in economics from Nankai University and a master's degree in business administration from Harvard Business School.

Mr. Chen Zhan Yu (陳戰宇), aged 53, is currently the Company's senior vice president and chief financial officer (appointed in September 2024). Mr. Chen worked for the Group from June 2011 to February 2021, serving as the general manager of the financial department, assistant to the president, vice president and senior vice president of Fosun Pharmaceutical Industrial, a subsidiary. During this period, he was the assistant to the president and general manager of the financial department, senior assistant to the president and general manager of the financial department and general manager of the centralized procurement and management department, senior assistant to the president and deputy chief financial officer and general manager of the financial department of the Company from July 2016 to January 2020. He served as the vice president, deputy chief financial officer and general manager of the financial department of the Company from January 2020 to February 2021, and rejoined the Group in September 2024. Prior to initially joining the Group, Mr. Chen was the head of the financial department of Baoji Pharmaceutical Machinery Plant* (寶雞製藥機械廠), the finance director of Xi'an Fifth Grinding Wheel Factory* (西安第五砂輪廠), the manager of the financial department of Xi'an Omeya Beauty Products Co., Ltd.* (西安歐美亞美容製品有限公司), the financial director of Topsun Science and Technology Co., Ltd.* (東盛科技股份有限公司), and the financial director of Shannxi Buchang Pharmaceutical Co., Ltd.* (陝西步長製藥有限公司). From March 2021 to August 2024, Mr. Chen was a vice president of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Mr. Chen holds the qualification of PRC Certified Public Accountant (CPA). Mr. Chen graduated from Xi'an University of Finance and Economics with a college degree in accounts, and obtained a master's degree in business administration from Northwest University and a master's degree in accounting from The Chinese University of Hong Kong.

Ms. Dong Xiaoxian (董曉嫻), aged 43, is currently the Company's vice president (appointed in June 2016), the secretary to the Board, and a joint company secretary. Ms. Dong joined the Group in July 2003, and served several positions including the securities affairs representative and deputy director of the Board Secretary Office of the Company. Ms. Dong obtained a bachelor's degree in laws from Shanghai University and a master's degree in business administration from Fudan University.

Ms. Su Li (蘇莉), aged 53, is currently the Company's vice president (appointed in January 2022) and the chief executive officer of the established medicines and manufacturing & supply division. Ms. Su joined the Group in June 2006, and served several positions including the chief executive officer of Tridem Pharma S.A.S, a subsidiary, a vice president and the emerging market general manager of the overseas business department of Fosun Pharmaceutical Industrial, a subsidiary, and the assistant to the president of the Company. Prior to joining the Group, Ms. Su served as a clerk in the office of the president of Kunming Pharmaceutical Limited* (昆明製藥股份有限公司) and the deputy manager and manager of imports and exports department and manager of international trade department of Kunyao Group Co., Ltd.* (昆明製藥集團股份有限公司). Ms. Su obtained a bachelor's degree in arts from Yunnan University.

Mr. Ji Hao (紀皓), aged 50, is currently the Company's vice president (appointed in January 2022) and the general manager of anti-corruption supervision department. Mr. Ji joined the Group in June 2016, and served several positions including the assistant to the president of the Company. Prior to joining the Group, Mr. Ji served as an assistant researcher at the Chinese People's Liberation Army Academy of Military Sciences, and worked at the First Branch of the Shanghai People's Procuratorate. Mr. Ji obtained a bachelor's degree of laws from the People's Liberation Army Nanjing University of International Relations (now known as National University of Defense Technology University of International Relations), a master's degree of laws from the East China University of Political Science and Law and a master's degree of laws from The Chinese University of Hong Kong.

Ms. Zhu Yue (朱悦), aged 47, is currently the Company's vice president (appointed in January 2022) and the general manager of legal department. Ms. Zhu joined the Group in October 2020, and served several positions including the assistant to the president of the Company. Prior to joining the Group, Ms. Zhu served as an attorney and a senior attorney at Morgan, Lewis & Bockius LLP in the U.S., a senior attorney of Milbank LLP in the U.S., a senior attorney and the consultant lawyer of Clifford Chance LLP in the United Kingdom, and the managing director of the legal department of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Ms. Zhu obtained a bachelor's degree in science from University of Science and Technology of China, a master's degree in biology from the University of Iowa in the U.S. and a doctorate in law from the University of Maryland in the U.S.. She was also admitted as an attorney of the State of California in the U.S..

Ms. Lv Lilang (呂力琅), aged 47, is currently the Company's vice president (appointed in July 2023) and co-chief executive officer of the medical devices division. Ms. Lv joined the Group in June 2023. Prior to joining the Group, Ms. Lv worked at Fudan University Cancer Hospital, mainly as an office clerk, deputy director and director of the hospital office, assistant to the president and deputy president, as well as deputy president of the Shanghai Proton and Reionisation Hospital. She was the general manager of Shanghai Zhijiang Bio-Technology Company Limited* (上海之江生物科技股份有限公司) (stock code: 688317), a company listed on the Shanghai Stock Exchange, from February 2021 to May 2023. Ms. Lv obtained a bachelor's degree in medicine from Peking University, a master's degree in management from Fudan University and a doctorate degree in engineering from Fudan University. Ms. Lv has also attended hospital management and reform programs at the University of Cambridge in the United Kingdom, Harvard Medical School in the U.S. and the Université de Paris Politique in France.

Mr. Yuan Fangbing (袁方兵), aged 49, is currently the Company's vice president (appointed in July 2024) and co-chief strategic enabler. Mr. Yuan joined the Group in May 2024. Prior to joining the Group, Mr. Yuan worked in the Shanghai General Corps of the Chinese People's Armed Police Force, and served as a prosecutor of the Second Branch of Shanghai Municipal People's Procuratorate, a legal assistant in Allbright Law firm, the executive general manager and managing director of the anti-corruption and supervision department of Shanghai Forte Land Co., Ltd.* (復地(集團)股份有限公司), and the managing director of the anti-corruption and supervision department, the managing director and joint general manager of the public affairs and corporate communications centre, the general manager of the board office, co-chief strategic enabler, assistant to the president and senior assistant to the president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Mr. Yuan is also currently a representative of the 17th People's Congress of Shanghai Putuo District, a member of the Standing Committee of the Shanghai Putuo District Federation of Industry and Commerce (General Chamber of Commerce), and an arbitrator of the Shanghai Arbitration Commission. Mr. Yuan graduated from the Chinese Armed Police Force Command College and the Xi'an Political College of the Chinese People's Liberation Army (currently known as the Political College of National Defence University PLA China), and obtained a master's degree in law from Shanghai Jiao Tong University.

Mr. Yuan Ning (袁寧) (resigned) served as the vice president of the Company from January 2022 to January 2024.

Mr. Zhang Yuejian (張躍建) (resigned) served as the vice president of the Company from June 2019 to January 2024.

Ms. Ren Qian (任倩) (resigned) served as the chairman (an employee Supervisor) of the Supervisory Committee of the Company from January 2018 to June 2024.

Mr. Yao Fang (姚方) (resigned) served as the deputy general manager, vice chairman and general manager, vice chairman and chief executive officer, vice chairman, co-chairman, non-executive Director and other positions of the Company successively from April 2010 to June 2024.

Mr. Xu Aihua (徐愛華) (resigned) served as the vice president of the Company from January 2023 to June 2024.

Mr. Li Shengli (李勝利) (resigned) served as the vice president, senior vice president and executive president of the Company successively from January 2020 to September 2024.

JOINT COMPANY SECRETARIES

Ms. Dong Xiaoxian (董曉嫻), aged 43, is a joint company secretary and concurrently serves as a vice president of the Company and secretary to the Board. Please refer to page 127 of this annual report for her biography.

Ms. Chan Sau Ling (陳秀玲), aged 54, is a joint company secretary. Ms. Chan is currently a director of company secretarial department of Tricor Services Limited. Prior to joining Tricor Services Limited, Ms. Chan worked in the company secretarial department of accounting firms. In addition to the appointment by the Company, Ms. Chan currently serves as the Company Secretary/Joint Company Secretary of a few companies listed on the Hong Kong Stock Exchange. Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan graduated from University of South Australia with a bachelor's degree in accounting in April 2003.

Ms. Kam Mei Ha, Wendy (甘美霞) (resigned) served as the joint company secretary of the Company from December 2019 to August 2024.

Independent Auditor's Report

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To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 135 to 273, which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024, 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 disclosure requirements of 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"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
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KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill	
The carrying value of goodwill in the consolidated financial statements amounted to RMB10,905,083,000 as at 31 December 2024. In accordance with HKFRSs, the Group is required to perform impairment test for goodwill at least on an annual basis. The impairment test is based on the recoverable amount of each cash-generating unit to which the goodwill is allocated. The recoverable amount of each cash-generating unit is its value in use using cash flow projection based on a financial budget or a forecast. This matter was significant to our audit because the impairment test process was complex and involved significant judgements and estimates. The disclosures about impairment of goodwill are included in note 2.4 "Material Accounting Policies", note 3 "Significant Accounting Judgements and Estimates" and note 17 "Goodwill", which specifically explains the key assumptions management used for the calculation of the recoverable amounts to the consolidated financial statements.	Our audit procedures included, among others, involving internal valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular, the discount rate and the growth rate beyond a forecast period. We paid attention to the forecasts used with respect to future revenues and operating results by comparing the forecasts with the historical performance and the business development plan of each cash-generating unit. We also focused on the adequacy of the disclosures in the consolidated financial statements.
Capitalisation of development expenditures	
During the year ended 31 December 2024, expenditure incurred on projects to develop new pharmaceutical products of RMB1,909,703,000 was capitalised in "other intangible assets — deferred development costs" in the consolidated financial statements. The expenditure on development activities was capitalised and deferred when all criteria mentioned in note 2.4 "Material Accounting Policies" were satisfied. This matter was significant to our audit because significant management's estimation and judgement were required in determining whether development expenditure met the capitalisation criteria. The disclosures about capitalisation of development expenditure are included in note 2.4 "Material Accounting Policies", note 3 "Significant Accounting Judgements and Estimates" and note 18 "Other Intangible Assets" to the consolidated financial statements.	Our audit procedures included, among others, assessing whether the capitalisation policy adopted to be in line with HKFRSs, obtaining an understanding of the Group's internal approval procedures regarding the capitalisation of development expenditures by conducting interview with key management members in charge of research, development and industrialisation of various projects, and obtaining certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management. We also focused on the adequacy of the disclosures in the consolidated financial statements.

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
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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 disclosure requirements of 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, 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.

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
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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.

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wanyee Hooi.

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**40,909,878**	41,248,505
Cost of sales		**(21,365,574)**	(21,595,309)
Gross profit		**19,544,304**	19,653,196
Other income	6	**471,380**	524,980
Selling and distribution expenses		**(8,679,764)**	(9,712,237)
Administrative expenses		**(4,439,981)**	(4,495,128)
Impairment losses on financial assets		**(110,631)**	(131,927)
Research and development expenses		**(3,644,356)**	(4,346,045)
Other gains	8	**1,010,464**	1,392,007
Other expenses		**(567,269)**	(831,601)
Interest income		**373,210**	363,645
Finance costs	9	**(1,431,915)**	(1,324,831)
Share of profits and losses of:			
Joint ventures		**(184,409)**	(202,030)
Associates		**1,828,248**	2,386,879
PROFIT BEFORE TAX	7	**4,169,281**	3,276,908
Income tax expense	12	**(656,841)**	(369,504)
PROFIT FOR THE YEAR		**3,512,440**	2,907,404
Attributable to:			
Owners of the parent		**2,769,886**	2,398,606
Non-controlling interests		**742,554**	508,798
		3,512,440	2,907,404
Earnings per share attributable to ordinary equity holders of the parent:	14		
Basic		**RMB1.04**	RMB0.90
Diluted		**RMB1.04**	RMB0.90

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
PROFIT FOR THE YEAR	**3,512,440**	2,907,404
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**13,680**	183,615
Share of other comprehensive income of joint ventures	**3,034**	109
Share of other comprehensive income/(loss) of associates	**30,370**	(152,726)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**47,084**	30,998
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(3,754)**	957
Income tax effect	**(187)**	(99)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(3,941)**	858
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**43,143**	31,856
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,555,583**	2,939,260
Attributable to:		
Owners of the parent	**2,753,658**	2,363,164
Non-controlling interests	**801,925**	576,096
	3,555,583	2,939,260

Consolidated Statement of Financial Position

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**22,202,927**	20,846,458
Right-of-use assets	16	**4,691,271**	4,248,080
Goodwill	17	**10,905,083**	10,851,999
Other intangible assets	18	**17,234,870**	15,301,788
Investments in joint ventures	19	**20,900**	78,910
Investments in associates	20	**24,632,224**	23,802,113
Equity investments designated at fair value through other comprehensive income	21	**16,434**	52,774
Financial assets at fair value through profit or loss	29	**1,157,129**	1,040,114
Deferred tax assets	22	**757,776**	624,471
Trade receivables-non-current	23	**199,436**	85,323
Other non-current assets	24	**1,113,080**	2,706,628
Total non-current assets		**82,931,130**	79,638,658
CURRENT ASSETS			
Inventories	25	**7,258,649**	7,537,768
Trade and bills receivables	26	**8,024,433**	7,668,229
Contract assets	27	**127,553**	145,887
Prepayments, other receivables and other assets	28	**2,272,554**	2,216,029
Financial assets at fair value through profit or loss	29	**2,595,997**	1,888,496
Debt investments at fair value through other comprehensive income	26	**612,973**	642,569
Cash and bank balances	30	**13,523,933**	13,693,591
		34,416,092	33,792,569
Assets of a disposal group classified as held for sale	31	**74,968**	—
Total current assets		**34,491,060**	33,792,569
CURRENT LIABILITIES			
Trade and bills payables	32	**5,997,385**	6,159,619
Other payables and accruals	33	**6,983,144**	6,748,494
Interest-bearing bank and other borrowings	34	**22,620,140**	19,068,818
Lease liabilities	35	**340,981**	329,525
Contract liabilities	36	**1,232,315**	1,200,496
Tax payable		**278,704**	250,629
Total current liabilities		**37,452,669**	33,757,581
NET CURRENT (LIABILITIES)/ASSETS		**(2,961,609)**	34,988
TOTAL ASSETS LESS CURRENT LIABILITIES		**79,969,521**	79,673,646

Consolidated Statement of Financial Position

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	34	**10,443,500**	13,504,923
Lease liabilities	35	**2,541,968**	2,049,589
Deferred tax liabilities	22	**3,245,159**	3,445,191
Contract liabilities	36	**434,635**	319,785
Deferred income	37	**657,891**	639,399
Other long-term liabilities	38	**2,751,016**	3,136,874
Total non-current liabilities		**20,074,169**	23,095,761
Net assets		**59,895,352**	56,577,885
EQUITY			
Equity attributable to owners of the parent			
Share capital	39	**2,671,326**	2,672,399
Treasury shares		**(234,375)**	(41,928)
Reserves	40	**44,785,779**	43,015,915
		47,222,730	45,646,386
Non-controlling interests		**12,672,622**	10,931,499
Total equity		**59,895,352**	56,577,885

Wu Yifang
Director

Guan Xiaohui
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Note	Attributable to owners of the parent										
		Issued share capital RMB'000 (note 39)	Treasury shares RMB'000	Share premium RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023		2,672,157	(53,255)	15,781,357	71,007	2,952,929	1,351,646	(1,257,801)	23,013,701	44,531,741	9,526,452	54,058,193
Profit for the year		—	—	—	—	—	—	—	2,398,606	2,398,606	508,798	2,907,404
Other comprehensive income for the year:												
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		—	—	—	827	—	—	—	—	827	31	858
Share of other comprehensive loss of associates		—	—	—	(152,726)	—	—	—	—	(152,726)	—	(152,726)
Share of other comprehensive income of joint ventures		—	—	—	109	—	—	—	—	109	—	109
Exchange differences on translation of foreign operations		—	—	—	—	—	—	116,348	—	116,348	67,267	183,615
Total comprehensive income for the year		—	—	—	(151,790)	—	—	116,348	2,398,606	2,363,164	576,096	2,939,260
Profit appropriation to reserves		—	—	—	—	5,486	—	—	(5,486)	—	—	—
Issue of A shares	39	372	—	7,540	—	—	—	—	—	7,912	—	7,912
Repurchase and cancellation of restricted A shares		(130)	2,757	(2,627)	—	—	—	—	—	—	—	—
Unlock of restricted A shares		—	16,481	—	—	—	—	—	—	16,481	—	16,481
Establishment of new subsidiaries		—	—	—	—	—	—	—	—	—	1,870	1,870
Deemed disposal of partial interests in subsidiaries without losing control		—	—	—	—	—	3,929	—	—	3,929	(3,470)	459
Dividends declared to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	(198,564)	(198,564)
Capital injections from non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	75,894	75,894
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	—	958,865	958,865
Disposal of associates		—	—	—	—	—	(74,745)	—	—	(74,745)	—	(74,745)
Disposal of subsidiaries		—	—	—	—	—	—	—	—	—	(10,566)	(10,566)
Acquisition of non-controlling interests		—	—	—	—	—	(41,015)	—	—	(41,015)	(42,551)	(83,566)
Equity-settled share-based payments		—	(7,911)	—	—	—	9,765	—	—	1,854	33,543	35,397
Adjustment on the share redemption options granted to non-controlling shareholders of subsidiaries		—	—	—	—	—	(64,315)	—	—	(64,315)	13,930	(50,385)
Share of changes in equity other than comprehensive income and distributions received of associates		—	—	—	—	—	22,784	—	—	22,784	—	22,784
Fair value reserve to retained profits		—	—	—	(66,284)	—	—	—	66,284	—	—	—
Final 2022 dividend declared and paid		—	—	—	—	—	—	—	(1,121,404)	(1,121,404)	—	(1,121,404)
At 31 December 2023		2,672,399	(41,928)	15,786,270	(147,067)	2,958,415	1,208,049	(1,141,453)	24,351,701	45,646,386	10,931,499	56,577,885

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Note	Attributable to owners of the parent										
		Issued share capital RMB'000 (note 39)	Treasury shares RMB'000	Share premium RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024		2,672,399	(41,928)	15,786,270	(147,067)	2,958,415	1,208,049	(1,141,453)	24,351,701	45,646,386	10,931,499	56,577,885
Profit for the year		—	—	—	—	—	—	—	2,769,886	2,769,886	742,554	3,512,440
Other comprehensive income for the year:												
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		—	—	—	(4,335)	—	—	—	—	(4,335)	394	(3,941)
Share of other comprehensive income of associates		—	—	—	30,370	—	—	—	—	30,370	—	30,370
Share of other comprehensive income of joint ventures		—	—	—	3,034	—	—	—	—	3,034	—	3,034
Exchange differences on translation of foreign operations		—	—	—	—	—	—	(45,297)	—	(45,297)	58,977	13,680
Total comprehensive income for the year		—	—	—	29,069	—	—	(45,297)	2,769,886	2,753,658	801,925	3,555,583
Profit appropriation to reserves		—	—	—	—	33,726	—	—	(33,726)	—	—	—
Repurchase and cancellation of ordinary shares	39	(1,073)	22,828	(21,755)	—	—	—	—	—	—	—	—
Repurchase of ordinary shares		—	(215,275)	—	—	—	—	—	—	(215,275)	—	(215,275)
Deemed disposal of partial interests in subsidiaries without losing control		—	—	—	—	—	530,589	—	—	530,589	849,049	1,379,638
Dividends declared to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	(381,942)	(381,942)
Capital injections from non-controlling shareholders of subsidiaries		—	—	—	—	—	21,124	—	—	21,124	247,728	268,852
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	—	1,751	1,751
Disposal of associates		—	—	—	—	—	(461,141)	—	—	(461,141)	—	(461,141)
Disposal of subsidiaries		—	—	—	—	(1)	—	—	1	—	(133,214)	(133,214)
Acquisition of non-controlling interests		—	—	—	—	—	(480,474)	—	—	(480,474)	301,131	(179,343)
Equity-settled share-based payments		—	—	—	—	—	—	—	—	—	22,908	22,908
Other comprehensive income to retained profits		—	—	—	3,781	—	—	—	(3,781)	—	—	—
Share of changes in equity other than comprehensive income and distributions received of associates		—	—	—	—	—	7,352	—	—	7,352	51	7,403
Adjustment on the share redemption options granted to non-controlling shareholders of subsidiaries		—	—	—	—	—	142,345	—	—	142,345	31,736	174,081
Final 2023 dividend declared and paid		—	—	—	—	—	—	—	(721,834)	(721,834)	—	(721,834)
At 31 December 2024		2,671,326	(234,375)	15,764,515*	(114,217)*	2,992,140*	967,844*	(1,186,750)*	26,362,247*	47,222,730	12,672,622	59,895,352

* The reserve accounts comprise the consolidated reserves of RMB44,785,779,000 (2023: RMB43,015,915,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**4,169,281**	3,276,908
Adjustments for:			
Finance costs	9	**1,431,915**	1,324,831
Share of profits and losses of joint ventures		**184,409**	202,030
Share of profits and losses of associates		**(1,828,248)**	(2,386,879)
Interest income		**(177,842)**	(155,579)
Depreciation of property, plant and equipment	7	**1,712,575**	1,517,737
Depreciation of right-of-use assets	7	**474,540**	318,258
Amortisation of other intangible assets	7	**983,864**	1,282,683
Gain on disposal of items of property, plant and equipment and other tangible assets	7	**(349,299)**	(538)
Gain on disposal of interests in associates and joint ventures	8	**(580,558)**	(710,599)
Loss on disposal of subsidiaries, net	7	**29,508**	1,046
Dividend income from financial assets at fair value through profit or loss	6	**(48,231)**	(61,239)
Dividend income from equity investments at fair value through other comprehensive income	6	**(209)**	(203)
Impairment of items of property, plant and equipment	7	**1,106**	2,408
Impairment of inventories	7	**60,352**	121,339
Impairment of other intangible assets	7	**35,112**	21,592
Impairment losses on financial assets	7	**110,631**	131,927
Impairment of investments in associates	7	**—**	61,284
Impairment of other non-current assets	7	**—**	13,119
Loss/(Gain) on disposal of financial assets at fair value through profit or loss	7	**138,723**	(558,489)
Loss/(Gain) on fair value change of other financial liabilities at fair value through profit or loss, net	7	**40,305**	(47,204)
Loss on fair value change of financial assets at fair value through profit or loss, net	7	**69,929**	452,384
Loss on fair value change of other long-term assets, net		**5,705**	22,200
Covid-19-related rent concessions from lessors	16	**—**	(277)
Equity settled share-based payment	7	**21,069**	35,898
		6,484,637	4,864,637
Decrease/(increase) in inventories		**238,192**	(333,906)
(Increase)/decrease in trade and bills receivables		**(655,861)**	396,151
Decrease/(increase) in debt investments at fair value through other comprehensive income		**29,596**	(83,642)
Increase/(decrease) in prepayments, other receivables and other assets		**(112,074)**	741,277
Decrease in trade and bills payables		**(91,078)**	(716,589)
Increase/(decrease) in contract liabilities		**163,095**	(493,437)
Decrease in other payables and accruals and other non-current liabilities		**(930,776)**	(611,925)
Decrease in pledged bank balances and deposits		**340,816**	551,306
Cash generated from operations		**5,466,547**	4,313,872
Income tax paid		**(989,566)**	(899,655)
Net cash flows from operating activities		**4,476,981**	3,414,217

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Net cash flows from operating activities		**4,476,981**	3,414,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment, prepaid land lease payments, other intangible assets and other non-current assets		**(4,410,191)**	(5,336,705)
Acquisitions of subsidiaries, net of cash acquired	41	**(215,794)**	(923,999)
Acquisitions of interests in associates and joint ventures		**(627,898)**	(428,453)
Purchases of financial assets at fair value through profit or loss		**(217,758)**	(227,640)
Purchases of equity investments designated at fair value through other comprehensive income		**—**	(37,395)
Disposal and partial disposal of associates and joint ventures		**63,741**	742,382
Disposal of financial assets at fair value through profit or loss		**312,887**	1,117,884
Disposal of subsidiaries	42	**131,424**	300
Dividends from associates		**862,801**	707,290
Dividends received from financial assets at fair value through profit or loss		**47,284**	63,240
Dividends received from equity investments designated at fair value through other comprehensive income		**209**	203
Proceeds from disposal of items of property, plant and equipment, prepaid land lease payments, other intangible assets and other non-current assets		**457,809**	9,009
Change of the deposit for construction projects		**(2,709)**	20,587
Disposals of other equity instruments		**32,953**	—
(Increase)/decrease in non-pledged time deposits with original maturity of three months or more when acquired and restricted cash, net		**(231,602)**	650,969
Interest received from time deposits		**178,503**	178,325
Payment of loans to associates and joint ventures		**—**	(60,464)
Prepayment for acquisition of an associate		**(385)**	(248,883)
Other receipts/(payments) relating to investing activities		**5,403**	(45,940)
Net cash flows used in investing activities		**(3,613,323)**	(3,819,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings	43	**31,086,471**	23,155,128
Repayment of bank and other borrowings	43	**(30,520,787)**	(21,146,225)
Principal portion of lease payments	43	**(426,788)**	(251,707)
Interest paid		**(1,337,318)**	(1,331,338)
Proceeds from issue of A shares, net of share issue expenses		**—**	7,912
Capital injections from non-controlling shareholders of subsidiaries		**204,729**	68,717
Receipt of capital contribution from limited partners of consolidated Structured entities		**204,400**	294,200
Dividends paid to owners of the parent		**(722,102)**	(1,123,832)
Dividends paid to non-controlling shareholders of subsidiaries		**(401,678)**	(204,523)
Acquisitions of non-controlling interests		**(94,414)**	(86,139)
Increase of loans from related parties	43	**3,728**	20,813
Repayment of borrowings to former shareholders of subsidiaries	43	**—**	(643,262)
Partial disposal of a subsidiary without losing control		**1,391,470**	—
Shares repurchase		**(238,106)**	—
Other payments relating to financing activities		**(152,191)**	(95,994)
Net cash flows used in financing activities		**(1,002,586)**	(1,336,250)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(138,928)**	(1,741,323)
Cash and cash equivalents at beginning of year		**9,502,389**	11,170,067
Effect of foreign exchange rate changes, net		**27,989**	73,645
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	**9,391,450**	9,502,389

Notes to Financial Statements

31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company was established as a joint stock company with limited liability on 31 May 1995 in the People's Republic of China ("PRC"). The Company's A Shares have been listed on the Shanghai Stock Exchange since 7 August 1998. The Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 30 October 2012. The operating term is from 31 December 1998 to an indefinite period.

The holding company of the Company is Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun High Tech"). The ultimate holding company of the Company is Fosun International Holdings Limited. The ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the development, manufacture and sale of pharmaceutical products and medical equipment, import and export of medical equipment and the provision of related and other consulting services and investment management.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name*	Place of incorporation/ registration and business	Issued ordinary/ registered share capital ('000)	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Chongqing Yao Pharmaceutical Co., Ltd. ("Yao Pharmaceutical") (重慶藥友製藥有限責任公司)***	PRC/ Mainland China	RMB196,540	—	61.04	Manufacture and trading of medicine
Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd. ("Fosun Wanbang") (復星萬邦(江蘇)醫藥集團有限公司)**	PRC/ Mainland China	RMB480,455	—	100.00	Manufacture and trading of medicine
Guilin South Pharma Co., Ltd. ("Guilin South Pharma") (桂林南藥股份有限公司)***	PRC/ Mainland China	RMB285,030	—	96.86	Manufacture and trading of medicine
Shanghai Henlius Biotech, Inc. ("Henlius") (上海復宏漢霖生物技術股份有限公司)***	PRC/ Mainland China	RMB543,495	—	59.56	Manufacture and trading of medicine
Gland Pharma Limited ("Gland Pharma")	India	Not applicable	—	51.83	Manufacture and trading of medicine

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

** These subsidiaries are registered as wholly-owned enterprises under PRC law.

*** These subsidiaries are registered as limited liability companies under PRC law.

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

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 disclosure requirement of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments, debt investments and certain financial assets, which have been measured at fair value. Disposal groups 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.

As of 31 December 2024, the Group's current assets were RMB34,491,060,000 and current liabilities were RMB37,452,669,000. The financial statements of the Group are prepared based on the basic accounting assumption of going concern. Having taken into account the expected cash flows from operating activities and the unused banking facilities, it will enable the Group to fulfil its maturing debts. Therefore, the Group has adequate working capital in the foreseeable future to meet the needs of its daily operations and will not face any issues related to going concern due to a shortage of working capital.

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 2024. 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).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2. ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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 the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 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. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards (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. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 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 statement 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 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. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards (Continued)

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

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. 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. ACCOUNTING POLICIES (Continued)

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.

2. ACCOUNTING POLICIES (Continued)

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Business combinations and goodwill (Continued)

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.

Fair value measurement

The Group measures its certain equity investments, debt investments, certain financial assets and financial liabilities designated upon initial recognition as at fair value through profit or loss 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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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 statement of profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

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. ACCOUNTING POLICIES (Continued)

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. 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 principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	2.00% to 10.00%
Plant and machinery	4.75% to 33.33%
Medical devices	9.50% to 20.00%
Office equipment	4.85% to 33.33%
Motor vehicles	9.00% to 33.33%
Leasehold improvements	10.00% to 20.00%

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. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

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 measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Trademarks with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of trademarks are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Medicine licences, technical know-how and operating concession rights

Medicine licences and technical know-how with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Medicine licences, technical know-how and operating concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of medicine licences, technical know-how and operating concession rights are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Intangible assets (other than goodwill) (Continued)

Patents

Patents with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Patents 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 patents 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.

Office software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 10 years.

Business networks

Business networks are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives.

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.

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.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(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 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:

Buildings	2 to 20 years
Plant and machinery	5 to 10 years
Motor vehicles	3 years
Prepaid land lease payments	20 to 50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(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.

(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 office equipment and laptop computers 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.

2. ACCOUNTING POLICIES (Continued)

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)
Subsequent measurement (Continued)
Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is either 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.

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Derecognition of financial assets (Continued)
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 contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be 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.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (Continued)

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 and bills receivables 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 and bills 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, 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 bills payables, other payables and accruals, derivative financial instruments and interest-bearing bank and other borrowings.

2. ACCOUNTING POLICIES (Continued)

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 as 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.

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

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

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward carrying 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.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by HKFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

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.

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 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.

Cost of inventories includes the transfer from equity of gains and losses on qualifying cash flow hedges in respect of the purchases of raw materials.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

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 bank equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain medical devices and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries or areas 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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax (Continued)
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 statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

(b) Healthcare services, technology transfer services and consigned processing services

Revenue from rendering healthcare services, technology transfer services and consigned processing services is recognised at the point in time when the services were completed. As the customers can not control the service or consume the benefit and have no obligation to pay until each service completed and accepted.

(c) Rendering of technical consultancy services and maintenance services

Revenue from rendering technical consultancy services and maintenance services is recognised over time, as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(d) License

The Group grant commercialisation licenses or intellectual property licenses (collectively, the "License") of certain products. The License are either sold separately or bundled together with research and development service to one customer.

Contracts for bundled License and research and development service are comprised of two performance obligations because the promises to transfer the License and provide research and development service are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the License and research and development services.

Revenue from other sources

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.

Other 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.

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.

2. ACCOUNTING POLICIES (Continued)

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.

Contract liabilities

A contract liability is recognised when a payment is made received or the 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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Share-based payments

The Company operates a share incentive scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees 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 a binomial model, further details of which are given in note 45 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, 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 the period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance 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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Other employee benefits

Retirement benefits

The full-time employees of the Group in the PRC 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.

Accommodation benefits

According to the relevant 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 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 administered by government agencies are charged to the statement of profit or loss as and when they are incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

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.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate ranging between 3.18% and 4.88% has been applied to the expenditure on the individual assets.

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.

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.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. 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 statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the 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 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 certain overseas subsidiaries 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 weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies (Continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

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:

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)

Determining the method to estimate variable consideration
Certain contracts include variable consideration based on the future events. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Given that the payments of certain variable consideration are not within the control of the Group, such as regulatory approvals, relevant consideration is not considered until relevant approvals are obtained. The Group determines that the most likely amount method is the appropriate method to estimate the variable consideration. When it is highly probable that the income corresponding to the relevant consideration will not be significantly reversed, the uncertainty of the variable consideration is eliminated and the variable consideration will be included in the transaction price. At the end of each reporting period, the Group will re-evaluate the probability of the payment of the variable consideration, and if necessary, adjust the estimation of the overall transaction price.

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:

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 2024 was RMB10,905,083,000 (2023: RMB10,851,999,000). Further details are given in note 17 to the financial statements.

Provision for expected credit losses on trade and bills receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and bill receivables cost is disclosed in note 26 to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

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).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial 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.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and sale. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' needs and prices change when the products' expiration date is approaching. Management reassesses these estimates at the end of the reporting period.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 51 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2024 was RMB2,410,866,000 (2023: RMB1,637,244,000). Further details are included in note 29 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of the identifiable assets and liabilities through business combinations and the recognised corresponding goodwill

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. 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.

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.

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.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding to future economic benefits.

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.

As at 31 December 2024, the Group has tax losses of RMB11,342,606,000 (2023: RMB11,138,269,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on deferred taxes are disclosed in note 22 to the financial statements.

4. 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:

(a) the pharmaceutical manufacturing segment mainly engages in the R&D, production and sale of medicine;

(b) the medical devices and medical diagnosis segment mainly engages in the R&D production and sale of medical devices and diagnostic products;

(c) the healthcare service segment mainly engages in the provision of healthcare service and hospital management;

(d) the pharmaceutical distribution and retail segment mainly engages in distribution and retail of medicine and medical devices; and

(e) the other business operations segment comprises businesses other than those mentioned above.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that fair value gain or loss on financial assets at fair value through profit or loss, as well as head office and investment management entities income and expenses are excluded from such measurement.

Intersegment revenues are eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets exclude financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, entrusted loan recorded in current assets and unallocated head office and investment management entities assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, interest payable and unallocated head office and investment management entities liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2024

	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	28,776,374	4,319,831	7,641,520	—	172,153	—	40,909,878
Intersegment sales	349,805	28,923	26,084	—	18,772	(423,584)	—
Total segment revenue	29,126,179	4,348,754	7,667,604	—	190,925	(423,584)	40,909,878
Segment results*	3,304,450	(112,028)	71,407	—	(13,745)	(224,640)	3,025,444
Other income	317,971	42,234	57,933	—	20,305	—	438,443
Other gains	640,612	29,176	5,873	—	3,616	—	679,277
Interest income	271,627	22,920	27,761	—	969	(14,078)	309,199
Finance costs	(283,814)	(50,526)	(284,039)	—	(47,992)	111,167	(555,204)
Other expenses/Impairment losses on financial assets	(175,537)	(100,352)	(165,177)	—	51,467	—	(389,599)
Share of profits and losses of:							
Joint ventures	(177,081)	—	(2,380)	—	(4,948)	—	(184,409)
Associates	12,440	88,797	3,552	1,777,036	(53,577)	—	1,828,248
Unallocated other income, interest income, other gains, finance cost, and expenses							(982,118)
Profit/(loss) before tax	3,910,668	(79,779)	(285,070)	1,777,036	(43,905)	(127,551)	4,169,281
Tax	(661,037)	27,644	(29,544)	—	4,336	—	(658,601)
Unallocated tax							1,760
Profit/(loss) for the year	3,249,631	(52,135)	(314,614)	1,777,036	(39,569)	(127,551)	3,512,440
Segment assets	62,739,635	10,567,425	16,042,253	20,073,115	4,794,710	(3,490,489)	110,726,649
Including:							
Investments in joint ventures	5,420	—	5,590	—	9,890	—	20,900
Investments in associates	410,292	1,547,459	626,861	20,073,115	1,974,497	—	24,632,224
Unallocated assets							6,695,541
Total assets							117,422,190
Segment liabilities	22,786,278	3,014,253	6,873,212	—	2,268,299	(15,084,739)	19,857,303
Unallocated liabilities							37,669,535
Total liabilities							57,526,838
Other segment information:							
Depreciation and amortisation	2,104,612	256,361	717,155	—	164,018	—	3,242,146
Impairment losses recognised in the statement of profit or loss, net	66,608	52,060	88,533	—	(2,952)	—	204,249
Impairment losses recognised in the statement of profit or loss, net (unallocated)							2,952
Capital expenditure**	3,795,471	745,330	2,065,760	—	34,045	—	6,640,606

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses and administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (not including the addition from acquisitions of subsidiaries).

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4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2023

	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	30,080,246	4,386,495	6,667,137	—	114,627	—	41,248,505
Intersegment sales	470,731	54,063	42,866	—	35,726	(603,386)	—
Total segment revenue	30,550,977	4,440,558	6,710,003	—	150,353	(603,386)	41,248,505
Segment results*	2,133,620	(126,443)	(200,661)	—	(80,398)	(119,758)	1,606,360
Other income	342,065	56,167	49,453	—	49,415	—	497,100
Other gains	329,170	56	23,039	—	149,667	—	501,932
Interest income	235,169	30,611	24,260	—	2,615	(23,896)	268,759
Finance costs	(254,032)	(34,398)	(245,598)	—	(44,186)	133,272	(444,942)
Other expenses/Impairment losses on financial assets	(288,780)	(93,932)	(65,354)	—	(1,002)	1,173	(447,895)
Share of profits and losses of:							
Joint ventures	(209,238)	—	(1,376)	—	8,584	—	(202,030)
Associates	27,365	128,527	1,427	2,242,195	(12,635)	—	2,386,879
Unallocated other income, interest income, other gains, finance cost, and expenses							(889,255)
Profit/(loss) before tax	2,315,339	(39,412)	(414,810)	2,242,195	72,060	(9,209)	3,276,908
Tax	(341,571)	6,666	(25,005)	—	(6,189)	—	(366,099)
Unallocated tax							(3,405)
Profit/(loss) for the year	1,973,768	(32,746)	(439,815)	2,242,195	65,871	(9,209)	2,907,404
Segment assets	60,228,777	10,328,867	15,575,622	18,972,525	5,096,173	(2,997,488)	107,204,476
Including:							
Investments in joint ventures	67,249	—	—	—	11,661	—	78,910
Investments in associates	505,797	1,483,895	688,591	18,972,525	2,151,305	—	23,802,113
Unallocated assets							6,226,751
Total assets							113,431,227
Segment liabilities	24,081,873	2,672,929	7,609,566	—	2,077,696	(13,666,779)	22,775,285
Unallocated liabilities							34,078,057
Total liabilities							56,853,342
Other segment information:							
Depreciation and amortisation	2,186,643	369,461	532,164	—	114,485	—	3,202,753
Impairment losses recognised in the statement of profit or loss, net	224,224	82,804	53,055	—	—	—	360,083
Impairment losses recognised in the statement of profit or loss, net (unallocated)							(8,414)
Capital expenditure**	4,470,575	551,519	602,539	—	133,195	—	5,757,828

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses and administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (not including the addition from acquisitions of subsidiaries).

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2024 RMB'000	2023 RMB'000
Chinese Mainland	**29,612,556**	30,877,890
Overseas countries and regions	**11,297,322**	10,370,615
Total revenue	**40,909,878**	41,248,505

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

(b) Non-current assets

	2024 RMB'000	2023 RMB'000
Chinese Mainland	**66,727,040**	63,249,069
Overseas countries and regions	**14,036,115**	14,390,165
Total non-current assets	**80,763,155**	77,639,234

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue amounted to 14% of the Group's total revenue was derived from sales to a single related party for the year ended 31 December 2024 of (For the year ended 31 December 2023: 16%). No other single customer generated revenue above 10% of the Group's total revenue.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	**40,821,957**	41,185,904
Revenue from other sources		
Gross rental income	**87,921**	62,601
Total	**40,909,878**	41,248,505

5. REVENUE (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Total RMB'000
Types of goods or services						
Sale of medical products	26,856,459	4,175,615	274,442	—	82,613	31,389,129
Rendering of services and others	1,878,581	136,539	7,359,117	—	39,780	9,414,017
Sale of materials	17,113	1,183	515	—	—	18,811
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957
Geographical markets						
Chinese Mainland	20,485,123	1,299,258	7,626,518	—	113,736	29,524,635
Overseas countries and regions	8,267,030	3,014,079	7,556	—	8,657	11,297,322
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957
Timing of revenue recognition						
Goods and materials transferred at a point in time	26,873,572	4,176,798	274,957	—	82,613	31,407,940
Services transferred at a point in time	1,438,174	24,139	7,359,117	—	39,780	8,861,210
Services transferred over time	440,407	112,400	—	—	—	552,807
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)
For the year ended 31 December 2023

Segments	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Total RMB'000
Types of goods or services						
Sale of medical products	28,532,071	4,245,408	686,595	—	32,949	33,497,023
Rendering of services and others	1,517,980	127,270	5,976,603	—	33,450	7,655,303
Sale of materials	22,320	11,258	—	—	—	33,578
Total	30,072,371	4,383,936	6,663,198	—	66,399	41,185,904
Geographical markets						
Chinese Mainland	22,629,786	1,466,935	6,654,040	—	64,528	30,815,289
Overseas countries and regions	7,442,585	2,917,001	9,158	—	1,871	10,370,615
Total	30,072,371	4,383,936	6,663,198	—	66,399	41,185,904
Timing of revenue recognition						
Goods and materials transferred at a point in time	28,554,391	4,256,666	686,595	—	32,949	33,530,601
Services transferred at a point in time	1,205,727	34,162	5,976,603	—	33,450	7,249,942
Services transferred over time	312,253	93,108	—	—	—	405,361
Total	30,072,371	4,383,936	6,663,198	—	66,399	41,185,904

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities as at the beginning of the reporting period:		
Advances from customers	**1,145,708**	1,493,312
Warranty services	**54,788**	51,450
Total	**1,200,496**	1,544,762

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

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

Sale of goods

The performance obligation is satisfied at the point when control of the asset is transferred to the customer.

Rendering of services

— The performance obligation is recognized at the point in time when the service is provided

— The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of installation and customer acceptance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	RMB'000	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**1,232,315**	1,200,496
After one year	**434,635**	319,785
Total	**1,666,950**	1,520,281

The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME

	2024	2023
	RMB'000	RMB'000
Dividend income from financial assets at fair value through profit or loss	**48,231**	61,239
Dividend income from equity investments designated at fair value through other comprehensive income	**209**	203
Government grants	**422,940**	463,538
Total	**471,380**	524,980

31 December 2024

7. PROFIT BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold		**14,617,911**	16,189,857
Cost of services provided		**6,747,663**	5,405,452
Staff costs (including Directors', Supervisors' and Chief Executive's remuneration)			
Salaries and other staff costs		**10,079,294**	9,322,174
Retirement benefits:			
Defined contribution fund		**638,481**	553,831
Accommodation benefits:			
Defined contribution fund		**338,108**	328,098
Share-based payment expense		**21,069**	35,898
		11,076,952	10,240,001
Research and development costs:			
Current year expenditure excluding amortisation of other intangible assets		**3,373,228**	3,877,623
Less: Government grants for R&D projects*		**(40,256)**	(56,687)
		3,332,972	3,820,936
Auditors' remuneration		**4,660**	4,660
Depreciation of property, plant and equipment		**1,712,575**	1,517,737
Amortisation of other intangible assets		**983,864**	1,282,683
Provision for impairment of property, plant and equipment	15	**1,106**	2,408
Provision for impairment of inventories		**60,352**	121,339
Impairment losses on financial assets, net			
Impairment of trade receivables, net	23 & 26	**107,676**	110,362
Impairment of other receivables, net	28	**2,955**	21,565
Provision for other intangible assets	18	**35,112**	21,592
Provision for impairment of investment in associates	20	**—**	61,284
Provision for other non-current assets		**—**	13,119
Depreciation of right-of-use assets	16	**474,540**	318,258
Lease payments not included in the measurement of lease liabilities		**120,832**	113,749
Loss/(Gain) on disposal of financial assets at fair value through profit or loss		**138,723**	(558,489)
Loss/(Gain) on fair value change of other financial liabilities at fair value through profit or loss, net		**40,305**	(47,204)
Loss on fair value change of financial assets at fair value through profit or loss, net		**69,929**	452,384
Gain on disposal of interests in associates and joint ventures	8	**(580,558)**	(710,599)
Foreign exchange loss/(gain), net		**13,357**	(13,027)
Loss on disposal of subsidiaries		**29,508**	1,046
Gain on disposal of items of property, plant and equipment and other intangible assets		**(349,299)**	(538)
Donations		**52,493**	45,909

* The Group received various government grants related to research and development projects. The government grants received have been recorded in other income. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

8. OTHER GAINS

	2024 RMB'000	2023 RMB'000
Gain on disposal of interests in associates and joint ventures	**580,558**	710,599
Gain on disposal of financial assets at fair value through profit or loss	**—**	558,489
Gain on fair value change of other financial liabilities at fair value through profit or loss, net	**—**	47,204
Foreign exchange gain, net	**—**	13,027
Gain on disposal of items of property, plant and equipment and other intangible assets	**371,013**	5,564
Others	**58,893**	57,124
Total	**1,010,464**	1,392,007

9. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings (excluding lease liabilities)	**1,353,843**	1,323,035
Interest on lease liabilities	**99,863**	50,920
Subtotal	**1,453,706**	1,373,955
Less: Interest capitalised *(note 15)*	**(21,791)**	(49,124)
Total	**1,431,915**	1,324,831

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' 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:

	2024 **RMB'000**	2023 RMB'000
Fees	**1,600**	1,568
Other emoluments:		
Salaries, allowances and benefits in kind	**13,670**	12,181
Performance related bonuses	**7,915**	35,939
Pension scheme contributions	**384**	330
Subtotal	**21,969**	48,450
Total	**23,569**	50,018

During the year, certain directors were granted the incentive schemes of the Group, in respect of their services to the Group, under the granted incentive Interest scheme of the Company, further details of which are set out in note 45 to the financial statements. The fair value of such options, which has been recognised in the 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' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 **RMB'000**	2023 RMB'000
Ms. Li Ling	**400**	392
Mr. Tang Guliang	**400**	392
Mr. Wang Quandi	**400**	392
Mr. Yu Zishan	**400**	392
Total	**1,600**	1,568

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors, supervisors and the chief executive

	Fees	Salaries, allowances, and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2024					
Executive directors					
Mr. Wu Yifang	—	**2,920**	**1,523**	**67**	**4,510**
Mr. Wang Kexin	—	**2,716**	**2,721**	**66**	**5,503**
Ms. Guan Xiaohui	—	**2,303**	**1,508**	**70**	**3,881**
Mr. Wen Deyong	—	**2,415**	**1,773**	**70**	**4,258**
Subtotal	—	**10,354**	**7,525**	**273**	**18,152**
Non-executive directors					
Mr. Yao Fang*	—	**1,532**	—	—	**1,532**
Mr. Chen Qiyu	—	—	—	—	—
Mr. Chen Yuqing**	—	—	—	—	—
Mr. Pan Donghui	—	—	—	—	—
Mr. Xu Xiaoliang	—	—	—	—	—
Subtotal	—	**1,532**	—	—	**1,532**
Supervisors					
Ms. Wang Lina***	—	**1,073**	**21**	**70**	**1,164**
Ms. Ren Qian****	—	**711**	**369**	**41**	**1,121**
Mr. Chen Bing*****	—	—	—	—	—
Mr. Guan Yimin	—	—	—	—	—
Subtotal	—	**1,784**	**390**	**111**	**2,285**
Total	—	**13,670**	**7,915**	**384**	**21,969**
2023					
Executive directors					
Mr. Wu Yifang	—	3,137	8,940	63	12,140
Mr. Wang Kexin	—	2,914	12,268	63	15,245
Ms. Guan Xiaohui	—	2,423	6,645	68	9,136
Mr. Wen Deyong	—	2,593	7,336	68	9,997
Subtotal	—	11,067	35,189	262	46,518
Non-executive directors					
Mr. Chen Qiyu	—	—	—	—	—
Mr. Yao Fang*	—	—	—	—	—
Mr. Pan Donghui	—	—	—	—	—
Mr. Xu Xiaoliang	—	—	—	—	—
Subtotal	—	—	—	—	—
Supervisors					
Ms. Ren Qian****	—	1,114	750	68	1,932
Mr. Guan Yimin	—	—	—	—	—
Mr. Cao Genxing	—	—	—	—	—
Subtotal	—	1,114	750	68	1,932
Total	—	12,181	35,939	330	48,450

* Mr. Yao Fang resigned as a non-executive director of the Company in June 2024.

** Mr. Chen Yuqing was elected as a non-executive director of the Company in September 2024.

*** Ms. Wang Lina was elected as the employee Supervisor of the Company in June 2024.

**** Ms. Ren Qian resigned as the employee Supervisor and the chairman of the Supervisory Committee of the Company in June 2024.

***** Mr. Chen Bing was elected as the chairman of the Supervisory Committee of the Company in June 2024.

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors, supervisors and the chief executive (Continued)

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year (2023: Nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2023: four directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining three (2023: one) highest paid employees who are not a director, supervisor, or the chief executive of the Company are as follows:

	2024	2023
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**12,525**	4,734
Performance related bonuses	**13,778**	6,896
Pension scheme contributions	**271**	—
Total	**26,574**	11,630

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HKD6,000,000 to HKD10,000,000	**1**	—
HKD10,000,001 to HKD11,000,000	**1**	
HKD11,000,001 to HKD12,000,000	**1**	
HKD12,000,001 to HKD13,000,000	**—**	1
Total	**3**	1

12. INCOME TAX

The provision for Chinese Mainland current income tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese Mainland, which are taxed at preferential rates of 0% to 20%.

Taxes on profits assessable in overseas countries and regions have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, the first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision of current income tax of Alma Lasers Ltd., a subsidiary of the Company incorporated in Israel, enjoyed a preferential effective tax rate of 6% for being a Special Preferred Technological Enterprise ("SPTE"). The provision of current tax of Gland Pharma Limited ("Gland Pharma"), a subsidiary of the Company incorporated in India, was based on a statutory rate of 25.17%. The provision of current tax of Breas Medical Holdings AB ("Breas"), a subsidiary of the Company incorporated in Sweden, is based on a statutory rate of 20.6%. The provision of current tax of Tridem Pharma S.A.S ("Tridem Pharma"), a subsidiary of the Company incorporated in France, is based on a statutory rate of 25.83%. The provision of current income tax of Phixen SAS ("Phixen"), a subsidiary of the Company incorporated in France, is based on a statutory rate of 25.83%.

	2024	2023
	RMB'000	RMB'000
Current	**1,017,620**	529,206
Deferred *(note 22)*	**(360,779)**	(159,702)
Total	**656,841**	369,504

12. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the countries in which the company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2024

	Chinese Mainland RMB'000	Other countries and regions RMB'000	Total RMB'000
Profit before tax	**3,436,985**	**732,296**	**4,169,281**
Tax at the statutory tax rate	**858,537**	**169,095**	**1,027,632**
Lower tax rates for certain entities	**(328,005)**	**(38,785)**	**(366,790)**
Adjustments in respect of current tax of previous years	**15,358**	**2,254**	**17,612**
Profit attributable to joint ventures and associates	**(411,687)**	**(10,899)**	**(422,586)**
Income not subject to tax	**(22,950)**	**(4,867)**	**(27,817)**
Expenses not deductible for tax	**131,793**	**115,090**	**246,883**
Influence of the change of tax rate on the deferred income tax balance	**(4,765)**	**(875)**	**(5,640)**
Tax losses utilised from previous periods	**(190,117)**	**(16,997)**	**(207,114)**
Tax incentives on eligible expenditures	**(300,088)**	**—**	**(300,088)**
Deductible temporary differences and tax losses not recognised	**638,300**	**56,449**	**694,749**
Tax charge at the Group's effective rate	**386,376**	**270,465**	**656,841**

2023

	Chinese Mainland RMB'000	Other countries and regions RMB'000	Total RMB'000
Profit before tax	2,651,812	625,096	3,276,908
Tax at the statutory tax rate	670,301	141,503	811,804
Lower tax rates for certain entities	(205,262)	(46,965)	(252,227)
Adjustments in respect of current tax of previous years	1,015	(4,700)	(3,685)
Profit attributable to joint ventures and associates	(405,517)	(1,862)	(407,379)
Income not subject to tax	(95,006)	(95,425)	(190,431)
Expenses not deductible for tax	141,478	21,153	162,631
Influence of the change of tax rate on the deferred income tax balance	(5,105)	—	(5,105)
Tax losses utilised from previous periods	(258,445)	(10,932)	(269,377)
Tax incentives on eligible expenditures	(429,079)	—	(429,079)
Deductible temporary differences and tax losses not recognised	773,006	179,346	952,352
Tax charge at the Group's effective rate	187,386	182,118	369,504

12. INCOME TAX (Continued)

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes.

13. DIVIDENDS

	2024	2023
	RMB'000	RMB'000
Proposed final — RMB0.32 (2023: RMB0.27) per ordinary share	**850,275**	721,548

The Company proposed to distribute a cash dividend of RMB 0.32 (before tax) for each ordinary share to all shareholders whose names are registered in the register of members and are entitled to participate in the distribution on the record date. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and the final dividend amount will be determined by the number of the ordinary shares available for distribution on the corresponding date of share registration for the dividend payment.

The amount of the proposed final dividend of RMB850,275 thousand is calculated based on the total number of ordinary shares of the Company of 2,671,326,465 shares as at 25 March 2025, net off 14,218,200 shares repurchased but not cancelled, which resulted in 2,657,108,265 shares.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the Restricted A Share Incentive Scheme, and the weighted average number of ordinary shares of 2,670,408,116 (2023: 2,669,655,211) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

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

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

	2024 RMB'000	2023 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent	**2,769,886**	2,398,606
Less: Cash dividends distributed to the Restricted A Share Incentive Scheme	**—**	(1,050)
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**2,769,886**	2,397,556
Cash dividends distributed to the Restricted A Share Incentive Scheme	**—**	1,050
Total	**2,769,886**	2,398,606

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,670,408,116**	2,669,655,211
Effect of dilution — weighted average number of ordinary shares: — the Restricted A Share Incentive Scheme	**—**	253,150
Total	**2,670,408,116**	2,669,908,361

15. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 December 2024								
	Freehold land	Buildings	Plant and machinery	Medical devices	Office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:									
At 1 January 2024	951,736	11,474,732	11,338,545	1,476,774	1,082,962	135,610	1,328,048	4,938,281	32,726,688
Additions	—	826,364	379,670	79,565	44,134	3,762	745,484	2,083,551	4,162,530
Acquisitions of subsidiaries *(note 41)*	—	—	166,049	—	2,153	—	142,932	1,680	312,814
Disposals	—	(552,506)	(311,477)	(52,514)	(78,594)	(10,159)	(24,563)	—	(1,029,813)
Disposal of subsidiaries *(note 42)*	—	(855,279)	(1,432)	(199,769)	(20,625)	(367)	(7,298)	(13,012)	(1,097,782)
Transferred from construction in progress	—	2,103,160	1,164,459	153,172	109,181	9,613	—	(3,539,585)	—
Exchange realignment	(8,055)	(65,608)	(71,217)	(494)	(3,007)	36	—	(35,464)	(183,809)
At 31 December 2024	943,681	12,930,863	12,664,597	1,456,734	1,136,204	138,495	2,184,603	3,435,451	34,890,628
Accumulated depreciation:									
At 1 January 2024	—	(3,440,101)	(6,302,995)	(885,651)	(597,707)	(92,878)	(549,242)	—	(11,868,574)
Depreciation charge for the year	—	(402,252)	(888,164)	(161,521)	(114,362)	(13,648)	(169,436)	—	(1,749,383)
Acquisitions of subsidiaries *(note 41)*	—	—	(71,554)	—	(1,404)	—	(88,234)	—	(161,192)
Disposals	—	499,231	256,261	50,654	41,591	8,612	1,195	—	857,544
Disposal of subsidiaries *(note 42)*	—	43,192	934	123,333	5,203	352	3,396	—	176,410
Exchange realignment	—	24,226	39,438	836	826	49	—	—	65,375
At 31 December 2024	—	(3,275,704)	(6,966,080)	(872,349)	(665,853)	(97,513)	(802,321)	—	(12,679,820)
Impairment losses:									
At 1 January 2024	—	(3,352)	(6,899)	—	(1,405)	—	—	—	(11,656)
Charge for the year	—	(314)	—	(792)	—	—	—	—	(1,106)
Disposals	—	9	4,597	—	275	—	—	—	4,881
At 31 December 2024	—	(3,657)	(2,302)	(792)	(1,130)	—	—	—	(7,881)
Net carrying amount:									
At 31 December 2024	943,681	9,651,502	5,696,215	583,593	469,221	40,982	1,382,282	3,435,451	22,202,927
At 1 January 2024	951,736	8,031,279	5,028,651	591,123	483,850	42,732	778,806	4,938,281	20,846,458

31 December 2024

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Year ended 31 December 2023								
	Freehold land	Buildings	Plant and machinery	Medical devices	Office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:									
At 1 January 2023	201,312	7,736,697	8,672,633	1,045,089	859,332	128,645	943,726	4,896,697	24,484,131
Additions	11,142	242,519	349,168	63,319	16,973	9,594	110,934	2,796,076	3,599,725
Acquisitions of subsidiaries	714,667	1,620,368	1,635,872	296,629	43,424	4,215	289,901	167,095	4,772,171
Disposals	—	(48,197)	(121,123)	(48,390)	(24,754)	(8,494)	(15,588)	—	(266,546)
Disposal of subsidiaries *(note 42)*	—	—	(383)	—	—	—	(925)	—	(1,308)
Transferred from construction in progress	—	1,889,768	730,913	119,917	179,322	1,667	—	(2,921,587)	—
Exchange realignment	24,615	33,577	71,465	210	8,665	(17)	—	—	138,515
At 31 December 2023	951,736	11,474,732	11,338,545	1,476,774	1,082,962	135,610	1,328,048	4,938,281	32,726,688
Accumulated depreciation:									
At 1 January 2023	—	(2,637,429)	(4,540,408)	(643,994)	(463,165)	(81,599)	(389,493)	—	(8,756,088)
Depreciation charge for the year	—	(317,182)	(842,112)	(131,222)	(108,465)	(14,979)	(153,494)	—	(1,567,454)
Acquisitions of subsidiaries	—	(503,837)	(977,988)	(146,374)	(34,224)	(2,690)	(11,974)	—	(1,677,087)
Disposals	—	32,987	94,268	36,052	13,541	6,386	4,794	—	188,028
Disposal of subsidiaries *(note 42)*	—	—	220	—	—	—	925	—	1,145
Exchange realignment	—	(14,640)	(36,975)	(113)	(5,394)	4	—	—	(57,118)
At 31 December 2023	—	(3,440,101)	(6,302,995)	(885,651)	(597,707)	(92,878)	(549,242)	—	(11,868,574)
Impairment losses:									
At 1 January 2023	—	(3,272)	(4,577)	—	(1,405)	—	—	—	(9,254)
Charge for the year	—	(80)	(2,328)	—	—	—	—	—	(2,408)
Disposals	—	—	6	—	—	—	—	—	6
At 31 December 2023	—	(3,352)	(6,899)	—	(1,405)	—	—	—	(11,656)
Net carrying amount:									
At 31 December 2023	951,736	8,031,279	5,028,651	591,123	483,850	42,732	778,806	4,938,281	20,846,458
At 1 January 2023	201,312	5,095,996	4,127,648	401,095	394,762	47,046	554,233	4,896,697	15,718,789

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amounts of construction in progress of the Group included capitalised interest of approximately RMB21,791,000 (2023: RMB49,124,000) charged for the year (note 9) prior to being transferred to property, plant and equipment.

As at 31 December 2024, the Group has not obtained title certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB897,780,000 (2023:RMB42,289,000). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2024.

As at 31 December 2024, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB2,597,290,000 (2023: RMB2,117,025,000) were pledged to secure certain of the Group's bank and other borrowings (note 34).

As at 31 December, the net carrying values of the group's property, plant and equipment leased out for operating purposes are as follows:

	2024	2023
	RMB'000	RMB'000
Buildings	**338,609**	79,181

16. LEASE

The Group as a lessee

The Group has lease contracts for various items of land, buildings, plant and machinery and motor vehicles 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 have lease terms between 2 to 20 years, plant and machinery generally have lease terms between 5 and 10 years, while motor vehicles generally have lease terms of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

16. LEASE (Continued)

The Group as a lessee (Continued)

(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:

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Prepaid Land lease payments RMB'000	Total RMB'000
As at 1 January 2024	**2,073,628**	**84,258**	**13,858**	**2,076,336**	**4,248,080**
Additions	**832,155**	**—**	**21,431**	**178,357**	**1,031,943**
Additions as a result of acquisition of subsidiaries	**11,274**	**—**	**—**	**—**	**11,274**
Disposal	**(24,503)**	**(779)**	**(234)**	**(51,329)**	**(76,845)**
Disposal of subsidiaries	**(3,737)**	**—**	**—**	**(47,219)**	**(50,956)**
Depreciation charge	**(396,232)**	**(14,853)**	**(8,632)**	**(54,823)**	**(474,540)**
Reclassification from other intangible assets	**—**	**—**	**—**	**1,441**	**1,441**
Effect of foreign exchange rate changes, net	**3,276**	**(559)**	**(448)**	**(1,395)**	**874**
As at 31 December 2024	**2,495,861**	**68,067**	**25,975**	**2,101,368**	**4,691,271**

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Prepaid Land lease payments RMB'000	Total RMB'000
As at 1 January 2023	825,211	31,362	6,965	1,973,691	2,837,229
Additions	281,553	11,026	9,935	68,673	371,187
Additions as a result of acquisition of subsidiaries	1,242,047	59,504	3,101	96,789	1,401,441
Disposal	(39,310)	—	—	(10,950)	(50,260)
Depreciation charge	(241,239)	(18,669)	(6,483)	(51,867)	(318,258)
Effect of foreign exchange rate changes, net	5,366	1,035	340	—	6,741
As at 31 December 2023	2,073,628	84,258	13,858	2,076,336	4,248,080

As at 31 December 2024, certain of the Group's prepaid land lease payments with a net carrying amount of RMB615,111,000 (2023: RMB614,613,000) were pledged to secure certain of the Group's bank and other borrowings (note 34).

As at 31 December 2024, the Group has not obtained a title certificate for the land use rights with net carrying amount of approximately RMB105,660,000 (2023: Nil). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2024.

16. LEASE (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at 1 January	**2,379,114**	929,398
New leases	**863,295**	308,537
Acquisition of subsidiaries	**6,753**	1,402,286
Accretion of interest recognised during the year	**99,863**	50,920
Covid-19-related rent concessions from lessors	**—**	(277)
Payments	**(426,788)**	(251,707)
Lease termination	**(27,858)**	(72,764)
Disposal of subsidiaries	**(4,137)**	—
Effect of foreign exchange rate changes, net	**(7,293)**	12,721
As at 31 December	**2,882,949**	2,379,114
Analysed into:		
Current portion	**340,981**	329,525
Non-current portion	**2,541,968**	2,049,589

There are no lease liabilities due to the Group's other related companies as at 31 December 2024 (2023: Nil).

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

16. LEASE (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	**99,863**	50,920
Depreciation charge of right-of-use assets	**474,540**	318,258
Expense relating to short-term leases	**108,846**	102,397
Expense relating to leases of low-value assets	**11,986**	11,352
Covid–19-related rent concessions from lessors	**—**	(277)
Total amount recognised in profit or loss	**695,235**	482,650

The Group as a lessor

The Group leases part of its buildings (note 15) 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 RMB87,921,000 (2023: RMB62,601,000), details of which are included in note 5 to the financial statements.

At 31 December, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**36,387**	30,274
After one year but within two years	**24,605**	24,738
After two years but within three years	**16,072**	15,926
Over three years	**39,649**	51,583
Total	**116,713**	122,521

17. GOODWILL

	2024 RMB'000	2023 RMB'000
At 1 January		
Cost	**11,539,499**	11,024,553
Accumulated impairment	**(687,500)**	(687,500)
Net carrying amount	**10,851,999**	10,337,053
Cost at 1 January, net of accumulated impairment	**10,851,999**	10,337,053
Acquisitions of subsidiaries	**—**	413,733
Purchase price adjustment	**4,655**	—
Disposal of subsidiaries *(note 42)*	**(13,785)**	—
Exchange realignment	**62,214**	101,213
Net carrying amount at 31 December	**10,905,083**	10,851,999

	2024 RMB'000	2023 RMB'000
At 31 December		
Cost	**11,592,583**	11,539,499
Accumulated impairment	**(687,500)**	(687,500)
Net carrying amount	**10,905,083**	10,851,999

	2024 RMB'000	2023 RMB'000
Goodwill of Gland Pharma and subsidiaries*/**	**4,299,760**	4,247,603
Goodwill of Fosun Adgenvax and subsidiaries	**1,168,983**	1,168,983
Goodwill of Sisram Medical Ltd ("Sisram") and subsidiaries*	**912,729**	900,977
Goodwill of Foshan Fosun Chancheng Hospital & Zhuhai Chancheng & Xinshi Hospital	**680,808**	680,808
Goodwill of Hengsheng Hospital	**636,933**	636,933
Goodwill of Avanc Pharma and subsidiaries	**616,231**	616,231
Goodwill of Chongqing Yao Pharma and subsidiaries	**572,670**	572,670
Goodwill of Erye Pharma	**503,373**	503,373
Goodwill of Breas*	**302,995**	297,363
Goodwill of Xingmai Information	**275,653**	275,653
Goodwill of Hongqi Pharma	**205,952**	205,952
Goodwill of Tridem Pharma**	**165,335**	172,662
Goodwill of Fosun Wanbang Pharma and subsidiaries	**83,765**	83,765
Goodwill of other subsidiaries	**479,896**	489,026
	10,905,083	10,851,999

* Goodwill of Gland Pharma, Sisram and Breas is measured in USD, and goodwill of Alma Hong Kong 2023 Limited is measured in RMB.

** Goodwill of Tridem Pharma and Phixen SAS, a subsidiary of Gland Pharma, is measured in EUR.

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

17. GOODWILL (Continued)

Impairment testing of goodwill

Movements in the provisions for impairment of goodwill are as follows:

2024	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Goodwill of Fosun Adgenvax and subsidiaries	202,500	—	—	202,500
Goodwill of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital	15,000	—	—	15,000
Goodwill of Avanc Pharma and subsidiaries	390,000	—	—	390,000
Goodwill of Breas	80,000	—	—	80,000
Total	687,500	—	—	687,500

2023	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Goodwill of Fosun Adgenvax and subsidiaries	202,500	—	—	202,500
Goodwill of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital	15,000	—	—	15,000
Goodwill of Avanc Pharma and subsidiaries	390,000	—	—	390,000
Goodwill of Breas	80,000	—	—	80,000
Total	687,500	—	—	687,500

Information about the cash-generating units or the groups of cash-generating units in which goodwill is held is as follows:

The cash flows generated from each subsidiary acquired are independent from those of the other subsidiaries of the Group. Therefore, each of these acquired subsidiaries is a separate cash-generating unit. Therefore, in performing the impairment test, the goodwill generated from each acquisition is allocated to the corresponding subsidiary acquired.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value-in-use calculation of all the cash-generating units or the groups of cash-generating units for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(1) The Group under evaluation continues to operate and there are no major changes affecting the key aspects of production and operations and the current situation in terms of business scope, sales model, channels and management.

(2) The socio-economic environment in which the group under evaluation is located does not cause major changes and there are no major changes in relevant laws, regulations, policies and regulations.

(3) The business scope, operating mode, and management mode of the group under evaluation are consistent and continuously adjusted with the development of the economy.

(4) The interest rate, exchange rate, tax base and tax rate will not change significantly within the normal range prescribed by the state.

Forecasted revenue — The basis for determining this growth rate is an appropriate increase based on projected market developments on the basis of forecasted revenue achieved in the previous year.

Forecasted profit margin — The basis used to determine the value assigned to the forecasted profit margin is the average profit margin achieved in the year immediately before the forecast year, adjusted for expected efficiency adjustments and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The growth rates beyond the forecast period — The growth rates beyond the forecast period are the rate of inflation.

The recoverable amount was determined at the present value of the projected future cash flows of the cash-generating units or the groups of cash-generating units. According to the financial forecast for 5–9 years approved by management, the revenue growth rate for the forecast period was 5.02% to 47.60%, and the gross margin was 13.93% to 82.26%.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Gland Pharma and subsidiaries

Gland Pharma, founded in 1978 and headquartered in Hyderabad, India, is a generic injection company with R&D capabilities for original pharmaceuticals and preparations. At present, it mainly provides manufacturing services of generic injection for large-scale pharmaceutical companies worldwide. Gland Pharma is the first Indian manufacturer of injectable pharmaceuticals approved by Food and Drug Administration of the United States of America, and has the ability to register and sell drugs in the regulatory markets. Its products are mainly sold to the United States and Europe. On November 2020, Gland Pharma was listed on BSE limited and national stock exchange of India limited. The Group regularly evaluates the above-mentioned operating activities and unifies the resource allocation based on the evaluation results. Therefore, Gland Pharma and subsidiaries as a whole is recognized as a group of cash-generating units, which belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Gland Pharma and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 15.90% (2023: 16.06%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Gland Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Gland Pharma and Phixen SAS, its subsidiary, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Fosun Adgenvax and subsidiaries

Fosun Adgenvax was established on 6 July 2012. Fosun Adgenvax and its subsidiaries have a number of patents including 13-valent pneumonia conjugate vaccine (multivalent conjugate), influenza vaccine, pertussis vaccine and rabies vaccine. The Group regularly evaluates the above-mentioned operating activities and unifies the resource allocation based on the evaluation results. Therefore, Fosun Adgenvax and its subsidiaries as a whole is recognized as a group of cash-generating units, which belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Fosun Adgenvax and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 13.90% (2023: 14.88%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Fosun Adgenvax and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Fosun Adgenvax and Dalian Aleph, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Sisram and subsidiaries

Sisram is a manufacturer of medical lasers, photonics and Radio Frequency equipment in Israel. Sisram ranks in the forefront of the medical beauty market, and has formed a strong competitive advantage in design capabilities, cost control, and customer base. Its medical laser and optical equipment is mainly used in dermatology, orthopedics, burn surgery, laser and many other fields, and Sisram and subsidiaries are dedicated to provide the comprehensive solution with core of top technology for the medical beauty market. Sisram merged downstream distributor Nova Medical Israel Ltd. to integrate its sales channels in the Israel market during 2019. In 2023, Sisram completed the acquisition of PhotonMed brand and channel, a leading energy source equipment distributor and strategic partner of Alma in China, achieving a direct sales layout for medical beauty business in the Chinese market. The Group regularly evaluates the above-mentioned business activities and unifies resource allocation based on the evaluation results. Therefore, Sisram and its subsidiaries as a whole is recognised as a group of cash-generating units, which belongs to the medical devices and medical diagnosis segment. According to the 5-year financial forecast approved by the management, the revenue growth rate for Sisram and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 18.11% (2023: 17.75%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Sisram and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Alma Lasers, Ltd., Nova Medical Israel Ltd. and Alma Hong Kong 2023 Limited, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital

Chancheng Hospital is a national third-grade class-A hospital which integrates medical treatment, rehabilitation, scientific research and teaching in Foshan, Guangdong Province. Chancheng Hospital in Zhuhai City, Guangdong Province is a second-class hospital approved by Zhuhai Health and Family Planning Bureau. Xinshi Hospital is a third-class general hospital which integrates medical treatment, teaching, prevention and health care in Guangzhou, Guangdong Province. As the above-mentioned hospitals are located in South China, they have synergy and relevance in terms of acquisition purpose, integration progress, overall evaluation, resource allocation and business operation. Therefore, Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital as a whole is recognised as a group of cash-generating units, which belongs to the Healthcare service segment. According to the 9-year financial forecast approved by the management, the revenue growth rate for Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 14.78% (2023: 15.67%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

17. GOODWILL (Continued)

Impairment testing of goodwill(continued)

Goodwill of Hengsheng Hospital

Hengsheng Hospital is a large-scale modern comprehensive Tertiary Hospital approved by the Health and Family Planning Commission of Guangdong Province, which integrates medical treatment, scientific research, teaching, rehabilitation and preventive health care. It is mainly engaged in healthcare service and is the designated medical institution for social medical insurance in Shenzhen. Shenzhen Workers' Injury Insurance Hospital, Shenzhen Children's Medical Insurance Hospital, Shenzhen 120 Emergency Medical Center Network Hospital, Shenzhen Baoan District Science Education Base, Teaching Hospital of Guangdong Medical College. The Group regularly evaluates the above-mentioned operating activities and unifies resource allocation based on the evaluation results. Hengsheng Hospital specialises in healthcare service and generates operating cash flow independently. Therefore, Hengsheng Hospital as a whole is recognised as a group of cash-generating units, which belongs to the Healthcare service segment. According to the 9-year financial forecast approved by the management, the revenue growth rate for Hengsheng Hospital beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 16.00% (2023: 17.08%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Hengsheng Hospital's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit mainly consists of Hengsheng Hospital, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Avanc Pharma and subsidiaries

Avanc Pharma and subsidiaries focus on pharmaceutical products whose major products included Aodejin (Calf blood serum injection), Bangting (Hemocoagulase for injection) and others. In 2019, Avanc Pharma obtained first class listed pharmaceutical chemicals Penehyclidine hydrochloride injection (Changtuoning) through acquiring Chengdu List Pharmaceutical Co., Ltd. (hereinafter called the "List Pharma"). Meanwhile, Avanc Pharma recombined its own business with those of List Pharma, improving the strategic layout by transferring the production of Changtuoning and integrate the sales channels. The group has overall assessment for mentioned-above operating activities regularly, and allocates resources accordingly; therefore, Avanc Pharma and its subsidiaries as a whole is recognised as a group of cash-generating units, which belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the asset portfolio. According to the 9-year financial forecast approved by the management, the revenue growth rate for Avanc Pharma and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 13.84% (2023: 14.36%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Avanc Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Avanc Pharma and Chengdu List, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Yao Pharma and subsidiaries

The group of cash-generating units belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Yao Pharma and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 16.00% (2023: 17.13%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Yao Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Sichuan Hexin, Dongting Pharma, Liaoning Shinsun Pharma and Beijing Jiluohua, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Erye Pharma

Erye Pharma is a comprehensive pharmaceutical company that produces APIs, powder injections (including penicillins, cephalosporins), freeze-dried powders and oral preparations. The Group regularly evaluates the above-mentioned business activities and unifies the resource allocation based on the evaluation results. Therefore, Erye Pharma as a whole is recognised as a group of cash-generating units, which belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the asset portfolio. According to the 9-year financial forecast approved by the management, the revenue growth rate for Erye Pharma beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 13.95% (2023: 15.79%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Erye Pharma's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit mainly consists of Erye Pharma, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Breas

The cash-generating unit belongs to the medical devices and medical diagnosis segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Breas beyond the forecast period is 2.00% (2023: 2.00%). The discount rate applicable to future cash flows is 15.80% (2023: 16.20%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Breas's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit mainly consists of Breas, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Xingmai Information

The cash-generating unit belongs to the other business operations segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Xingmai Information beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 13.85% (2023: 14.27%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Xingmai Information's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit mainly consists of Xingmai Information, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Hongqi Pharma

The cash-generating unit belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Shenyang Red Flag beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 13.90% (2023: 14.61%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Hongqi Pharma's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit mainly consists of Hongqi Pharma, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

17. GOODWILL (Continued)

Impairment testing of goodwill(continued)

Goodwill of Tridem Pharma

The cash-generating unit belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Tridem Pharma beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 16.15% (2023: 18.46%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Tridem Pharma's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2024. This cash-generating unit is mainly composed of Tridem Pharma, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

Goodwill of Fosun Wanbang and subsidiaries

The group of cash-generating units belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Fosun Wanbang and its subsidiaries beyond the forecast period is 2.00% (2023: 2.30%). The discount rate applicable to future cash flows is 16.67% (2023: 17.22%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Fosun Wanbang and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2024. This group of cash-generating units mainly consists of Fosun Wanbang Biochemical, Shenyang Wanbang Tiansheng and Wanbang Sinock, and the cash flows generated are independent from those of other cash-generating units or groups of cash-generating units.

The Group's calculation of the present value (recoverable amount) of the estimated future cash flows of the cash-generating units or the groups of cash-generating units of Gland Pharma and subsidiaries, Fosun Adgenvax and subsidiaries, Foshan Fosun Chancheng Hospital, Zhuhai Chancheng & Xinshi Hospital, Hengsheng Hospital, Avanc Pharma and subsidiaries, Xingmai Technology, Breas, Shenyang Red Flag and Erye Pharma was also referred to the results of Shanghai Orient Appraisal Co., Ltd.'s report on 21 March 2025 No. 0611 of Orient Appraisal Evaluation Report [2025] "The assessment report of the recoverable amount of nine related cash-generating units or groups of cash-generating units for the purpose of financial reporting of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.".

18. OTHER INTANGIBLE ASSETS

	Year ended 31 December 2024							
	Medicine licences RMB'000	Patents and technical know-how RMB'000	Office software RMB'000	Trademarks RMB'000	Business networks RMB'000	Deferred development costs RMB'000	Operating concession rights RMB'000	Total RMB'000
Cost:								
At 1 January 2024	4,155,308	6,214,556	465,092	1,205,470	2,471,330	3,921,481	1,859,423	20,292,660
Additions	83,408	9,516	37,954	180	—	1,909,703	258,959	2,299,720
Acquisition of subsidiaries *(note 41)*	586,043	—	11,799	—	—	208,741	27,358	833,941
Investments received	—	14,905	—	6,388	—	—	—	21,293
Transfer	396,349	311,048	—	—	—	(1,111,596)	404,199	—
Disposals	—	(6,006)	(8,191)	—	—	—	(9,801)	(23,998)
Disposal of subsidiaries *(note 42)*	—	(7,433)	(11,879)	—	—	—	—	(19,312)
Reclassification	—	—	—	(90,000)	—	—	88,559	(1,441)
Exchange realignment	3,901	61,727	656	17,343	69,635	—	(7,617)	145,645
At 31 December 2024	5,225,009	6,598,313	495,431	1,139,381	2,540,965	4,928,329	2,621,080	23,548,508
Accumulated amortisation:								
At 1 January 2024	(555,022)	(2,225,750)	(312,110)	(100,661)	(1,063,031)	(1,711)	(623,836)	(4,882,121)
Acquisition of subsidiaries *(note 41)*	(277,340)	—	(4,458)	—	—	—	(9,119)	(290,917)
Amortisation for the year	(206,688)	(455,767)	(41,741)	(40,142)	(140,417)	—	(133,468)	(1,018,223)
Disposals	—	12	8,191	—	—	—	8,032	16,235
Disposal of subsidiaries *(note 42)*	—	2,548	5,792	—	—	—	—	8,340
Exchange realignment	1,261	2,046	(2,355)	(76)	(5,291)	—	1,326	(3,089)
At 31 December 2024	(1,037,789)	(2,676,911)	(346,681)	(140,879)	(1,208,739)	(1,711)	(757,065)	(6,169,775)
Impairment losses:								
At 1 January 2024	(64,000)	(20,614)	—	—	—	(23,662)	(475)	(108,751)
Provision	—	—	—	—	—	(35,112)	—	(35,112)
At 31 December 2024	(64,000)	(20,614)	—	—	—	(58,774)	(475)	(143,863)
Net carrying amount:								
At 31 December 2024	4,123,220	3,900,788	148,750	998,502	1,332,226	4,867,844	1,863,540	17,234,870
At 1 January 2024	3,536,286	3,968,192	152,982	1,104,809	1,408,299	3,896,108	1,235,112	15,301,788

18. OTHER INTANGIBLE ASSETS (Continued)

	Year ended 31 December 2023							
	Medicine licences RMB'000	Patents and technical know-how RMB'000	Office software RMB'000	Trademarks RMB'000	Business networks RMB'000	Deferred development costs RMB'000	Operating concession rights RMB'000	Total RMB'000
Cost:								
At 1 January 2023	3,409,252	5,881,634	304,702	1,110,517	2,039,430	3,458,041	1,264,626	17,468,202
Additions	—	111,281	75,265	19	19,067	1,295,212	588,585	2,089,429
Acquisition of subsidiaries	51,440	81,619	83,760	90,322	388,649	—	—	695,790
Transfer	693,919	137,853	—	—	—	(831,772)	—	—
Disposals	—	(29,916)	(2,049)	—	—	—	—	(31,965)
Exchange realignment	697	32,085	3,414	4,612	24,184	—	6,212	71,204
At 31 December 2023	4,155,308	6,214,556	465,092	1,205,470	2,471,330	3,921,481	1,859,423	20,292,660
Accumulated amortisation:								
At 1 January 2023	(300,067)	(1,776,852)	(204,962)	(60,701)	(884,744)	(1,711)	(200,381)	(3,429,418)
Acquisition of subsidiaries	(46,067)	(5,463)	(60,615)	—	(26,197)	—	—	(138,342)
Amortisation for the year	(208,071)	(458,465)	(45,623)	(39,947)	(141,648)	—	(423,287)	(1,317,041)
Disposals	—	29,541	2,049	—	—	—	—	31,590
Exchange realignment	(817)	(14,511)	(2,959)	(13)	(10,442)	—	(168)	(28,910)
At 31 December 2023	(555,022)	(2,225,750)	(312,110)	(100,661)	(1,063,031)	(1,711)	(623,836)	(4,882,121)
Impairment losses:								
At 1 January 2023	(64,000)	(20,614)	—	—	—	(2,070)	(475)	(87,159)
Provision	—	—	—	—	—	(21,592)	—	(21,592)
At 31 December 2023	(64,000)	(20,614)	—	—	—	(23,662)	(475)	(108,751)
Net carrying amount:								
At 31 December 2023	3,536,286	3,968,192	152,982	1,104,809	1,408,299	3,896,108	1,235,112	15,301,788
At 1 January 2023	3,045,185	4,084,168	99,740	1,049,816	1,154,686	3,454,260	1,063,770	13,951,625

18. OTHER INTANGIBLE ASSETS (Continued)

As at 31 December 2024, the indefinite-life intangible assets of the Group are as follows:

Asset types	Holders	Net carrying amount RMB'000	Reasons of indefinite life
Medicine licences	Fosun Aleph, Dongting Pharma, Hongqi Pharma, Erye Pharma	307,000	The extension cost is low and the assets can be used indefinitely
Trademarks	Fosun Aleph, Dongting Pharma, Erye Pharma	31,000	The extension cost is low and the assets can be used indefinitely
Trademarks	CML, Alma*	208,106	The extension cost is low and the assets can be used indefinitely
Operating concession rights	Hengsheng Hospital	421,710	The extension cost is low and the assets can be used indefinitely
Patents and technical know-how	Henlix	48,921	The extension cost is low and the assets can be used indefinitely
Total		1,016,737	

* Trademarks of CML and Alma are measured in USD.

The Group performs impairment tests for the above individual intangible assets or the respective cash-generating units depending on whether the recoverable amounts of individual intangible assets can be reliably estimated.

Medicine licences

The recoverable amounts of medicine licences have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a nine-years period approved by senior management. The discount rates applied to the cash flow projections are in the range of 15.50% to 16.70%. 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.

Trademarks

The recoverable amounts of trademarks have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a period of five to nine years period approved by senior management. The discount rates applied to the cash flow projections is 17.50%. 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 projection based on a financial budget covering a nine-year period approved by senior management. The discount rate applied to the cash flow projection is 16.64%. 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.

18. OTHER INTANGIBLE ASSETS (Continued)

Patents and technical know-how

The recoverable amounts of the Patents and technical know-how were determined based on the fair value less costs of disposal, and the fair values of non-patent technologies were determined using the relief from the royalty method taking into account the nature of the asset, using cash flow projections based on financial budget covering a nine-year period approved by the management. The discount rate applied to the cash flow projection is 18.04%. The growth rate used to extrapolate the cash flows beyond the financial budget period is 2.00%, which is close to the long-term inflation rate.

Assumptions were used in the value-in-use calculation for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of indefinite-life intangible assets:

Forecasted revenue — The basis for determining this growth rate is an appropriate increase based on projected market developments on the basis of forecasted revenue achieved in the previous year.

Forecasted profit margin — The basis used to determine the value assigned to the forecasted profit margin is the average profit margin achieved in the year immediately before the forecast year, adjusted for expected efficiency adjustments and expected market development.

Discount rates — The discount rates used are the rates of return on investment required by the group.

The growth rates beyond the forecast period — 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.

19. INVESTMENTS IN JOINT VENTURES

	2024	2023
	RMB'000	RMB'000
Share of net assets	**20,900**	78,910

The Group's trade receivable balances due from the joint ventures are disclosed in note 26 to the financial statements.

19. INVESTMENTS IN JOINT VENTURES (Continued)

The above investment in joint venture is indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 RMB'000	2023 RMB'000
Share of the joint ventures' loss for the year	**(184,409)**	(202,030)
Share of the joint ventures' other comprehensive income	**3,034**	109
Share of the joint ventures' total comprehensive loss	**(181,375)**	(201,921)
Aggregate carrying amount of the Group's investments in the joint ventures	**20,900**	78,910

20. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	**24,528,829**	23,736,350
Goodwill on acquisition	**769,441**	757,478
Subtotal	**25,298,270**	24,493,828
Provision for impairment	**(666,046)**	(691,715)
Total	**24,632,224**	23,802,113

Movements in the provisions for impairment of investment in associates are as follows:

2024	**At beginning of year RMB'000**	**Additions RMB'000**	**Disposals RMB'000**	**At end of year RMB'000**
Provisions for impairment of:				
Sovereign Medical Services, Inc.	**222,657**	**—**	**—**	**222,657**
Saladax Biomedical, Inc.	**129,705**	**—**	**—**	**129,705**
Mingyi Zhonghe Technology (Beijing) Co., Ltd.	**64,982**	**—**	**—**	**64,982**
Integrated Endoscopy, Inc.	**30,097**	**—**	**—**	**30,097**
Others	**244,274**	**—**	**25,669**	**218,605**
Total	**691,715**	**—**	**25,669**	**666,046**

20. INVESTMENTS IN ASSOCIATES (Continued)

Movements in the provisions for impairment of investment in associates are as follows: (Continued)

2023	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Sovereign Medical Services, Inc.	222,657	—	—	222,657
Saladax Biomedical, Inc.	129,705	—	—	129,705
Mingyi Zhonghe Technology (Beijing) Co., Ltd.	64,982	—	—	64,982
Integrated Endoscopy, Inc.	30,097	—	—	30,097
Others	218,352	61,284	35,362	244,274
Total	665,793	61,284	35,362	691,715

Particulars of the Group's principal associates are as follows:

Company name*	Place of incorporation/ registration and business	Nominal value of issued/ registered share capital ('000)	Percentage of equity interest attributable to the Company Direct %	Indirect %	Principal activities
Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司)	PRC/Chinese Mainland	RMB100,000	49.00	—	Pharmaceutical investment

* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of these companies.

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

20. INVESTMENTS IN ASSOCIATES (Continued)

Sinopharm Industrial Investment Co., Ltd. ("Sinopharm Industrial"), which is considered a material associate of the Group, has significant impact on the share of profits and losses of associates and is accounted for using the equity method.

The following table illustrates the summarised financial information of Sinopharm Industrial, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2024 **RMB'000**	2023 RMB'000
Revenue	**584,507,930**	596,569,565
Profit for the year	**10,414,397**	14,993,794
Other comprehensive income	**(6,445)**	8,395
Total comprehensive income for the year	**10,407,952**	15,002,189
Profit for the year attributable to owners of the parent of Sinopharm Industrial	**3,546,132**	4,553,856
Current assets	**346,125,795**	335,769,893
Non-current assets	**46,638,366**	47,566,886
Current liabilities	**(250,306,731)**	(241,419,075)
Non-current liabilities	**(15,450,885)**	(21,300,812)
Net assets	**127,006,545**	120,616,892
Net assets attributable to owners of the parent of Sinopharm Industrial	**40,069,326**	37,897,955
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	**19,633,970**	18,569,998
Goodwill on acquisition (less cumulative impairment)	**—**	—
Carrying amount of the investment	**19,633,970**	18,569,998
Dividend received by the Group	**671,413**	633,947

20. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 RMB'000	2023 RMB'000
Share of the associates' profit for the year	**90,643**	155,489
Share of the associates' other comprehensive income/(loss)	**31,654**	(6,825)
Share of the associates' total comprehensive income	**122,297**	148,664
Aggregate carrying amount of the Group's investments in the associates	**4,998,254**	5,232,115

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Equity investments designated at fair value through other comprehensive income		
Listed equity investments, at fair value		
Sichuan Huiyu Pharmaceutical Co., Ltd.	**11,673**	11,619
Others	**4,761**	41,155
Total	**16,434**	52,774

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The cumulative loss on transfer to retained earnings from derecognition of investments in other equity instruments for the year was RMB3,780,000.

During the year ended 31 December 2024, the Group received dividends in the amounts of RMB209,000 (2023: RMB203,000).

22. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the year are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Provision for impairment of assets RMB'000	Depreciation and amortisation RMB'000	Accrued expenses RMB'000	Unrealised profit RMB'000	Deferred income RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2023	287,911	46,402	6,344	179,417	100,016	49,782	3,303	231,679	904,854
Disposal of subsidiaries *(note 42)*	—	(431)	—	—	—	—	—	—	(431)
Deferred tax credited/(charged) to the statement of profit or loss during the year	89,691	30,714	2,860	8,149	(3,187)	(16,576)	(2,014)	145,329	254,966
Gross deferred tax assets at 31 December 2024	377,602	76,685	9,204	187,566	96,829	33,206	1,289	377,008	1,159,389

22. DEFERRED TAX (Continued)

The movements in deferred tax assets/(liabilities) during the year are as follows:

Deferred tax liabilities

	Fair value remeasurements of the remaining equity interest in associates arising from the disposal of subsidiaries and other temporary differences RMB'000	Deemed disposal of associates RMB'000	Fair value adjustments arising from financial assets at fair value through profit or loss RMB'000	Fair value adjustments of equity investment designated at fair value RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Depreciation RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2023	200,444	1,163,439	2,830	583	1,888,027	240,697	229,554	3,725,574
Disposal of subsidiaries *(note 42)*	—	—	—	—	—	(399)	—	(399)
Deferred tax (credited)/charged to the statement of profit or loss during the year	—	—	126	—	(185,212)	(76,731)	156,004	(105,813)
Deferred tax charged to reserves during the year	—	—	—	42	—	—	—	42
Exchange differences	848	—	—	—	26,520	—	—	27,368
Gross deferred tax liabilities at 31 December 2024	201,292	1,163,439	2,956	625	1,729,335	163,567	385,558	3,646,772

22. DEFERRED TAX (Continued)

The movements in deferred tax assets/(liabilities) during the year are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Provision for impairment of assets RMB'000	Depreciation and amortisation RMB'000	Accrued expenses RMB'000	Unrealised profit RMB'000	Deferred income RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2022	117,995	55,312	7,289	149,618	92,179	71,924	7,654	1,383	503,354
Effect of adoption of amendments to HKAS12	—	—	—	—	—	—	—	77,632	77,632
At 1 January2023 (restated)	117,995	55,312	7,289	149,618	92,179	71,924	7,654	79,015	580,986
Acquisitions of subsidiaries	118,209	—	—	28,432	—	—	—	—	146,641
Deferred tax credited/(charged) to the statement of profit or loss during the year	51,707	(8,910)	(945)	1,367	7,837	(22,142)	(4,351)	152,664	177,227
Gross deferred tax assets at 31 December 2023	287,911	46,402	6,344	179,417	100,016	49,782	3,303	231,679	904,854

22. DEFERRED TAX (Continued)

Deferred tax liabilities

	Fair value remeasurements of the remaining equity interest in associates arising from the disposal of subsidiaries and other temporary differences RMB'000	Deemed disposal of associates RMB'000	Fair value adjustments arising from financial assets at fair value through profit or loss RMB'000	Fair value adjustments of equity investment designated at fair value RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Depreciation RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2022	199,496	1,163,439	2,797	431	1,800,995	256,566	—	3,423,724
Effect of adoption of amendments to HKAS12	—	—	-	—	—	—	77,632	77,632
At 1 January 2023 (restated)	199,496	1,163,439	2,797	431	1,800,995	256,566	77,632	3,501,356
Acquisitions of subsidiaries	—	—	—	—	186,871	4,725	—	191,596
Deferred tax (credited)/charged to the statement of profit or loss during the year	—	—	33	—	(113,836)	(20,594)	151,922	17,525
Deferred tax charged to reserves during the year	—	—	—	152	—	—	—	152
Exchange differences	948	—	—	—	13,997	—	—	14,945
Gross deferred tax liabilities at 31 December 2023	200,444	1,163,439	2,830	583	1,888,027	240,697	229,554	3,725,574

Net deferred tax assets and net deferred tax liabilities as at the respective reporting dates are as follows:

	2024		2023	
	Offset amount RMB'000	**Net amount RMB'000**	Offset amount RMB'000	Net amount RMB'000
Deferred tax assets	**401,613**	**757,776**	280,383	624,471
Deferred tax liabilities	**401,613**	**3,245,159**	280,383	3,445,191

22. DEFERRED TAX (Continued)

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:

	2024 RMB'000	2023 RMB'000
Tax losses	**11,342,605**	11,138,269
Deductible temporary differences	**1,645,725**	1,780,646
Total	**12,988,330**	12,918,915

There are no income tax consequences attaching to the payments of dividends by the Company to its shareholders.

23. TRADE RECEIVABLES-NON-CURRENT

	2024 RMB'000	2023 RMB'000
Trade receivables	**206,203**	90,435
Impairment	**(6,767)**	(5,112)
Net carrying amount	**199,436**	85,323

Movements in the loss allowance for impairment of trade receivables are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	**5,112**	5,083
Impairment losses, net	**6,285**	901
Amounts written off as uncollectible	**(4,300)**	(939)
Exchange realignment	**(330)**	67
At end of year	**6,767**	5,112

24. OTHER NON-CURRENT ASSETS

	2024 RMB'000	2023 RMB'000
Prepayments for purchase of items of property, plant and equipment	**320,827**	1,431,182
Prepayments for acquisitions of an associate company and subsidiaries	**385**	265,486
Prepayments for purchase of other intangible assets	**564,347**	694,566
Deposits for purchase of prepaid land lease payments	**—**	22,200
Loans to a related party	**—**	196,743
Others	**227,521**	96,451
Total	**1,113,080**	2,706,628

Included in the Group's other non-current assets are amounts due from a related party of the Group of RMB147,026,000 (2023: RMB966,942,000) arising from prepayments for purchase of items of property, plant and equipment. The balances were non-interest-bearing.

Shanghai Fosun Pharmaceutical Industry Development Co., Ltd. ("Industrial Development") provided an entrusted loan of RMB196,743,000 to Fosun Kite Biological Technology Co., Ltd. (now renamed Fosun Kairos (Shanghai) Biological Technology Co., Ltd. ("Fosun Kairos")), an associate at that time, with a fixed interest rate of 4.73%. On 31 October 2024, the Group completed the acquisition of its controlling interest. On 19 July 2024, Industrial Development signed the Debt for Equity and Capital Increase Agreement with Kite Pharma and Fosun Kairos, and Industrial Development and Kite Pharma respectively increased the capital of Fosun Kairos in the same proportion with their existing debt for equity swaps of equivalent USD28,500,000 to Fosun Kairos.

25. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**1,813,490**	2,199,240
Work in progress	**1,062,160**	1,323,919
Finished goods	**3,831,556**	3,534,766
Spare parts and consumables	**669,804**	664,557
Others	**144,294**	80,622
	7,521,304	7,803,104
Provision	**(262,655)**	(265,336)
Total	**7,258,649**	7,537,768

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	RMB'000	RMB'000
Trade receivables	**7,952,073**	7,643,737
Bills receivable	**72,360**	24,492
Total	**8,024,433**	7,668,229

	2024	2023
	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income	**612,973**	642,569

If an entity's business model for the management of bank notes is aimed at both the collection of contract cash flows and the sale, it is classified as financial assets measured at fair value through other comprehensive income.

The credit period for trade receivables is generally three months, which may be extended up to six months for major customers. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade receivables, based on the invoice date and net of loss allowance, as at the respective reporting dates is as follows:

	2024	2023
	RMB'000	RMB'000
Within 1 year	**7,754,376**	7,436,979
1 to 2 years	**275,391**	333,408
2 to 3 years	**143,146**	77,594
Over 3 years	**89,807**	64,952
Total	**8,262,720**	7,912,933
Impairment	**(310,647)**	(269,196)
Net Carrying Amount	**7,952,073**	7,643,737

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	**269,196**	207,192
Impairment losses, net	**101,391**	109,461
Amounts written off as uncollectible	**(59,940)**	(47,457)
At end of year	**310,647**	269,196

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). 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:

As at 31 December 2024

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	**0.80%**	**5.50%**	**100.00%**	**100.00%**	**100.00%**	**3.76%**
Gross carrying amount (RMB'000)	**6,443,812**	**1,650,514**	**74,208**	**40,445**	**53,741**	**8,262,720**
Expected credit losses (RMB'000)	**51,430**	**90,823**	**74,208**	**40,445**	**53,741**	**310,647**

As at 31 December 2023

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	1.07%	5.41%	100.00%	100.00%	100.00%	3.40%
Gross carrying amount (RMB'000)	6,309,557	1,481,702	61,978	17,191	42,505	7,912,933
Expected credit losses (RMB'000)	67,319	80,203	61,978	17,191	42,505	269,196

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Included in the Group's trade receivables are amounts due from the Group's associates of RMB1,027,020,000 (2023: RMB1,037,217,000), the Group's joint ventures of nil (2023: RMB4,000) and other related companies of RMB18,977,000 (2023: RMB17,640,000). There was no bills receivable due from the Group's associates (2023: Nil). Included in the Group's debt investments at fair value through other comprehensive income are amounts due from the Group's associates of RMB151,610,000 (2023: RMB122,882,000). These balances due from associates, joint ventures and other related companies were trade in nature, non-interest-bearing and collectible on credit terms similar to those offered to the major customers of the Group.

27. CONTRACT ASSETS

	2024 RMB'000	2023 RMB'000
Contract assets arising from:		
Research and development services	**43,928**	82,419
Profit-sharing	**83,625**	63,468
	127,553	145,887
Impairment allowance	**—**	—
Total	**127,553**	145,887

Contract assets are initially recognised for revenue earned from research and development services as the receipt of consideration is based on achieving of operational milestones under development plan. Included in contract assets for research and development services are retention receivables. Upon achievement of operational milestones, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets are initially recognised for revenue earned from profit-sharing as the receipt of consideration is based on profit earned by the customer from selling the product in the market. Upon achievement of settlement conditions, the amounts recognised as contract assets are reclassified to trade receivables.

During the year ended 31 December 2024, no allowance was recognised for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 26 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**127,553**	145,887

28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 RMB'000	2023 RMB'000
Advances to suppliers	**864,975**	884,582
Other receivables	**1,432,806**	1,373,622
	2,297,781	2,258,204
Impairment allowance	**(25,227)**	(42,175)
Total	**2,272,554**	2,216,029

An ageing analysis of prepayments, other receivables and other assets as at the respective reporting dates, net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	**1,966,593**	1,999,224
1 to 2 years	**159,025**	111,036
2 to 3 years	**74,546**	57,666
Over 3 years	**97,617**	90,278
	2,297,781	2,258,204
Less: Loss allowance for impairment of other receivables	**(25,227)**	(42,175)
Total	**2,272,554**	2,216,029

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28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

The changes in the impairment allowance for other receivables based on 12-month and the entire life expectancy expected credit losses are as follows:

	Stage 1 12-month ECLs RMB'000	Stage 2 Lifetime ECLs RMB'000	Stage 3 Lifetime ECLs RMB'000	Total RMB'000
At 1 January 2024	**42,175**	**—**	**—**	**42,175**
The balance of 1 January 2024 in this year — Stage Transition	**(16,773)**	**—**	**16,773**	**—**
Provision/Reversal for impairment losses for this year	**(175)**	**—**	**3,130**	**2,955**
Amounts written off as uncollectible for this year	**—**	**—**	**(19,903)**	**(19,903)**
At 31 December 2024	**25,227**	**—**	**—**	**25,227**

	Stage 1 12-month ECLs RMB'000	Stage 2 Lifetime ECLs RMB'000	Stage 3 Lifetime ECLs RMB'000	Total RMB'000
At 1 January 2023	21,030	—	—	21,030
The balance of 1 January 2023 in this year — Stage Transition	(420)	—	420	—
Provision for impairment losses for this year	25,505	—	—	25,505
Impairment losses reversed for this year	(3,940)	—	—	(3,940)
Amounts written off as uncollectible for this year	—	—	(420)	(420)
At 31 December 2023	42,175	—	—	42,175

Included in the Group's prepayments, other receivables and other assets are amounts due from the Group's associates of RMB10,990,000 (2023: RMB22,561,000), the Group's joint ventures of nil (2023: RMB572,000) and other related companies of RMB8,325,000 (2023: RMB10,975,000), respectively. These balances were non-interest-bearing and collectible on demand.

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Listed equity investments, at fair value	**1,322,260**	1,291,366
Other unlisted equity investments, at fair value	**2,410,866**	1,637,244
Debt investments, at fair value	**20,000**	—
Total	**3,753,126**	2,928,610
Current portion	**2,595,997**	1,888,496
Non-current portion	**1,157,129**	1,040,114

The above equity investments at 31 December 2024 and 31 December 2023 were classified as financial assets at fair value through profit or loss as they were held for trading, or as the group has not elected to recognize the fair value gain or loss through other comprehensive income.

30. CASH AND BANK BALANCES

	2024 RMB'000	2023 RMB'000
Cash on hand	**3,162**	3,234
Cash at banks, unrestricted	**9,138,796**	8,983,634
Deposits in Fosun Finance*	**249,492**	515,521
Cash and cash equivalents as stated in the consolidated statement of cash flows	**9,391,450**	9,502,389
Restricted bank balances to secure bills payable and for other purposes	**508,368**	255,683
Term deposits with original maturity of more than three months in Fosun Finance*	**1,564,100**	1,374,800
Other term deposits with original maturity of more than three months	**2,060,015**	2,560,719
Cash and bank balances as stated in the consolidated statement of financial position	**13,523,933**	13,693,591

* Fosun Group Finance Corporation Limited ("Fosun Finance") is a licensed financial institution registered with the China Banking Regulatory Commission. Fosun Finance is a subsidiary of Fosun High Tech. Details of the deposits are given in note 47(d) to the financial statements.

30. CASH AND BANK BALANCES (Continued)

As at 31 December 2024, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB9,560,092,000 (2023: RMB10,236,879,000). The RMB is not freely convertible into other currencies. However, under Chinese Mainland's prevailing rules and regulations over foreign exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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 seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Term deposits with original maturity of more than three months earn interest at fixed interest rates for varying periods of between three months and one year. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. Details of interest earned on deposits in Fosun Finance are set out in note 47(e) to the financial statements.

31. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 21 June 2024, Fosun Diagnosis Technology (Shanghai) Co., Ltd., a subsidiary of the Company, reached an agreement with the controlling shareholder of Jiangsu Innova Medical Technology Co., Ltd. to dispose the 25% equity interest in Jiangsu Innova Medical Technology Co., Ltd. The consideration of the disposal was RMB47,500,000.

On 31 December 2024, Shanghai Fosun Health Technology (Group) Co., Ltd., a subsidiary of the Company, reached an agreement with an independent third party to dispose the 2.7937% equity interest in Tupai (Beijing) Medical Technology Co., Ltd. The consideration of the disposal was RMB50,287,000.

On 28 December 2024, Shanghai Futuo Biotechnology Development Co., Ltd., a subsidiary of the Company, reached an agreement with an independent third party to dispose the 12% equity interest in Xiansida (Nanjing) Biotechnology Co., Ltd. The consideration of the disposal was RMB50,000,000. After the completion of this transfer, Shanghai Futuo Biotechnology Development Co., Ltd. still holds RMB2,284,700 of registered capital of Xiansida (Nanjing) Biotechnology Co., Ltd., with a shareholding ratio of 17.3031% (the influencing factors of shareholding changes include the dilution of financing in the same period as this transfer).

The carrying value of assets of a disposal group classified as held for sale are presented below:

	2024	2023
	RMB'000	RMB'000
Asset held for sale-Investments in associates	**74,968**	—

32. TRADE AND BILLS PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	**5,378,370**	5,507,366
Bills payable	**619,015**	652,253
Total	**5,997,385**	6,159,619

Trade and bills payables are non-interest-bearing. Trade payables are normally settled on a two-month term, and bills payable are normally settled on 90 to 180-day terms.

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

	2024 RMB'000	2023 RMB'000
Within 1 year	**5,752,977**	5,844,073
1 to 2 years	**159,899**	223,314
2 to 3 years	**19,743**	57,124
Over 3 years	**64,766**	35,108
Total	**5,997,385**	6,159,619

Included in the Group's trade payables are amounts due to the Group's associates, joint ventures and other related companies of RMB126,946,000 (2023: RMB70,949,000), Nil (2023: Nil) and RMB51,830,000 (2023: RMB51,230,000), respectively. These balances due to associates, joint ventures and other related companies were trade in nature, non-interest-bearing and repayable on credit terms similar to those offered by the associates, joint ventures and other related companies to their major customers.

33. OTHER PAYABLES AND ACCRUALS

	Notes	2024 RMB'000	2023 RMB'000
Payables relating to purchases of items of property, plant and equipment		**625,814**	487,903
Deposits received		**273,266**	350,963
Payroll		**1,978,490**	1,978,116
Value-added tax		**157,150**	177,814
Other taxes		**124,881**	108,522
Accrued interest expenses		**74,212**	82,085
Dividends payable to non-controlling shareholders of subsidiaries		**13,328**	17,317
Other accrued expenses		**2,577,170**	2,676,846
Payables for acquisitions of non-controlling interests, and subsidiaries		**151,192**	232,865
Payables to third parties	(i)	**592,206**	455,202
Subscription to restricted shares		**19,100**	41,928
Advances for equity disposal of associates and subsidiaries		**88,594**	—
Payables for purchases of fixed assets on installment		**47,660**	8,689
Loans from related parties	(ii)	**38,652**	34,924
Others	(iii)	**281,081**	207,909
		7,042,796	6,861,083
Less: Non-current portion of payables for acquisitions of non-controlling interests and subsidiaries *(note 38)*		**(59,652)**	(112,589)
Total		**6,983,144**	6,748,494

Notes:

(i) Payables to third parties of RMB592,206,000 as at 31 December 2024 (2023: RMB455,202,000) bear no interest (2023: Nil) and are repayable on demand.

(ii) Included in the Group's loans from related parties are amounts due to the Group's other related companies of RMB38,652,000 (2023: RMB34,924,000). The annual interest rate is 5.80%.

(iii) Other payables are non-interest-bearing and repayable on demand.

Included in the Group's other payables are amounts due to the Group's associates, joint ventures and other related companies of RMB11,225,000 (2023: RMB2,454,000), RMB166,000 (2023: RMB1,697,000) and RMB135,819,000 (2023: RMB63,455,000), respectively. These balances were non-interest-bearing and repayable on demand.

34. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	0.50–5.00	2025	18,517,920	0.10–4.90	2024	14,657,291
Bank loans — secured *(note (a))*	1.80–4.00	2025	169,785	3.70–3.90	2024	36,530
Current portion of long term bank loans — unsecured	0.35–6.12	2025	3,655,539	0.30–4.83	2024	3,681,893
bank loans — secured *(note (a))*	3.18–6.18	2025	276,896	3.53–4.45	2024	193,196
Corporate bonds — unsecured *(note (b))*	—	—	—	3.50	2024	499,908
Total-current			22,620,140			19,068,818
Non-current						
Bank loans — unsecured	0.30–7.04	2026–2030	8,327,506	0.30–7.04	2025–2030	11,618,949
Bank loans — secured *(note (a))*	3.18–6.18	2026–2034	1,875,994	3.53–5.00	2025–2030	1,885,974
Subtotal-non-current			10,203,500			13,504,923
Corporate bonds — unsecured *(note (b))*	4.20	2026	240,000	—	—	—
Total-non-current			10,443,500			13,504,923
Total			33,063,640			32,573,741

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	2024 RMB'000	2023 RMB'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**22,620,140**	18,568,910
In the second year	**4,575,231**	6,264,630
In the third to fifth years, inclusive	**5,432,670**	6,193,279
Beyond five years	**195,599**	1,047,014
Subtotal	**32,823,640**	32,073,833
Other borrowings repayable:		
Within one year	**—**	499,908
In the second year	**240,000**	—
Subtotal	**240,000**	499,908
Total	**33,063,640**	32,573,741

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Foreign currency loans

	2024 RMB'000	2023 RMB'000
USD:		
Secured	—	—
Unsecured	**1,335,263**	4,133,776
	1,335,263	4,133,776
EUR:		
Secured	—	—
Unsecured	**3,205,768**	2,623,122
	3,205,768	2,623,122
SEK:		
Secured	**9,185**	—
Unsecured	—	10,680
	9,185	10,680

Notes:

(a) Certain of the Group's bank loans are secured by:

(i) mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB1,828,910,000 (2023: RMB1,487,653,000);

(ii) mortgages over the Group's prepaid land lease payments, which had a net carrying value at the end of the reporting period of approximately RMB615,111,000 (2023: RMB614,613,000);

(iii) mortgages over the Group's construction in progress, which had a net carrying value at the end of the reporting period of approximately RMB 768,379,000 (2023: RMB629,372,000);

(iv) mortgages over the Group's patent, which had a net carrying value at the end of the reporting period of approximately RMB227,000 (2023: RMB355,000);

(v) factoring of accounts receivables, which had a net carrying value at the end of the reporting period of approximately RMB24,000,000.

(vi) 58.67% equity of its subsidiary Suzhou Baidao Medical Technology Co., Ltd. (2023: 58.67%). 6.00% equity of its subsidiary Jianjia Medical Investment Management Co., Ltd. (2023: Nil).

(b) On 9 March 2022 the Company issued medium-term notes with a maturity of four years in an aggregate amount of RMB500,000,000, which bear interest at 3.50% per annum. The interest is payable annually in arrears and the maturity date is 9 March 2026. As at 31 December 2024, the book value of the four-year corporate bonds is RMB240,000,000 at an interest rate of 4.20%.

35. LEASE LIABILITIES

	31 December 2024		31 December 2023	
	Maturity	**RMB'000**	Maturity	RMB'000
Current				
Lease liability	**2025**	**340,981**	2024	329,525
Non-current				
Lease liability	**2026–2044**	**2,541,968**	2025–2041	2,049,589
Total		**2,882,949**		2,379,114

	2024	2023
	RMB'000	RMB'000
Analysed into:		
Lease liabilities:		
Within one year	**340,981**	329,525
In the second to fifth years, inclusive	**1,843,987**	1,119,057
Beyond five years	**697,981**	930,532
Total	**2,882,949**	2,379,114

36. CONTRACT LIABILITIES

Details of contract liabilities as at 31 December 2024 are as follows:

	2024	2023
	RMB'000	RMB'000
Warranty services	**88,727**	105,722
Advances from customers	**1,578,223**	1,414,559
Total contract liabilities	**1,666,950**	1,520,281
Current portion	**1,232,315**	1,200,496
Non-current portion	**434,635**	319,785

Contract liabilities include advances received to deliver products and warranty services.

Included in the Group's contract liabilities are amounts due to the Group's associates, joint ventures and other related companies of RMB19,001,000 (2023: RMB9,949,000), Nil (2023: Nil) and RMB125,000 (2023: RMB490,000), respectively. These balances were non-interest-bearing and repayable on demand.

37. DEFERRED INCOME

	Note	2024 RMB'000	2023 RMB'000
Government grants	(i)	**657,891**	639,399

Note:

(i) Government grants were received by the Group as financial subsidies for some research and development projects, industrial development funds and value-added tax refund. Government grants are recognised as income over the periods necessary to match the grants on a systematic basis to the costs that they are intended to compensate. There are no unfulfilled conditions or contingencies relating to these grants.

The movements in government grants during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**639,399**	632,433
Additions	**117,408**	130,566
Recognised as income during the year	**(98,916)**	(123,600)
At 31 December	**657,891**	639,399

38. OTHER LONG-TERM LIABILITIES

	Notes	2024 RMB'000	2023 RMB'000
Staff placement fees	(i)	**21,070**	23,186
Payables for acquisitions of non-controlling interests and subsidiaries		**59,652**	112,589
Share redemption option granted to non-controlling shareholders of subsidiaries	(ii)	**1,427,655**	1,601,368
Payables for purchases of fixed assets on instalment		**200,815**	23,505
Long-term employee payable		**189,446**	141,476
Other financial liabilities		**536,295**	878,407
Others		**316,083**	356,343
		2,751,016	3,136,874

Notes:

(i) Staff placement fees represent liabilities incurred by certain subsidiaries of the Group before 2008 in respect of the retirement benefits of certain employees and retirees.

(ii) The share redemption option granted to non-controlling shareholders of Fosun Adgenvax (Chengdu) Biopharmaceutical Co., Ltd and Suzhou Baidao Medical Technology Co., Ltd represented the liability of the Group to acquire the non-controlling interests owned by the non-controlling shareholders as at 31 December 2024.

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39. SHARE CAPITAL

	2024		2023	
	Number of shares '000	**Nominal value RMB'000**	Number of shares '000	Nominal value RMB'000
Shares				
Restricted shares				
A Shares of RMB1 each	**897**	**897**	2,743	2,743
Unrestricted shares				
A Shares of RMB1 each	**2,118,488**	**2,118,488**	2,117,715	2,117,715
H Shares of RMB1 each	**551,941**	**551,941**	551,941	551,941
	2,671,326	**2,671,326**	2,672,399	2,672,399

A summary of movements in the company's share capital is as follows:

		2024		2023	
	Note	**Number of shares '000**	**Nominal value RMB'000**	Number of shares '000	Nominal value RMB'000
At 1 January		**2,672,399**	**2,672,399**	2,672,157	2,672,157
Share incentive scheme		**—**	**—**	372	372
Shares repurchased	(i)	**(1,073)**	**(1,073)**	(130)	(130)
At 31 December		**2,671,326**	**2,671,326**	2,672,399	2,672,399

Note:

(i) On 7 August 2024, the 58th meeting of the 9th session of the board of directors and the 9th meeting of the 9th session of the Supervisory Committee in 2024 considered and approved the proposal on the repurchase and cancellation of some of the restricted A shares that have not been lifted. According to the authorization of the relevant shareholders' meeting and the relevant provisions of the restricted A share incentive scheme, it is agreed that the Company repurchase and cancel a total of 1,072,246 restricted A shares, Total repurchase price is RMB22,831,000 (of which interest expense is RMB3,000).

(ii) On 9 January 2024, the 42nd meeting of the 9th Board of Directors and the first meeting of the 9th Supervisory Committee in 2024 of our company respectively approved the proposal regarding the first phase of lifting the restrictions on the Restricted A Shares granted under the Restricted A Share Incentive Scheme. A total of 774,114 Restricted A Shares held by 113 incentive recipients have met the conditions for the first phase of lifting the restrictions as stipulated in the plan. It was agreed to lift the restrictions on these Restricted A Shares.

40. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity on pages 139 to 140 of the financial statements.

Statutory surplus reserve

According to the relevant PRC regulations and the articles of association of the Company in the PRC, the Company is required to transfer 10% of its profit after income tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital/issued share capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of its registered capital. This reserve is non-distributable other than in liquidation.

41. BUSINESS COMBINATIONS

The major acquisitions of subsidiaries accounted for as business combinations are set out as follows:

On 22 October 2024, Fosun Pharmaceutical Industry Development (Shenzhen) Co., Ltd.* a subsidiary of the Company, acquired 100.00% equity interests in Shenzhen Fosun Pharmaceutical Technology Co., Ltd.* ("Shenzhen Fosun") from an independent third party. The consideration for the acquisition was RMB5,588,000. After the acquisition, the Group holds 100% equity interests in Shenzhen Fosun. The Group determined that the acquisition date of this transaction was 22 October 2024, and Shenzhen Fosun was included in the scope of consolidation from 22 October 2024.

On 31 October 2024, Shanghai Fosun Pharmaceutical Industry Development Co., Ltd.* a subsidiary of the Company, acquired 50.00% equity interests in Fosun Kairos (Shanghai) Biological Technology Co., Ltd.* ("Fosun Kairos") from Kite Pharma. The consideration for the acquisition was RMB192,549,000. After the acquisition, the Group holds 100% equity interests in Fosun Kairos. The Group determined that the acquisition date of this transaction was 31 October 2024, and Fosun Kairos was included in the scope of consolidation from 31 October 2024.

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

The above acquisitions were undertaken under the Group's strategy to further improve the Group's pharmaceutical manufacturing, medical devices and medical diagnosis and health care service.

The Group has elected to measure the non-controlling interests in all the subsidiaries acquired at the non-controlling interests' proportionate share of the acquired subsidiaries' identifiable net assets.

41. BUSINESS COMBINATIONS (Continued)

The provisional fair values of the identifiable assets and liabilities of all the subsidiaries acquired as at the dates of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** RMB'000
Property, plant and equipment	15	151,622
Right-of-use assets	16(a)	11,274
Other intangible assets	18	543,024
Inventories		32,315
Trade and bills receivables		2,328
Prepayments, other receivables and other assets		14,973
Cash and cash equivalents		89,048
Interest-bearing bank and other borrowings-current		(240,000)
Trade and bills payables		(1,754)
Other payables and accruals		(263,248)
Lease liabilities — current	16(b)	(84)
Contract liabilities		(28,427)
Deferred income		(31,326)
Lease liabilities — non current	16(b)	(6,669)
Non-controlling interests		—
Total identifiable net assets at fair value		273,076
Goodwill		—
		273,076
Satisfied by:		
Cash consideration paid in 2024		198,137
Fair value of equity investments held by the Group		74,939
Total		273,076

41. BUSINESS COMBINATIONS (Continued)

An analysis of the cash flows in respect of the acquisitions of subsidiaries is as follows:

	RMB'000
Cash consideration paid	(198,137)
Cash and cash equivalents acquired	89,048
Payment of unpaid cash consideration as at 31 December 2023	(106,705)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(215,794)

Since the acquisitions, the acquired subsidiaries contributed the addition of RMB86,508,000 to the Group's revenue and the deduction of RMB42,120,000 to the Group's profit after tax for the year ended 31 December 2024.

42. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2024, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 70% of equity interest in Chongqing Guoyu Health Management Co., Ltd.* for a consideration of nil. The disposal date was 28 March 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2024, the Group entered into an equity interest transfer agreement with two independent third parties, to dispose of 15% of equity interest in Guorong Leyang Health Technology (Shanghai) Co., Ltd.* for a consideration of nil. The disposal date was 29 March 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2024, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 70% of equity interest in Fujian Jiahu Medical Management Co., Ltd.* for a consideration of nil. The disposal date was 23 April 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2024, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 51% of equity interest in Sinopharm Putian Hanjiang Medical Investment Co., Ltd.* for a consideration of RMB130,000,000. The disposal date was 27 June 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2024, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 60% of equity interest in Tongfuhui (Shanghai) Health Service Co., Ltd.* for a consideration of RMB45,000,000. The disposal date was 23 October 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2024, the Group equity interests in Shanghai Futuo Zhida Medical Technology Co., Ltd.* decreased from 54% to 44% due to equity restructuring. The disposal date was 20 December 2024. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

42. DISPOSAL OF SUBSIDIARIES (Continued)

The financial information of above subsidiaries at the date of disposal is as follows:

	Notes	**2024** **RMB'000**	2023 RMB'000
Net assets disposed of:			
Property, plant and equipment	15	**921,372**	163
Right-of-use assets	16(a)	**50,956**	—
Other intangible assets	18	**10,972**	—
Deferred tax assets	22	**431**	—
Other non-current assets		**12,710**	—
Inventory		**12,890**	1,542
Trade and bills receivables		**84,705**	1,162
Prepayments, other receivables and other assets		**17,787**	2,065
Cash and cash equivalents		**62,669**	—
Interest-bearing bank and other borrowings-current		**(77,790)**	—
Trade and bills payables		**(74,709)**	(552)
Other payables and accruals		**(220,074)**	(2,115)
Contract liabilities		**(44,852)**	—
Tax payable		**(21)**	—
Provision		**(2,611)**	—
Lease liabilities-current	16(b)	**(2,367)**	—
Deferred tax liabilities	22	**(399)**	—
Interest-bearing bank and other borrowings-non current		**(381,776)**	—
Lease liabilities-non current	16(b)	**(1,770)**	—
		368,123	2,265
Non-controlling interests		**(133,214)**	—
Goodwill	17	**13,785**	—
Fair value remeasurement of existing equity in the subsidiary		**(44,186)**	—
Loss on disposal of subsidiaries	7	**(29,508)**	(1,046)
Total consideration		**175,000**	1,219
Satisfied by:			
Cash		**175,000**	1,219

42. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2024	2023
	RMB'000	RMB'000
Cash consideration	**175,000**	1,219
Cash and bank balances disposed of	**(62,669)**	—
Cash considerations to be received	**(69,500)**	(919)
Advances for equity disposal of subsidiaries	**88,593**	—
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**131,424**	300

43. NOTE 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 RMB853,586,000 (2023: RMB302,514,000) and RMB863,295,000 (2023: RMB308,537,000),respectively, in respect of lease arrangements for buildings, plant and equipment and motor vehicles.

(b) Changes in liabilities arising from financing activities

2024

	Bank and other loans RMB'000	Lease liabilities RMB'000	Loans from related parties included in other payables and accruals RMB'000	Interest payable RMB'000
At 1 January 2024	**32,573,741**	**2,379,114**	**34,924**	**82,085**
Changes from financing cash flows	**565,684**	**(426,788)**	**3,728**	—
New leases	—	**863,295**	—	—
Covid-19-related rent recessions from lessors	—	—	—	—
Lease termination	—	**(27,858)**	—	—
Interest paid	—	—	—	**(1,337,318)**
Foreign exchange movement	**143,689**	**(7,293)**	—	**(24,306)**
Interest expense	**92**	**99,863**	—	**1,331,960**
Increase arising from acquisition of subsidiaries	**240,000**	**6,753**	—	—
Decrease arising from disposal of subsidiaries	**(459,566)**	**(4,137)**	—	—
Interests capitalised under construction in progress	—	—	—	**21,791**
At 31 December 2024	**33,063,640**	**2,882,949**	**38,652**	**74,212**

43. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

2023

	Bank and other loans RMB'000	Lease liabilities RMB'000	Loans from related parties included in other payables and accruals RMB'000	Interest payable RMB'000
At 1 January 2023	29,116,228	929,398	14,111	144,962
Changes from financing cash flows	1,365,641	(251,707)	20,813	—
New leases	—	308,537	—	—
Covid-19-related rent recessions from lessors	—	(277)	—	—
Lease termination	—	(72,764)	—	—
Interest paid	—	—	—	(1,331,338)
Foreign exchange movement	268,935	12,721	—	(54,928)
Interest expense	(354)	50,920	—	1,274,265
Increase arising from acquisition of subsidiaries	1,823,291	1,402,286	—	—
Decrease arising from disposal of subsidiaries	—	—	—	—
Interests capitalised under construction in progress	—	—	—	49,124
At 31 December 2023	32,573,741	2,379,114	34,924	82,085

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flow is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	**86,832**	113,749
Within financing activities	**426,788**	251,707
Total	**513,620**	365,456

44. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2024	2023
Percentage of equity interest held by non-controlling interests:		
Gland Pharma	**48.17%**	42.14%

	2024 **RMB'000**	2023 RMB'000
Profit for the year allocated to non-controlling interests:		
Gland Pharma	**183,225**	166,459

	2024 **RMB'000**	2023 RMB'000
Accumulated balances of non-controlling interests at the reporting date:		
Gland Pharma	**4,085,257**	3,592,833

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2024 **RMB'000**	2023 RMB'000
Revenue	**4,898,370**	4,206,796
Total expenses	**(622,762)**	(615,717)
Profit for the year	**405,444**	395,015
Total comprehensive income for the year	**(235,493)**	540,871
Current assets	**5,475,403**	5,349,293
Non-current assets	**5,057,985**	5,325,539
Current liabilities	**(1,192,241)**	(1,291,199)
Non-current liabilities	**(759,165)**	(857,197)
Net cash flows from operating activities	**822,509**	511,472
Net cash flows used in investing activities	**(950,708)**	(199,926)
Net cash flows from/(used in) financing activities	**164,128**	(664,647)
Net decrease in cash and cash equivalents	**35,929**	(353,101)

45. SHARE OPTION SCHEME

(a) Restricted A Share Incentive Schemes

The Company operated a share incentive scheme (the "Restricted A Share Incentive Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Scheme became effective on 1 December 2022 and, will remain no longer than 5 years from that date.

Restricted A Share Incentive Scheme

The Restricted A Share Incentive Scheme was approved by the shareholders of the Company (the "Shareholders") at the 2022 second extraordinary general meeting of the Company, the 2022 second class meeting of A shareholders and the 2022 second class meeting of H shareholders convened on 29 November 2022. On 1 December 2022, relevant resolutions were considered and passed at the Company's 17th meeting of the 9th session of the board of directors and the 5th meeting of the 9th session of the Supervisory Committee, pursuant to which the date of grant for the A Share First Grant was set on 1 December 2022.

On 1 December 2022 (the "Date of Grant"), pursuant to the A Share First Grant of the Restricted A Share Incentive Scheme, 2,706,400 A shares of the Company were granted to 138 eligible participants of the Restricted A Share Incentive Scheme (the "Share Incentive Participants") at a grant price of RMB21.29 per share. The Share Incentive Participants include executive directors, the members of senior management of the Company, other mid-level management personnel, core technicians and other key personnel identified by the Board of Directors who have a direct impact on the overall performance and sustainable development of the Group.

126 out of 138 of the Share Incentive Participants have accepted and subscribed with their own funds under the Restricted A Share Incentive Scheme and a total of 2,501,400 Restricted A Shares (the "Restricted Shares") have been issued by the Company to the relevant Share Incentive Participants.

On 1 September 2023 (the "Date of Grant"), pursuant to the A Share Reserved Grant of the Restricted A Share Incentive Scheme, 417,600 A shares of the Company were granted to 94 eligible participants of the Restricted A Share Incentive Scheme (the "Share Incentive Participants") at a grant price of RMB21.29 per share. The Share Incentive Participants include the members of senior management of the Company, other mid-level management personnel, core technicians and other key personnel identified by the Board of Directors who have a direct impact on the overall performance and sustainable development of the Group.

80 out of 94 of the Share Incentive Participants have accepted and subscribed with their own funds under the Restricted A Share Incentive Scheme and a total of 371,600 Restricted A Shares (the "Restricted Shares") have been issued by the Company to the relevant Share Incentive Participants.

On 27 September 2023, the 35th meeting of the 9th Board of Directors and the 7th meeting of the 9th Supervisory Committee of the Company respectively approved the proposal on the repurchase and cancellation of locked Restricted A Shares. Due to the occurrence of the repurchase and cancellation circumstances stipulated in the incentive plan for 10 first-time granted incentive recipients (such as retirement at the age stipulated by the state and the Company or voluntary resignation), the Company agreed to repurchase and cancel a total of 129,500 Restricted A Shares that had been granted but not yet unlocked to these incentive recipients. The Company applied to reduce its registered capital by RMB129,500. The Company repaid RMB2,769,000 (including interest expenses of RMB12,000) to the 10 incentive recipients at a price of RMB21.29 per share in cash, and simultaneously reduced its share capital by RMB130,000 and its capital reserve by RMB2,628,000.

31 December 2024

45. SHARE OPTION SCHEME (Continued)

(a) Restricted A Share Incentive Schemes (Continued)

On 9 January 2024, the 42nd meeting of the 9th Board of Directors and the first meeting of the 9th Supervisory Committee in 2024 of our company respectively approved the proposal regarding the first phase of lifting the restrictions on the Restricted A Shares granted under the Restricted A Share Incentive Scheme. A total of 774,114 Restricted A Shares held by 113 incentive recipients have met the conditions for the first phase of lifting the restrictions as stipulated in the plan. It was agreed to lift the restrictions on these Restricted A Shares.

On 7 August 2024, the 58th meeting of the 9th Board of Directors and the 9th meeting of the 9th Supervisory Committee of the Company in 2024 respectively approved the proposal on the repurchase and cancellation of some Restricted A Shares that have not been released from restrictions. In accordance with the authorization of the shareholders' meeting and the relevant provisions of this plan, the Company agreed to repurchase and cancel a total of 1,072,246 Restricted A Shares, with a total repurchase price of RMB22,831,000 (including interest expenses of RMB3,000). After this repurchase and cancellation, Restricted A Shares that have been granted but not yet unlocked by the Company amount to 897,140 shares.

The equity instruments outstanding at the end of the year are as follows:

	Restricted A share Exercise prices	Remaining term of contract
Share Incentive Participants	**RMB21.29**	**less than 1 year**

Equity settled share payments are as follows:

	2024
Method for determining the fair value of Incentive Schemes Restricted A Share granted	The market stock price of the company on grant day less the grant price
Key parameters of fair value of Incentive Schemes Restricted A Share granted	Stock price on grant day
The basis for determining the number of feasible equity instruments	The best estimate of the year-end estimated feasibility
Reasons for significant differences between this year's estimate and last year's estimate	None
The cumulative amount of equity settled share payments included in other reserve	11,565,000

Total amount of RMB nil share payment expenses was incurred from the above Restricted A Share Incentive Schemes for the year ended 31 December 2024 (2023: RMB9,765,000).

45. SHARE OPTION SCHEME (Continued)

(b) Subsidiaries' Share Incentive Schemes

As at 14 April 2018, approved by the second extraordinary general meeting of Henlix, a subsidiary of the Company, passed a share incentive scheme and granted 22,750,000 restricted shares to eligible participants at a price of RMB9.21 per share. As at 10 December 2020, Henlix granted 2,780,700 restricted shares to eligible participants at a price of RMB9.21 per share. As at 7 April 2021, at 13 July 2021, and at 30 November 2021, Henlix granted 531,050 restricted shares to eligible participants at a price of RMB9.21 per share. The 531,050 shares of common stock granted in April, July and November 2021 are from restricted shares that were released from embargoes upon departure of share-incentive plan participants in 2018 and 2020. Henlix recognised an amount of RMB nil as related expenses for the year ended 31 December 2024 (2023: RMB2,627,000).

On 30 November 2021 and 2 December 2021, subsidiary Sisram granted 4,699,550 Restricted Shares to the incentive object, and on 4 September 2024, Sisram granted 1,320,300 Restricted Shares to the incentive object. 80,000 shares, 1,137,009 shares and 1,050,483 shares will be unlocked in 2021, 2022 and 2023 respectively, while 250,437 shares, 1,132,269 shares and 1,049,352 shares will be cancelled in 2022, 2023 and 2024 respectively due to performance failure. The total amortisation expense of Sisram Restricted Shares, a subsidiary of the Group, was reversed by RMB5,689,000 for the year ended 31 December 2024 (2023: Total amortisation expense of RMB3,469,000).

On 11 February 2022, the Board of Directors of the Company reviewed and approved the equity incentive plan for Fosun Health's directors and core management personnel; On 1 June 2022, the 2021 Annual General Meeting of the Group passed the Fosun Health Core Backbone Equity Incentive Plan (together with the Directors and Core Management Incentive Plan, the "Fosun Health Incentive Plan"). Fosun Health approved the incentive plan in 2022 and granted 43,590,000 restricted shares (at the grant price of RMB1/share) and 146,919,000 stock options (at the exercise price of RMB1/share) to eligible participants for the first time. Fosun Health approved the incentive plan in 2023 and granted 2,544,880 restricted shares (at the grant price of RMB1/share) and 64,192,020 stock options (at the exercise price of RMB1/share) to eligible participants. In 2024, due to employee departures, 2,460,000 restricted shares that have been granted but have not vested have been repurchased and 20,107,050 stock options that have been granted but have not vested have been cancelled. Fosun Health recognised an amount of RMB16,354,000 as related expenses for the year ended 31 December 2024 (2023: RMB19,223,000).

As at 1 January 2023 and 31 August 2023, Shanghai Jingshan Biotechnology Co., Ltd, a subsidiary of the Company, granted 565,000 and 426,612 share options to the incentive subjects respectively at the exercise price of RMB1 per share. The total amount of amortization expense carried back to the Group's subsidiary Shanghai Jinghizi Biotechnology Co., LTD., was RMB51,000 for the year ended 31 December 2024 (2023: Total amortization expense was RMB814,000).

On 27 August 2024, the Board of Directors of the Company reviewed and approved the first phase of Fosun Adgenvax equity Incentive Plan, granted 2,825,366 shares options to incentive subjects in 2024 at an exercise price of RMB20.60 per share. Fosun Adgenvax recognised an amount of RMB4,517,000 as related expenses for the year ended 31 December 2024.

45. SHARE OPTION SCHEME (Continued)

(b) Subsidiaries' Share Incentive Schemes (Continued)

On 14 September 2023, Jianjia Rehabilitation (Note 1) adopted the equity incentive plan, that is, Jianjia Rehabilitation issued a total of RMB75,000,000 of new registered capital to the first-tier shareholding platform of Jianjia Rehabilitation Incentive Plan for the phased implementation of equity incentives. On 18 March 2024, Jianjia Rehabilitation signed a grant agreement with five incentive subjects to grant to these incentive subjects a total of RMB1.0000/share capital corresponding to RMB33,750,000 of Jianjia Rehabilitation's registered capital of the partnership share of the investment platform; In addition, on the same day, a grant agreement was signed with 28 incentive objects, and a total of RMB1.0000/registered capital was awarded to these incentive objects corresponding to the registered capital of RMB19,695,000 of the option platform partnership shares. On 18 June 2024, Jianjia Rehabilitation signed a grant agreement with two incentive subjects to grant to these incentive subjects a total of RMB1.0001/share capital corresponding to RMB1,250,000 of Jianjia Rehabilitation registered capital partnership shares; In addition, on the same day, an agreement was signed with an incentive object to grant the option platform partnership share corresponding to RMB975,000 of registered capital of Jianjia Rehabilitation to the incentive object at RMB1.0001/share capital; On 22 November 2024, Jianjia Rehabilitation entered into a grant agreement with three incentive subjects to grant to these co-investors a partnership share of RMB1.0173/share capital corresponding to a total of RMB2,000,000 of Jianjia Rehabilitation's registered capital. Jianjia Rehabilitation recognised an amount of RMB5,938,000 as related expenses for the year ended 31 December 2024.

Note 1: At the time of adoption of the share incentive Plan, Health Care Rehabilitation was an associate of the Company. It has been included in the scope of consolidated subsidiaries of the Group since October 2023.

46. COMMITMENTS

he Group had the following capital commitments as at 31 December 2024:

	2024	2023
	RMB'000	RMB'000
Prepared land lease payments, plant and machinery	**1,923,145**	2,805,800
Investments	**1,407,961**	1,476,998
Total	**3,331,106**	4,282,798

47. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere, the Group had the following transactions with related parties during the year:

(a) Sales of products and rendering of services

	2024 RMB'000	2023 RMB'000
Sinopharm Group Co., Ltd. and its subsidiaries *(notes 4 & 7 & 9)*	**5,579,573**	6,430,014
Fosun International Limited and its subsidiaries *(notes 6 & 7 & 11 & 12)*	**41,232**	23,332
Suzhou Fund & Tianjin Fund *(notes 1 & 7 & 11)*	**28,023**	27,491
Shenzhen Pengfu Biopharmaceutical Industry Private Equity Investment Fund Partnership (Limited Partnership) *(notes 1 & 7)*	**22,282**	—
Fosun United Health Insurance Company Ltd *(notes 3 & 7 & 22)*	**15,876**	8,188
Huaihai Hospital Management Co., Ltd *(notes 1 & 7)*	**6,621**	2,901
Shanghai Fosun Public Welfare Foundation *(notes 3 & 7)*	**4,803**	11,455
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(notes 2 & 7 & 23)*	**3,131**	4,959
Shanghai Lingjian Information Technology Co., Ltd *(notes 1 & 7)*	**751**	4,129
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. *(notes 1 & 7)*	**729**	1,295
Burning Point Biopharmaceutical Technology Co., Ltd. *(notes 1 & 7)*	**79**	—
Tongde Equity Investment and Management (Shanghai) Co., Ltd. *(notes 5 & 7)*	**62**	60
SINNOWA Medical Science & Technology Co., Ltd., *(notes 1 & 7 & 20)*	**3**	20
Beijing Jinxiang Fosun Pharmaceutical Joint Stock Co., Ltd. *(notes 1 & 7)*	—	2,715
Jingfukang Pharmaceutical Group Co., Ltd *(notes 3 & 7 & 21)*	—	2,390
Shanghai Yaokang Pharmaceutical Technology Co., Ltd. *(notes 2 & 7 &18)*	—	1,306
Pramerica Fosun Life Insurance Co., Ltd. *(notes 3 & 7)*	—	36
	5,703,165	6,520,292

47. RELATED PARTY TRANSACTIONS (Continued)

(b) Purchases of products and services

	2024 RMB'000	2023 RMB'000
Sinopharm Group Co., Ltd. and its subsidiaries *(notes 4 & 7 & 9)*	**453,658**	362,213
Fosun International Limited and its subsidiaries *(notes 6 & 7 & 11 & 13)*	**58,876**	49,276
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. *(notes 1 & 7)*	**18,994**	1,753
Tongde Equity Investment and Management (Shanghai) Co., Ltd. *(notes 5 & 7)*	**9,927**	9,900
Fosun United Health Insurance Company Ltd *(notes 3 & 7 & 22)*	**8,466**	9,575
Saladax Biomedical, Inc. *(notes 1 & 7)*	**5,347**	6,638
Anhui Sunhere Pharmaceuticals Excipients Co., Ltd., *(notes 1 & 7 & 19)*	**3,859**	1,107
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(notes 2 & 7 & 23)*	**1,250**	3,332
Huaihai Hospital Management Co., Ltd *(notes 1 & 7)*	**1,012**	156
SINNOWA Medical Science & Technology Co., Ltd., *(notes 1 & 7 & 20)*	**254**	563
Shanghai Lingjian Information Technology Co., Ltd *(notes 1 & 7)*	**63**	33
Beijing Jinxiang Fosun Pharmaceutical Joint Stock Co., Ltd. *(notes 1 & 7)*	**34**	30
	561,740	444,576

(c) Leasing and property management services

As lessor

	2024 RMB'000	2023 RMB'000
Suzhou Fund & Tianjin Fund *(notes 1 & 8 & 11)*	**9,962**	14,497
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(notes 2 & 8 & 23)*	**3,927**	8,441
Fosun International Limited and its subsidiaries *(notes 6 & 8 & 11 & 14)*	**1,622**	981
Tongde Equity Investment and Management (Shanghai) Co., Ltd. *(notes 5 & 8)*	**902**	970
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. *(notes 1 & 8)*	**238**	256
Total	**16,651**	25,145

As lessee

	2024 RMB'000	2023 RMB'000
Fosun International Limited and its subsidiaries *(notes 6 & 8 & 11 & 15)*	**19,554**	26,058

47. RELATED PARTY TRANSACTIONS (Continued)

(c) Leasing and property management services (Continued)

Management services

	2024	2023
	RMB'000	RMB'000
Subsidiaries of Fosun International Limited *(notes 6 & 8 & 11 & 17)*	**25,168**	25,790

(d) Loans from/to related parties

Maximum daily outstanding balance of deposits in Fosun Finance

The Company entered into a financial service agreement with Fosun Finance, pursuant to which Fosun Finance shall provide financial services to the Company and its subsidiaries, including deposit service, credit service, settlement service and other financial services as approved by the China Banking Regulatory Commission for the period from 1 January 2023 to 31 December 2025. The maximum daily outstanding balance of deposits placed by the Group with Fosun Finance is RMB2,000,000,000. The maximum daily outstanding balance of the loans granted by Fosun Finance to the Group is RMB2,000,000,000.

Deposits in Fosun Finance	2024	2023
	RMB'000	RMB'000
Fosun Finance *(notes 6 & 10 & 11)*	**1,813,592**	1,890,321

Loans from Fosun Finance	2024	2023
	RMB'000	RMB'000
Fosun Finance *(notes 6 & 10 & 11)*	**127,270**	140,847

Others from/to Fosun Finance	2024	2023
	RMB'000	RMB'000
Other receivables		
Fosun Finance *(notes 6 & 10 & 11)*	**12,010**	19,248
Accrued interest expenses		
Fosun Finance *(notes 6 & 10 & 11)*	**157**	181

47. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to related parties (Continued)

Loans from Shanghai Fosun High Tech (Group) Co., Ltd.
Shanghai Fosun High Tech (Group) Co., Ltd. provided a short-term loan of RMB38,652,000 to Shanghai Fuyun Health Technology Co., Ltd. The annual interest rate is 5.80%. The total principal amount of the loan is RMB35,009,000. As at 31 December 2024, the loan interest payable is RMB3,643,000.

	2024 RMB'000	2023 RMB'000
Shanghai Fosun High Tech (Group) Co., Ltd. *(note 6)*	**38,652**	34,924

(e) Interest income from/interest expense to related parties

Interest income	2024 RMB'000	2023 RMB'000
Fosun Finance *(notes 6 & 10 & 11)*	**32,357**	15,459
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(notes 2 & 23)*	**5,196**	7,614
	37,553	23,073

During the year, the interest rate for deposits, loans, and discount will be calculated according to the agreement terms, reference benchmark interest rates, and market interest rate levels. The interest rate of demand deposits is 0.35% (December 31, 2023: 0.35%), the interest rate of seven-day call deposits is 1.485%–1.55% (December 31, 2023: 1.485%–1.755%), the interest rate of agreed deposits is 1.15%–1.35% (December 31, 2023: 1.15%–1.35%), and the interest rate of time deposits is 1.55%–2.25% (December 31, 2023: 1.55%–2.1%). There were no discounting transactions in 2024. During the year, Fosun Finance provided short-term loans of RMB127,270,000 to the company at an interest rate of 2.50%–4.50%.

Interest expense	2024 RMB'000	2023 RMB'000
Fosun Finance *(notes 6 & 10 & 11)*	**6,096**	6,462
Shanghai Fosun High Tech (Group) Co., Ltd. *(note 6)*	**1,995**	1,482
	8,091	7,944

47. RELATED PARTY TRANSACTIONS (Continued)

(f) Commitments with related parties

As lessor

As at 31 December 2024, the Group had total future minimum lease receivables under non-cancellable operating leases with its related parties falling due as follows:

	2024 RMB'000	2023 RMB'000
Suzhou Fund & Tianjin Fund *(note 1 & 11)*	**7,746**	19,114

Notes:

(1) They are associates of the Group.

(2) They are joint ventures of the Group.

(3) They are other related companies of the Group.

(4) They are the subsidiaries of the Group's associates.

(5) They are the subsidiaries of the Group's joint ventures.

(6) They are the subsidiaries of Fosun International Limited, the holding company of the Company.

(7) 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 fees for the leasing and property management services received from or paid to these related companies were determined based on prices available to third party customers of these related companies.

(9) Sinopharm Group Co., Ltd. is a major subsidiary of Sinopharm Investment, an associate of the Group.

(10) Fosun Finance is a subsidiary of Fosun High Tech, the holding company of the Company.

(11) The related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these transactions.

47. RELATED PARTY TRANSACTIONS (Continued)

(f) Commitments with related parties (Continued)

As lessor (Continued)

Notes: (Continued)

(12) During the year of 2024, the Group offered Fosun International Limited and its subsidiaries with products and other services at market prices. Fosun International Limited and its subsidiaries include Shanghai Fosun High Technology (Group) Co., Ltd., Hainan Fosun International Business Travel Co., Ltd., Hainan Fuxing Trading Co., Ltd., Shanghai Golte Property Management Co., Ltd., Beijing Golte Property Management Co., Ltd., Shanghai Yunji Information Technology Co., Ltd., Shanghai Fosun Industry and Technology Development Co., Ltd., Shanghai Fuxing Tourism Management Co., Ltd., Shanghai Fosun Venture Capital Management Co., Ltd., Shanghai Xingfu Enterprise Management Consulting Co., Ltd., Shanghai Fosun Bund Property Co., Ltd., Shanghai Xingpian Management Consulting Co., Ltd., Shanghai Fosun High Technology Group Finance Co., Ltd., Zhejiang Fuyi Cosmetics Co., Ltd., Kuyi International Travel Service (Shanghai) Co., Ltd., Shanghai Fosun Industrial Investment Co., Ltd. Beijing Information Consulting Branch, Shanghai Meituo Culture Development Co., Ltd., Shanghai Xingpian Management Consulting Co., Ltd., Shanghai Fosun Huanyu International Trade Co., Ltd., Shanghai Zhiqia Information Technology Service Co., Ltd., Shanghai Zhuqun Information Technology Co., Ltd., Hainan Fosun International Logistics Co., Ltd., Shanghai Fosun Starhub Business Consulting Co., Ltd., Shanghai Starlight Human Resources Management Co., Ltd., Xintai cloud chain (Shanghai) information Technology Development Co., Ltd., Starheng Insurance Agency Co., Ltd., Shanghai Zilamai Trading Co., Ltd., Great China Finance Leasing Co.,Ltd., Shanghai Yuyuan Jewelry & Fashion Group Co., Ltd., Shanghai Starcastle Senior Living Services Limited, Shanghai Forte Land Industrial Development Group Co., Ltd., Xizang Fosun Investment Management Co.,Ltd., Ltd., Shanghai Fuheng Insurance Brokerage Co., Ltd., Shanghai Xingpu Cloud Technology Co., Ltd., Beijing Fuyunstart Technology Co., Ltd., Wuhan Fosun Trading Co., Ltd., Shenzhen Zhuqun Information Technology Co., Ltd., Shanghai Star Consortium Technology Co., Ltd., Shanghai Starscape Equity Investment Management Co., Ltd., Shanghai Starhub Network Technology Co., Ltd., Shanghai Fuyuan Construction Supervision Co., Ltd., Shanghai Fuyisi Enterprise Management Consulting Co., Ltd., Shanghai Fosun Railway Investment Co., Ltd., Northern Fosun Trading (Liaoning) Co., Ltd., Shenzhen Qianhai Fosun Ruize Asset Management Co., Ltd., Fosun Creation Wealth (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership), Hefei Forte Furun Real Estate Investment Co., Ltd., Shanghai Starhealth Chain Healthcare Technology Co., Ltd. and Shanghai Fanyou Information Technology Co., Ltd.

(13) During the year of 2024, the Group received services and purchased products from Fosun International Limited and the subsidiaries of Fosun International Limited at market prices. The subsidiaries of Fosun International Limited include Hainan Fosun Trading Co., Ltd., Hainan Fosun International Business Travel Co., Ltd., Shanghai Yunji Information Technology Co., Ltd., Shanghai Fosun High Tech (Group) Co., Ltd., Hainan Fuxing International Business Travel Co., Ltd., Stater Cloud (Hangzhou) Supply Chain Management Company Ltd., Zhejiang Fuyi Cosmetics Co., Ltd., Shanghai Yilian Enterprise Management Co., Ltd., Shanghai Star service Enterprise Management Consulting Co., Ltd., Shanghai Fosun Venture Capital Management Co., Ltd., Ltd., Fosun International Limited, Kuyi International Travel Service (Shanghai) Co., Ltd., Shanghai Zhuqun Information Technology Co., Ltd., Shanghai Fosun Xinghui Business Consulting Co., Ltd., Shanghai Fosun Global International Trading Co., Ltd., Shanghai Starlight Human Resources Management Co., Ltd., Hainan Fosun International Logistics Co., Ltd., Shanghai Zhiqia Information Technology Service Co., Ltd., Shanghai Zilemei Trading Co., Ltd., Beijing Fuyunstart Technology Co., Ltd., Shanghai Fosun Industrial Investment Co., Ltd., Shanghai Xingkuang Commercial Management Co., Ltd., Shanghai Xingji Information Technology Co., Ltd., Shanghai Xingpu Cloud Technology Co., Ltd., Shanghai Starcastle Senior Care Investment Management Co., Ltd., Shanghai Star Consortium Technology Co., Ltd., Shanghai Fuyisi Enterprise Management Consulting Co., Ltd., Suzhou Starhealth Senior Care Service Co., Ltd. and Ningbo Starhealth Senior Care Service Co., Ltd.

(14) During the year of 2024, the Group leased out the office buildings to Fosun International Limited and its subsidiaries. Fosun International Limited and its subsidiaries include Shanghai Fosun High Tech (Group) Co., Ltd. and Shanghai Fosun Industry and Technology Development Co., Ltd.

(15) During the year of 2024, the Group leased from the office buildings to Fosun International Limited and its subsidiaries. Fosun International Limited and its subsidiaries include Shanghai Fosun High Tech (Group) Co., Ltd., Shanghai New Shihua Investment Management Co., Ltd., Shanghai Fosun Bund Property Co., Ltd., and Chengdu Forte Land Co., Ltd.

(16) During this period, the Group received management services from subsidiaries of Fosun International Limited. The subsidiaries of Fosun International Limited include Shanghai Golte Property Management Co., Ltd and Beijing Golte Property Management Co., Ltd.

(17) Fosun International Limited is the ultimate holding company of the Group.

(18) Shanghai Yaokang Pharmaceutical Technology Co., Ltd. was a joint venture of the Group before October 2023 and was included in the scope of consolidation from October 2023

47. RELATED PARTY TRANSACTIONS (Continued)

(f) Commitments with related parties (Continued)

As lessor (Continued)

Notes: (Continued)

(19) Anhui Sunhere Pharmaceuticals Excipients Co., Ltd. ceased to be an associate of the Group from May 2024, having previously been classified as an associate.

(20) SINNOWA Medical Science & Technology Co., Ltd. ceased to be an associate of the Group from June 2024, having previously been an associate of the Group.

(21) Jingfukang Pharmaceutical Group Co., Ltd. ceased to be a related part of the Group from November 2023.

(22) Fosun United Health Insurance Co., Ltd. has been classified as an associate of the Group since April 2024, having previously been categorized as a related party of the Group.

(23) Fosun Kairos (Shanghai) Biological Technology Co., Ltd. was a joint venture of the Group before October 2024 and was included in the scope of consolidation from October 2024.

(g) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 24, 26, 28, 32, 33 and 36 to the financial statements.

For the year ended 31 December 2024, Foshan Fosun Chancheng Hospital transferred prepayment of RMB 967,560,000 related to Foshan Chanxi to fixed assets and intangible assets, as part of the customized construction of women and children's medical centers and nursing homes reached to the usable condition. And during 2024, new prepayments related to customized construction of women and children's medical centers and nursing homes is amounted to RMB147,643,000.

(h) Compensation of key management personnel of the Group

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	**40,877**	43,254
Performance-related bonuses	**28,297**	55,700
Pension scheme contributions	**1,372**	1,421
Total	**70,546**	100,375

Further details of directors', supervisors' and the chief executive's emoluments are included in note 10 to the financial statements.

47. RELATED PARTY TRANSACTIONS (Continued)

(i) Donations

	2024 RMB'000	2023 RMB'000
Shanghai Fosun Foundation	**74,568**	37,828
GX Foundation Company Limited	**5,000**	5,000
Total	**79,568**	42,828

For the year ended 31 December 2024, the Group donated RMB74,568,000 (2023: RMB37,828,000) to social welfare projects through Shanghai Fosun Foundation and RMB5,000,000 (2023: RMB5,000,000) to social welfare projects through GX Foundation Company Limited.

48. CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group did not have any contingent liabilities.

49. PLEDGE OF ASSETS

Details of the Group's interest-bearing bank and other borrowings, which are secured by the assets of the Group, are included in note 34 to the financial statements.

50. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2024

Financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	16,434	—	16,434
Financial assets at fair value through profit or loss	3,753,126	—	—	—	3,753,126
Debt investments at fair value through other comprehensive income	—	612,973	—	—	612,973
Trade and bills receivables	—	—	—	8,024,433	8,024,433
Financial assets included in prepayments, other receivables and other assets	—	—	—	666,863	666,863
Trade receivables-non-current	—	—	—	199,436	199,436
Other non-current assets	—	—	—	90,527	90,527
Cash and bank balances	—	—	—	13,523,933	13,523,933
Total	3,753,126	612,973	16,434	22,505,192	26,887,725

Financial liabilities	Financial liabilities at fair value through profit or loss		
	Designated as such up on initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	—	5,997,385	5,997,385
Financial liabilities included in other payables and accruals	—	4,509,341	4,509,341
Interest-bearing bank and other borrowings	—	33,063,640	33,063,640
Lease liabilities	—	2,882,949	2,882,949
Financial liabilities included in other long-term liabilities	1,963,950	551,020	2,514,970
Total	1,963,950	47,004,335	48,968,285

50. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

As at 31 December 2023

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
Financial assets	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	52,774	—	52,774
Financial assets at fair value through profit or loss	2,928,610	—	—	—	2,928,610
Debt investments at fair value through other comprehensive income	—	642,569	—	—	642,569
Trade and bills receivables	—	—	—	7,668,229	7,668,229
Financial assets included in prepayments, other receivables and other assets	—	—	—	665,145	665,145
Trade receivables-non-current	—	—	—	85,323	85,323
Other non-current assets	—	—	—	196,743	196,743
Cash and bank balances	—	—	—	13,693,591	13,693,591
Total	2,928,610	642,569	52,774	22,309,031	25,932,984

	Financial liabilities at fair value through profit or loss		
Financial liabilities	Designated as such up on initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	—	6,159,619	6,159,619
Financial liabilities included in other payables and accruals	—	4,327,869	4,327,869
Interest-bearing bank and other borrowings	—	32,573,741	32,573,741
Lease liabilities	—	2,379,114	2,379,114
Financial liabilities included in other long-term liabilities	2,479,775	484,578	2,964,353
Total	2,479,775	45,924,921	48,404,696

* The amounts include the share redemption options granted to non-controlling shareholders of subsidiaries amounting to RMB1,427,655,000 (2023: RMB1,601,368,000), with non-current portion of RMB1,427,655,000 (2023: RMB1,601,368,000), of which fair value change is recognised in reserves due to the nature of equity transaction with non-controlling shareholders of the subsidiaries of the Group.

50. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

As at 31 December 2024, the Group endorsed certain bank acceptance bills in the PRC (the "Endorsed Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB635,475,000 (2023: RMB342,267,000). In addition, the Group discounted certain bank acceptance bills in the PRC included in debt investments at fair value through other comprehensive income (the "Discounted Bills") to certain banks to finance its operating cash flows with a carrying amount in aggregate of RMB319,519,000 (2023: RMB998,620,000). The Endorsed Bills and the Discounted Bills had a maturity from one to twelve 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 Endorsed Bills and the Discounted Bills 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 Endorsed bills and the Discounted Bills. Accordingly, it has derecognised the full carrying amounts of the Endorsed Bills and the Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills and the undiscounted cash flows to repurchase these Endorsed Bills and Discounted Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills are not significant.

During the reporting period, the Group recognized a discount expense of RMB1,248,000 (2023: RMB5,080,000) at its transfer date. 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 reporting period.

51. 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	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial assets:				
Equity investments designated at fair value through other comprehensive income	**16,434**	52,774	**16,434**	52,774
Debt investments at fair value through other comprehensive income	**612,973**	642,569	**612,973**	642,569
Financial assets at fair value through profit or loss	**3,753,126**	2,928,610	**3,753,126**	2,928,610
Trade receivables-non-current	**199,436**	85,323	**206,203**	86,341
Total	**4,581,969**	3,709,276	**4,588,736**	3,710,294
Financial liabilities:				
Non-current portion of interest-bearing bank borrowings	**10,203,500**	13,504,923	**10,435,988**	13,806,197
Interest-bearing other borrowings	**240,000**	499,908	**249,887**	497,804
Financial liabilities included in other long-term liabilities	**2,532,650**	2,964,353	**2,532,650**	2,964,353
Total	**12,976,150**	16,969,184	**13,218,525**	17,268,354

Management has assessed that the fair values of cash and bank balances, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial assets included in other non-current assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments or the interest rate is approximate to the discount rate of current market.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department 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.

51. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

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 non-current portion of interest-bearing bank and other borrowings 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 changes in fair value as a result of the Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 31 December 2024 was assessed to be insignificant.

The fair values of listed corporate bond issued by the Company and 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 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.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2024:

Unobservable inputs for Level 3 assets

The financial assets measured at fair value held by the Group which were classified in Level 3 primarily correspond to unlisted equity investments not quoted in an active market.

For the fair value of the unlisted equity investments is based on valuation techniques for which the input that is significant to the fair value measurement is unobservable. For certain unlisted equity investments, the Group adopts quotation from counterparties' quotations or valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount. Fair value change resulting from changes in the unobservable inputs was not significant. The Finance Department periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

Unobservable inputs for Level 3 liabilities

Significant unobservable valuation input for the share redemption option granted to non-controlling shareholders of subsidiaries included in other long-term liabilities of RMB1,427,655,000 (31 December 2023: RMB1,601,368,000 included in other long-term liabilities) is the progress of research and development activities or net profit of the subsidiaries.

Included in other non-current liabilities are other financial liabilities of RMB536,295,000 (2023: RMB878,407,000). Significant unobservable valuation input is value of net assets of subsidiaries.

51. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	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
Financial assets at fair value through profit or loss *(note 29)*	**1,295,910**	**46,349**	**2,410,867**	**3,753,126**
Equity investments designated at fair value through other comprehensive income *(note 21)*	**16,434**	**—**	**—**	**16,434**
Debt investments at fair value through other comprehensive income	**—**	**612,973**	**—**	**612,973**
Total	**1,312,344**	**659,322**	**2,410,867**	**4,382,533**

As at 31 December 2023

	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
Financial assets at fair value through profit or loss *(note 29)*	1,192,643	98,723	1,637,244	2,928,610
Equity investments designated at fair value through other comprehensive income *(note 21)*	52,774	—	—	52,774
Debt investments at fair value through other comprehensive income	—	642,569	—	642,569
Total	1,245,417	741,292	1,637,244	3,623,953

51. 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:

	Financial assets at fair value through profit or loss 2024 RMB'000	Financial assets at fair value through profit or loss 2023 RMB'000
As at 1 January	**1,637,244**	2,053,017
Transferred in	**741,301**	384,180
Transferred out	**—**	(937,911)
Total (losses)/gains recognised in the statement of profit or loss included in other gains	**(139,063)**	92,710
Total gains recognised in other comprehensive income	**7,097**	18,781
Addition	**184,675**	198,764
Settlement	**(20,387)**	(172,297)
As at 31 December	**2,410,867**	1,637,244

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2023: RMB748,706,000). During the year, there were no transfers into or out of level 3 for financial assets (2023: Nil).During the year, there `were no transfers of financial assets at fair value through profit or loss between Level 3 to Level 2 (2023: RMB937,911,000).

51. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 31 December 2024

	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**
Amounts included in other long-term liabilities	—	—	**1,963,950**	**1,963,950**

As at 31 December 2023

	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
Amounts included in other long-term liabilities	—	—	2,479,775	2,479,775

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 for financial liabilities (2023: Nil).

The movements in fair value measurements in Level 3 during the year are as follows:

	2024 RMB'000	2023 RMB'000
Amounts included in other long-term liabilities:		
At 1 January	**2,479,775**	2,182,394
Total losses/(gains) recognised in other expenses/gains	**40,305**	(47,204)
Total (gains)/losses recognised in other reserve	**(174,082)**	50,385
Addition	**204,400**	294,200
Settlement	**(586,448)**	—
At 31 December	**1,963,950**	2,479,775

31 December 2024

51. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Liabilities measured at fair value: (Continued)

Assets for which fair values are disclosed:

As at 31 December 2024

	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**
Trade receivables-non-current	**—**	**206,203**	**—**	**206,203**

As at 31 December 2023

	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
Trade receivables-non-current	—	86,341	—	86,341

51. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Liabilities measured at fair value: (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2024

	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
Non-current portion of interest-bearing bank borrowings	—	10,435,988	—	10,435,988
Interest-bearing other borrowings	—	249,887	—	249,887
Amounts included in other long-term liabilities	—	551,020	—	551,020
Total	—	11,236,895	—	11,236,895

As at 31 December 2023

	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
Non-current portion of interest-bearing bank borrowings	—	13,806,197	—	13,806,197
Interest-bearing other borrowings	—	497,804	—	497,804
Amounts included in other long-term liabilities	—	484,578	—	484,578
Total	—	14,788,579	—	14,788,579

31 December 2024

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and bank balances. 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 bills receivables and trade and bills payables, 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 equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) 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 floating rate debts.

As at 31 December 2024, the total interest-bearing bank borrowings of RMB13,331,488,000 (31 December 2023: RMB15,215,190,000) of the Group were with floating interest rates denominated in RMB, USD or EUR.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit after tax through the impact on floating rate borrowings.

Increase/(decrease) in the Group's profit after tax

	Increase/ (decrease) in basis	Increase/ (decrease) in profit after tax
	%	RMB'000
2024		
RMB	**1**	**(56,385)**
USD	**1**	**(10,014)**
EUR	**1**	**(20,416)**
RMB	**(1)**	**56,385**
USD	**(1)**	**10,014**
EUR	**(1)**	**20,416**
2023		
RMB	1	(67,273)
USD	1	(31,003)
EUR	1	(15,838)
RMB	(1)	67,273
USD	(1)	31,003
EUR	(1)	15,838

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Foreign currency risk

The Group has transactional currency exposures. Such 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 USD, EUR and HKD exchange rates, with all other variables held constant, of the Group's profit after tax arising from USD, EUR and HKD denominated financial instruments.

	Increase/ (decrease) in foreign currency rate	Increase/ (decrease) in profit after tax
	%	RMB'000
2024		
If RMB weakens against USD	**5**	**12,390**
If RMB strengthens against USD	**(5)**	**(12,390)**
If RMB weakens against EUR	**5**	**(77,219)**
If RMB strengthens against EUR	**(5)**	**77,219**
If RMB weakens against HKD	**5**	**21,230**
If RMB strengthens against HKD	**(5)**	**(21,230)**
2023		
If RMB weakens against USD	5	12,354
If RMB strengthens against USD	(5)	(12,354)
If RMB weakens against EUR	5	(53,094)
If RMB strengthens against EUR	(5)	53,094
If RMB weakens against HKD	5	32,196
If RMB strengthens against HKD	(5)	(32,196)

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk

The Group trades only with related companies and 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.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, and deposits and other receivables, arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

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 as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2024

	12-month ECLs			Lifetime ECLs	
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	—	—	—	8,335,080	8,335,080
Debt investments at fair value through other comprehensive income*	612,973	—	—	—	612,973
Financial assets included in prepayments, other receivables and other assets — Normal**	692,090	—	—	—	692,090
Trade receivables-non-current	206,203	—	—	—	206,203
Other non-current assets	90,527	—	—	—	90,527
Cash and bank balances — Not yet past due	13,523,933	—	—	—	13,523,933
Total	15,125,726	—	—	8,335,080	23,460,806

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	—	—	—	7,937,425	7,937,425
Debt investments at fair value through other comprehensive income*	642,569	—	—	—	642,569
Financial assets included in prepayments, other receivables and other assets — Normal**	707,320	—	—	—	707,320
Trade receivables-non-current	90,435	—	—	—	90,435
Other non-current assets	196,743	—	—	—	196,743
Cash and bank balances — Not yet past due	13,693,591	—	—	—	13,693,591
Total	15,330,658	—	—	7,937,425	23,268,083

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 26 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 26 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing borrowings. As at 31 December 2024, 69% (31 December 2023: 53%) of the Group's borrowings would mature in less than one year based on the carrying values of the 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:

2024	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	—	22,620,140	10,983,259	181,858	33,785,257
Lease liabilities	—	340,981	2,069,511	736,032	3,146,524
Trade and bills payables	—	5,997,385	—	—	5,997,385
Financial liabilities included in other payables and accruals	4,453,533	934,340	—	—	5,387,873
Financial liabilities included in other long-term liabilities	—	—	2,628,536	—	2,628,536
Total	4,453,533	29,892,846	15,681,306	917,890	50,945,575

2023	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	—	20,290,571	13,825,155	1,128,123	35,243,849
Lease liabilities	—	329,524	1,146,574	1,022,455	2,498,553
Trade and bills payables	—	6,159,619	—	—	6,159,619
Financial liabilities included in other payables and accruals	4,210,861	118,749	—	—	4,329,610
Financial liabilities included in other long-term liabilities	—	—	2,955,694	162,865	3,118,559
Total	4,210,861	26,898,463	17,927,423	2,313,443	51,350,190

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 29) and equity investments at fair value through other comprehensive Income (note 21) as at 31 December 2024. The Group's listed investments are listed on the stock exchanges in Shanghai, Shenzhen, Hong Kong, New York, NASDAQ and Korea which are valued at quoted market prices or using valuation techniques at the end of the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the equity investments, with all other variables held constant and after any impact on tax, based on their carrying amounts at the end of the reporting period. For the purposes of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve revaluation reserve, respectively.

	Change in equity prices	**Carrying amount of equity investments**	**Change in profit after tax**	**Change in equity***
	%	RMB'000	RMB'000	RMB'000
2024				
Equity Investments				
Financial assets at fair value through profit or loss	**10**	**1,322,260**	**110,538**	**—**
Financial assets at fair value through profit or loss	**(10)**	**1,322,260**	**(110,538)**	**—**
Financial assets at fair value through other comprehensive income	**10**	**16,434**	**—**	**1,397**
Financial assets at fair value through other comprehensive income	**(10)**	**16,434**	**—**	**(1,397)**
2023				
Equity Investments				
Financial assets at fair value through profit or loss	10	1,291,366	113,344	—
Financial assets at fair value through profit or loss	(10)	1,291,366	(113,344)	—
Financial assets at fair value through other comprehensive income	10	52,774	—	4,370
Financial assets at fair value through other comprehensive income	(10)	52,774	—	(4,370)

* Excluding retained profits

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) 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 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes interest-bearing bank and other borrowings, other long-term liabilities less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratios as at the end of the reporting periods were as follows:

	2024	2023
	RMB'000	RMB'000
Interest-bearing bank and other borrowings *(note 34)*	**33,063,640**	32,573,741
Less: Cash and bank balances *(note 30)*	**(13,523,933)**	(13,693,591)
Net debt	**19,539,707**	18,880,150
Total equity	**59,895,352**	56,577,885
Total equity and net debt	**79,435,059**	75,458,035
Gearing ratio	**25%**	25%

53. EVENTS AFTER THE REPORTING PERIOD

On 13 March 2025, Fosun Industrial Co., Limited ("Fosun Industrial"), a subsidiary of the Company, entered into a Share Purchase Agreement with Calcite Gem Investments Group Ltd ("Calcite Gem"). Fosun Industrial intends to transfer 9.4 million ordinary shares, representing approximately 6.6% of the total shares of Unicorn II Holdings Limited, to Calcite Gem for a cash consideration of USD124.08 million. Upon completion of this transaction, the Group will no longer hold any equity interest in the company.

31 December 2024

54. 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:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**5,080**	6,945
Other intangible assets	**1,206**	1,346
Investments in subsidiaries	**17,492,769**	14,905,688
Investments in associates	**7,756,439**	7,477,556
Financial assets at fair value through profit or loss	**2,894**	39,372
Other non-current assets	**3,350,952**	4,772,993
Total non-current assets	**28,609,340**	27,203,900
CURRENT ASSETS		
Trade and bills receivables	**50,000**	—
Prepayments, deposits and other receivables	**6,596,083**	6,830,087
Financial assets at fair value through profit or loss	**152,363**	117,695
Cash and bank balances	**1,688,242**	1,988,658
Total current assets	**8,486,688**	8,936,440
CURRENT LIABILITIES		
Other payables and accruals	**3,573,393**	2,997,395
Interest-bearing bank and other borrowings	**9,263,616**	7,540,889
Tax payable	**—**	2,119
Total current liabilities	**12,837,009**	10,540,403
NET CURRENT LIABILITIES	**(4,350,321)**	(1,603,963)
TOTAL ASSETS LESS CURRENT LIABILITIES	**24,259,019**	25,599,937
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**959,203**	1,728,936
Deferred tax liability	**968,947**	968,947
Total non-current liabilities	**1,928,150**	2,697,883
Net assets	**22,330,869**	22,902,054
EQUITY		
Share capital	**2,671,326**	2,672,399
Treasury shares	**(234,375)**	(41,928)
Reserves	**19,893,918**	20,271,583
Total equity	**22,330,869**	22,902,054

54. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium and others RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 31 December 2022 and 1 January 2023	18,237,120	12,296	1,336,078	764,189	20,349,683
Total comprehensive income for the year	—	—	—	1,036,680	1,036,680
Issue of A shares	7,540	—	—	—	7,540
Repurchase and cancellation of restricted A shares	(2,627)	—	—	—	(2,627)
Equity-settled share-based payments	9,765	—	—	—	9,765
Profit appropriation to reserves	—	—	121	(121)	—
Acquisitions of subsidiaries	(8,054)	—	—	—	(8,054)
Final 2022 dividend declared and paid	—	—	—	(1,121,404)	(1,121,404)
At 31 December 2023	18,243,744	12,296	1,336,199	679,344	20,271,583

	Share premium and others RMB'000	**Fair value reserve RMB'000**	**Statutory surplus reserve RMB'000**	**Retained profits RMB'000**	**Total RMB'000**
At 31 December 2023 and 1 January 2024	**18,243,744**	**12,296**	**1,336,199**	**679,344**	**20,271,583**
Total comprehensive income for the year	—	—	—	**365,924**	**365,924**
Repurchase and cancellation of ordinary shares	**(21,755)**	—	—	—	**(21,755)**
Final 2023 dividend declared and paid	—	—	—	**(721,834)**	**(721,834)**
At 31 December 2024	**18,221,989**	**12,296**	**1,336,199**	**323,434**	**19,893,918**

55. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2025.

Definitions

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below.

"2022 H Share Employee Share Ownership Scheme" or "H Share Employee Share Ownership Scheme"	the 2022 H Share Employee Share Ownership Scheme of the Company
"2022 Non-public Issuance of A Shares"	the issuance of an aggregate of 106,756,666 new A Shares of the Company to subscribers in the non-public issuance of shares at the issue price of RMB42.00 per share in July 2022
"2022 Restricted A Share Incentive Scheme" or "Restricted A Share Incentive Scheme"	the 2022 Restricted A Share Incentive Scheme of the Company
"2024 Final Dividend"	the final dividend of RMB0.32 (before tax) per share for the year ended 31 December 2024
"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"Abbott"	Abbott Products Operations AG., a company incorporated in Switzerland
"ADC"	Antibody-drug Conjugate
"AI"	artificial intelligence
"API"	Active Pharmaceutical Ingredient
"Articles of Association"	the articles of association of the Company
"associates"	has the meaning given to it under the Hong Kong Listing Rules
"BD"	business development
"Beijing Jnova"	Beijing Jnova Pharmaceutical Company Limited* (北京吉洛華製藥有限公司), a subsidiary of the Company
"BFLY"	Butterfly Network, Inc., a corporation incorporated in Delaware, U.S. and listed on the New York Stock Exchange (stock code: BFLY)
"Board"	the board of Directors of the Company
"Breas"	Breas Medical Holdings AB, a company incorporated in Sweden, and a subsidiary of the Company
"Carelife Pharma"	Chongqing Carelife Pharmaceutical Co., Ltd.* (重慶凱林製藥有限公司), a subsidiary of the Company
"Cenexi"	Phixen, société par actions simplifiée, a company incorporated in France, a subsidiary of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules
"Chinese mainland"	Chinese mainland, for the purpose of this report, excluding Hong Kong, Macau and Taiwan region

Definitions

"CMC"	Chemical Manufacturing and Control
"Code Provision"	code provisions under the CG Code
"Company"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares and A Shares are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"connected person(s)"	has the meaning given to it under the Hong Kong Listing Rules
"controlling shareholder(s)"	has the meaning given to it under the Hong Kong Listing Rules
"CQ Pharma Holdings"	Chongqing Pharmaceutical Holdings Company Limited* (重藥控股股份有限公司), a company incorporated in the PRC and listed on the Shenzhen Stock Exchange (Stock Code: 000950)
"CSRC"	China Securities Regulatory Commission* (中國證券監督管理委員會)
"Dalian Fujian"	Dalian Fujian Xingweilai Venture Capital Investment Management Partnership (Limited Partnership)* (大連復健星未來創業投資管理合夥企業(有限合夥)), a subsidiary of the Company
"Dalian Xingweilai Fund"	Dalian Xingweilai Venture and Innovation Fund Partnership (Limited Partnership)* (大連星未來創業創新基金合夥企業(有限合夥)), a subsidiary of the Company
"Deed of Non-Competition"	the deed of non-competition dated 13 October 2012 and executed by the controlling shareholders in favour of the Company (for the Company and as trustee of the Company's subsidiaries from time to time)
"Director(s)"	director(s) of the Company
"Dongting Pharma"	Hunan Dongting Pharmaceutical Co., Ltd.* (湖南洞庭藥業股份有限公司), a subsidiary of the Company
"DP Technology"	Shanghai DP Technology Co., Ltd.* (上海深勢唯思科技有限責任公司)
"Dr. Reddy's"	Dr. Reddy's Laboratories SA, a company incorporated in Switzerland
"EBITDA"	earnings before interest, taxes, depreciation and amortization
"EC"	European Commission
"EHS"	environment, health and safety
"ESG Committee"	Environmental, Social and Governance Committee of the Board
"EU"	European Union
"Foshan Fosun Chancheng Hospital"	Foshan Fosun Chancheng Hospital Limited* (佛山復星禪誠醫院有限公司), a subsidiary of the Company
"Fosun Finance"	Fosun Group Finance Corporation Limited* (上海復星高科技集團財務有限公司), a subsidiary of Fosun High Tech

Definitions

"Fosun Health"	Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a subsidiary of the Company
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a direct wholly-owned subsidiary of Fosun International and a controlling shareholder of the Company
"Fosun Holdings"	Fosun Holdings Limited, a company incorporated in Hong Kong, a direct wholly owned subsidiary of Fosun International Holdings and a controlling shareholder of the Company
"Fosun Insightec"	Fosun-Insightec Medical Technologies (Jiangsu Xuzhou) Co., Ltd.* (復星醫視特醫療科技(江蘇徐州)有限責任公司), a subsidiary of the Company
"Fosun International Holdings"	Fosun International Holdings Limited, a company incorporated in the British Virgin Islands, which was held as to 85.29% and 14.71% by Mr. Guo Guangchang and Mr. Wang Qunbin, respectively, as at the end of the Reporting Period, and a controlling shareholder of the Company
"Fosun International"	Fosun International Limited, a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 00656), an indirect subsidiary of Fosun International Holdings and a controlling shareholder of the Company
"Fosun Kairos"	Fosun Kairos (Shanghai) Biological Technology Co., Ltd.* (復星凱瑞(上海)生物科技有限公司), formerly known as Fosun Kite Biological Technology Co., Ltd.* (復星凱特生物科技有限公司), a subsidiary of the Company as at the end of the Reporting Period
"Fosun New Medicine"	Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究股份有限公司), formerly known as Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究有限公司), a subsidiary of the Company
"Fosun Pharma Industrial"	Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司), a subsidiary of the Company
"Fosun Tourism"	Fosun Tourism Group, a company incorporated in Cayman Islands, listed on the Hong Kong Stock Exchange (Stock Code: 01992) as at the end of the Reporting Period and delisted from the Hong Kong Stock Exchange in March 2025
"Fosun Wanbang"	Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd.* (復星萬邦(江蘇)醫藥集團有限公司), formerly know as Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司), a subsidiary of the Company
"Fujian Fund Management Company"	Shanghai Fujian Equity Investment Fund Management Co., Ltd.* (上海復健股權投資基金管理有限公司), a subsidiary of the Company

Definitions

"Gland Pharma"	Gland Pharma Limited, a company incorporated in India and listed on the BSE Limited and The National Stock Exchange of India Limited (stock code: GLAND) and a subsidiary of the Company
"GMP"	Good Manufacture Practices
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Guangzhou Xinshi Hospital"	Guangzhou Xinshi Hospital Co., Ltd.* (廣州新市醫院有限公司), a subsidiary of the Company
"Guilin Pharma"	Guilin Pharmaceutical Co., Ltd.* (桂林南藥股份有限公司), a subsidiary of the Company
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"HKFRS"	the Hong Kong Financial Reporting Standards
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hongshulin Investment"	Shenzhen Hongshulin Technology Investment Partnership (Limited Partnership)* (深圳市紅樹林科技投資合夥企業(有限合夥)), a limited partnership established in the PRC
"Huaihai Hospital"	Huaihai Hospital Management (Xuzhou) Co. Ltd.* (淮海醫院管理(徐州)有限公司), an associated company of the Company
"IND"	investigational new drug
"Insightec"	Insightec Ltd., a company incorporated in Israel
"Insilico"	InSilico Medicine Cayman TopCo and its subsidiaries
"Intuitive Fosun HK"	Intuitive Surgical-Fosun (Hongkong) Co., Limited, a company incorporated in Hong Kong and an associated company of the Company
"Intuitive Fosun Shanghai"	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司), an associated company of the Company
"Intuitive Fosun"	Intuitive Fosun HK and Intuitive Fosun Shanghai
"Jianjia Healthcare"	Jianjia Healthcare Investment Management Co., Ltd.* (健嘉醫療投資管理有限公司), a subsidiary of the Company
"Kite Pharma"	Kite Pharma, Inc., a corporation incorporated in the U.S.
"Macau"	the Macau Special Administrative Region of the PRC

Definitions

"Meiji Seika"	Meiji Seika Pharma Co., Ltd., a company incorporated in Japan
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Nanjing Fund"	Nanjing Xingjian Ruiying Equity Investment Partnership (Limited Partnership)* (南京星健睿贏股權投資合夥企業(有限合夥)), a subsidiary of the Company
"National Medical Insurance Drugs Catalogue"	National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drugs Catalogue (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)
"NDA"	New drug application
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"Ningbo Fuying"	Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), a subsidiary of the Company
"NMPA"	National Medical Products Administration (中國國家藥品監督管理局)
"Palleon"	Palleon Pharmaceuticals Inc., a corporation incorporated in the U.S.
"PCT"	Patent Cooperation Treaty
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》)
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》)
"PRC" or "China"	The People's Republic of China
"Procedural Rules of the Supervisory Committee"	the Procedural Rules of the Supervisory Committee of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (《上海復星醫藥(集團)股份有限公司監事會議事規則》)
"Prollenium"	Prollenium Medical Technology, a company incorporated in Canada
"Puling Biomedical"	Puling Biomedical (Shenzhen) Co., Ltd.* (普靈生物醫藥(深圳)有限公司), a company established in the PRC with limited liability
"R&D"	research and development
"Reporting Period"	the 12-month period from 1 January 2024 to 31 December 2024
"restricted A Share(s)"	the A Share(s) granted by the Company to a participant according to the conditions and price stipulated under the 2022 Restricted A Share Incentive Scheme which are subject to the restriction period and can only be unlocked and transferred after the unlocking conditions are satisfied
"RMB"	Renminbi, the lawful currency of the PRC
"Sermonix"	Sermonix Pharmaceuticals, Inc., a corporation incorporated in the U.S.

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Futuo"	Shanghai Futuo Biotech Development Co., Ltd.* (上海復拓生物科技發展有限公司), a company incorporated in the PRC with limited liability, and a subsidiary of the Company
"Shanghai Henlius"	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 02696) and a subsidiary of the Company
"Shanghai Listing Rules"	the Stock Listing Rules of the Shanghai Stock Exchange (《上海證券交易所股票上市規則》)
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shanghai Xingchen Children's Hospital"	Shanghai Xingchen Children's Hospital Co., Ltd.* (上海星晨兒童醫院有限公司), a subsidiary of the Company
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shenyang Hongqi"	Shenyang Hongqi Pharmaceutical Company Limited* (瀋陽紅旗製藥有限公司), a subsidiary of the Company
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sinopharm Industrial"	Sinopharm Industrial Investment Co., Ltd.* (國藥產業投資有限公司), an associated company of the Company
"Sinopharm"	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 01099), a subsidiary of Sinopharm Industrial
"Sisram Medical"	Sisram Medical Ltd, a company incorporated in Israel and listed on the Hong Kong Stock Exchange (stock code: 01696) and a subsidiary of the Company
"substantial shareholder(s)"	has the meaning given to it under the Hong Kong Listing Rules
"Supervisors"	the supervisors of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Suzhou Angel Fund"	Suzhou Xingsheng Yuanfeng Venture and Investment Partnership (Limited Partnership)* (蘇州星盛圓豐創業投資合夥企業(有限合夥)), a subsidiary of the Company
"Suzhou Abcarta"	Suzhou Abcarta Medical Technology Co., Ltd.* (蘇州百道醫療科技有限公司), a subsidiary of the Company
"Suzhou Erye"	Suzhou Erye Pharmaceutical Co., Ltd.* (蘇州二葉製藥有限公司), a subsidiary of the Company
"SVAX"	NexaPharma LLC, a company incorporated in United Arab Emirates

Definitions

"Syneos Health"	Syneos Health, Inc., a corporation incorporated in U.S.
"Tianjin Pharma"	Tianjin Pharma Group Co., Ltd.* (天津藥業集團有限公司)
"U.S. FDA"	U.S. Food and Drug Administration
"U.S." or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US$"	United States dollars, the lawful currency of the United States
"WHO PQ"	World Health Organization Prequalification
"WHO"	World Health Organization
"Written Code"	Written Code for Securities Transactions by Directors/Relevant Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (《上海復星醫藥(集團)股份有限公司董事／有關僱員進行證券交易的書面守則》)
"Xingnuo Pharma"	Jiangsu Xingnuo Pharmaceutical Technology Company Limited* (江蘇星諾醫藥科技有限公司), a subsidiary of the Company
"Xingsheng Fuying"	Suzhou Xingzheng Fuying Corporate Management Partnership (Limited Partnership)* (蘇州星盛復盈企業管理合夥企業(有限合夥)), a subsidiary of the Company
"Xingshuangjian Investment"	Shanghai Xingshuangjian Investment Management Co., Ltd.* (上海星雙健投資管理有限公司), a subsidiary of Fosun High Tech
"X-Magtech"	Beijing X-Magtech Co., Ltd.* (北京未磁科技有限公司)
"Yao Pharma"	Chongqing Yao Pharmaceutical Company Limited* (重慶藥友製藥有限責任公司), a subsidiary of the Company
"YSB"	YSB Inc., a company incorporated in Cayman Islands and listed on the Hong Kong Stock Exchange (stock code: 09985)
"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
"%"	per cent

In this annual report, if there is any inconsistency between the Chinese names of the entities, authorities, organizations, institutions or enterprises established in China or the awards or certificates given in China and their English translations, the Chinese version shall prevail.

* for identification purposes only

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