FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL SUMMARY

In RMB million	**For the year ended 31 December** **2016**	2015 (restated)
Revenue	**73,966.6**	78,796.9
Integrated Finance (Wealth)	***30,469.3***	*15,615.8*
Insurance	**27,640.7**	14,667.4
Investment	**1,200.4**	442.5
Wealth Management and Innovative Finance	**1,628.2**	505.9
Industrial Operation	***43,967.7***	*63,563.8*
Health	**18,260.2**	15,614.9
Happiness	**10,355.5**	7,441.6
Property Development and Sales	**13,898.2**	16,893.7
Resources	**1,453.8**	1,627.6
Steel[Note]	**-**	21,986.0
Eliminations	**(470.4)**	(382.7)
Profit/(loss) attributable to owners of the parent	**10,268.2**	8,038.3
Integrated Finance (Wealth)	***7,571.8***	*6,487.6*
Insurance	**2,411.3**	2,104.2

Investment	**4,297.5**	3,787.4
Wealth Management and Innovative Finance	**863.0**	596.0
Industrial Operation	***4,542.6***	*2,874.6*
Health	**1,222.8**	1,099.2
Happiness	**414.4**	175.1
Property Development and Sales	**3,098.9**	2,993.5
Resources	**(193.5)**	(463.5)
Steel[Note]	**-**	(929.7)
Unallocated expenses	**(1,756.3)**	(1,369.6)
Eliminations	**(89.9)**	45.7
Earnings per share – basic *(in RMB)*	**1.19**	1.06
Earnings per share – diluted *(in RMB)*	**1.19**	1.05
Dividend per share *(in HKD)*	**0.21**	0.17

Note: As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group's investments in the steel industry were classified into the investment segment since 1 January 2016.

LETTER TO SHAREHOLDERS:

To all shareholders of Fosun:

Fosun will celebrate its 25th anniversary in 2017. Every Fosuner and I would like to express our thanks to you all for your trust and being here all these years to share every precious moment with us.

In the past year, Fosun maintained its strong growth momentum of development and made significant breakthroughs in its business performance. As of 31 December 2016, the Group's consolidated assets grew by 19.5% to RMB 486.78 billion and the equity attributable to the owners of the parent increased by 21.9% to RMB 92.37 billion in 2016 compared with that in 2015. The compound annual growth rate ("**CAGR**") of net assets was 23.7% for the recent five years. Profit attributable to the owners of the parent reached RMB 10.27 billion, representing a year-on-year increase of 27.7% or a CAGR of 24.7% in the past five years. Fosun's net profit hit a record high above RMB 10 billion, signifying Fosun has embarked on a new chapter in its business endeavours and development. The Board resolved to recommend payment of a final dividend of HKD0.21 per ordinary share for the year ended 31 December 2016.

The financial figures highlight our effective implementation of business strategy, yet we always resist complacency that has made us continue to excel our ultimate objective. To draw an analogy between a company's evolution and human growth, I would say after 25 years of development, we have grown from children into charismatic adolescents and now blossoming youths. We have been increasingly aware that the most important aspect of a company's development is its capability to bring long-term growth in shareholders' value. We have attached great importance to our customers' needs, and we regard customers as the foundation for a long-term growth in enterprise value. Fosun's mission is "Creating a happiness ecosystem for success, bringing a healthy, happy, and wealthy life to families around the world".

Surmounting the ups and downs in the economic cycle and creating value for shareholders consistently

In the past five years, our business mix has shown the characteristics of "high growth, light asset and capability to withstand cyclical risks". For instance, we have quickly put in place Fosun's medical and senior care businesses. This has resulted in the consistent increase of the proportion of the "health, happiness and wealth" business in Fosun's total assets and profit. As of 31 December

2016, the total assets of “health, happiness and wealth” business were increased by 28.8%[1] compared with that in 2015, accounting for more than 80.0% of the Fosun Group’s total assets. In addition, the “health, happiness and wealth” business has become the most important source of Fosun’s profit, contributing more than 76.0%.

Developing business while effectively controlling financial risks, optimizing the balance sheet consistently

While maintaining organic and external growth, Fosun has paid more attention to risk control, especially effective control of financial risks through proactive management. Specifically, the overall maturity period of liabilities has increased. Debts with duration of three years and longer periods accounted for more than 38.7% of the total liabilities. The financing cost kept on decreasing, with the average financing cost continuously decreasing from 5.7% per annum in 2013 to 4.5% per annum in 2016 (5.0% per annum in 2015). The proportion of assets with high liquidity kept on increasing. Both the net gearing ratio and the capital debt ratio continued to decrease.

Great potential for appreciation in the value of assets

I am very proud to learn, work and grow together with many intelligent and diligent colleagues at Fosun. Thanks to everyone's efforts, we have been able to live through the ups and downs of the economic cycle and fostered the development of many high-quality projects. As a result, we have built up huge potential for appreciation in the value of assets and can expect a harvest season. This can best be illustrated by successful investments and operations such as Focus Media, Cainiao, YUNDA Holding Co., Ltd. and Atlantis Sanya.

At this moment, I can sum up Fosun’s development in the past 25 years in the following words: **to achieve long-term growth in shareholders’ value and bring a happier life to customers, we have been working conscientiously and earnestly everyday as if we were skating on thin ice and standing on the brink of an abyss.** These are the values we have been insisting since the first day that Fosun was founded, and Fosun will continue to practise what it believes in.

Believing in learning, progress, and development, creating a global happiness ecosystem for success

New achievements were made one after another in 2016, but this gives me a deep sense of unease. Why? Because a fast-changing world poses many challenges and people are prone to lose direction in such a fast-changing world. For instance, internet and mobile internet are changing the world, at

[1] The Group’s investments in the steel industry were classified into the investment segment since 1 January 2016. The total assets of “health, happiness and wealth” business of 2015 included that of the steel segment to improve the comparability.

an even faster pace, and they make their presence increasingly felt in manufacturing industry and the supply chain. Breakthroughs in technological innovations are also happening more rapidly. Notably, the impact of artificial intelligence may surpass those of all other technologies such as mobile internet. Globalized investment, trade, and exchange of ideas about technologies are becoming more frequent, but the voice of anti-globalization movement is growing stronger. As globalization and anti-globalization movement are interwoven, surprises or the so-called "black swan incidents" will become more frequent to such an extent that they will become part of the norm.

Faced with these changes and challenges, **we will assume more responsibilities for the well-being of the world, that is, Fosun will help the world change for the better. Therefore, Fosun has to create a happiness ecosystem for families all over the world. The question is how Fosun can attain this goal. I think the key to this undertaking is C2M business model.**

C2M - the present and future of Fosun

C2M, or Customer-to-Maker, is a business model that induces the restructuring of the value chains of all the industries in the whole society. C2M enables complete linkage between individual consumers and manufacturer for the first time in the industrial age through mobile internet, high-efficiency logistics management and devices, Fin-Tech and especially such technologies as big data and artificial intelligence. Of course, C2M is not intended to be a means of eliminating all the intermediaries, but only those of no value. For intermediaries of value, C2M can transform itself into C2B2M (Customer-to-Business-to-Maker).

Fosun is one of the first companies to discern the opportunities of C2M in the restructuring of industries. Fosun has also promptly put in place a number of investments and operations, which feature C2M. All such investments and operations have enabled us to gain thorough understanding of C2M.

To begin with, we need to reach the customers with coordinated online and offline efforts so as to fully tap the potential.

We have made the following predictions: the market will become increasingly fragmented and the means of reaching customers will become increasingly diverse in the future. The offline means of reaching customers have become popular again as businesses recognize its value. In the future, any company that only relies on one channel or a third-party channel to reach customers, or only buys access to online traffic, or even does so at a high price in order to stay in business, will be constrained by lack of control over its own business and is doomed to fail.

How can Fosun reach customers directly in such situation? On one hand, we have made investments to strengthen our online channels for reaching customers such as investing in the Weiyi, a leading online portal in the healthcare industry of China, Qinbaobao, a leading online portal in the maternal and nursery healthcare industry of the country and Fosun-Pay, a channel for reaching customers through their online payments and for collecting both cash and data from such customers. On the other hand, Fosun's offline channels for reaching customers are also gradually showing their value. For example, the value of the Group's core properties at prime locations are increasing gradually again; and Club Med has used its brand influence and services such as those of Mini Club to switch tourist products that are not frequently purchased into frequently purchased products.

Therefore, Fosun has to combine online and offline channels in the future and reach customers by diverse means. This will enable it to tap the full potential value of the channels. Of course, we are fully aware that it is a very difficult task to build up the capability to reach customers. However, Fosun never evades undertaking challenging task. We will endeavour to persevere.

Secondly, we need to strengthen our capability as a maker of goods or provider of services who are geared towards adaptable and sophisticated production with the spirit of the craftsman and by restructuring the supply chain.

In "C2M", the letter "M" refers to "Maker" – a manufacturer who is geared towards adaptable and sophisticated production by adopting artificial intelligence, robots and sophisticated supply chain management. I think the concept of "Maker" can be extended to areas beyond manufacturing, for example, the performances of Cirque du Soleil, the film and television productions of Studio 8 and the new business models for commerce and retailing in Hive City. Fosun, as a manufacturer or a producer who is geared towards adaptable and sophisticated production can use the C2M business model to understand and process a massive amount of data about the customers. We will then be well-positioned to conduct research and development and to establish an adaptable work flow and arrange for a more flexible supply of raw materials. All these will enable us to respond swiftly to customers' personalized needs.

There is always a push-and-pull relationship between a supplier and a customer and whoever is stronger has the upper hand. In other words, if you can produce an amazing product, you need not worry about the customer's monopoly. At the same time, a customer is always looking for a trustworthy company which can produce good content and strong products.

Therefore, any company which can become a target of investment by Fosun has to meet certain criteria – it must have the spirit of a craftsman, produce competitive products and have the ability to meet customers' new requirements. For example, we have invested in AHAVA, which is regarded as a national treasure of Israel and is the only skin care brand that has been permitted by the Israeli government to tap the resources of the Dead Sea and Sanyuan Foods, which is one of China's best dairy product companies in terms of quality and quality control. These are the kind of companies that Fosun has always been seeking to invest in.

All of the companies that Fosun has invested in have to restructure and improve according to the standards and requirements of the C2M business model. This means that they have to be able to enhance the use of data, increase investment in product development, improve manufacturing processes and be geared towards adaptable production with the advent of mobile internet. The supply chain should be more scientific, more efficient, and geared towards the adaptable and sophisticated production.

C2M enables the integration of flows of capital, information and materials, and thus the formation of a closed-loop system for customer service in creation of a happiness ecosystem for success

When Fosun and all of its subsidiaries have adopted the C2M business model, the flows of capital, information and materials will be integrated into one. The integration of the three flows need not to happen in a single business entity. It is more important that the integration takes place in one ecosystem of businesses and enables the formation of a closed-loop system for customer service. In the future, the closed-loop system has to be established in each of Fosun’s businesses. The closed-loop system will enable the businesses to provide one-stop customer services and to cooperate with external parties. These closed-loop systems will feature prominently in the happiness ecosystem that Fosun has built intelligently. For example:

Fosun has preliminarily built a closed-loop system for its healthcare business, which covers health insurance, medical care and health management, and is supplemented by retail pharmacies and development of pharmaceuticals and medical devices. In addition, we will have to make two breakthroughs in 2017. Firstly, having put Fosun United Health Insurance and Star Healthcare into operation, we must form a closed-loop system to include health insurance, health management, and medical care. In that closed-loop system, Fosun’s health insurance and health management will prevent its customers from illnesses. Secondly, we should take advantage of the Star Castle Living’s and Star eHealth's capabilities to provide senior care and combine them with Fosun’s senior care facilities and senior insurance to establish an advantageous closed-loop system for “senior community and happy old age”. Meanwhile, Fosun will also invest more in the innovation and research and development in the healthcare industry, including the move to step up the research and development of drugs and the innovation in medical devices so as to provide technological support to the establishment of closed-loop system for its healthcare business.

We will also establish a closed-loop system for our maternal and nursery healthcare business. We have invested in a leading portal in the industry such as Qinbaobao that can draw online traffic, and we are strengthening its operation by sourcing the best products for maternal and nursery healthcare in the world. The portal also features gynaecological and obstetric services such as United Family Healthcare. Fosun has the capabilities to establish a closed-loop system to meet the needs for maternal and nursery healthcare.

Fosun will also establish a closed-loop system for its tourism business. Although many agents are selling their products through various channels, but the products, such as the tourist services provided by Club Med and Atlantis are not frequently engaged. We need to search for more channels to reach customers directly. For example, we can leverage Thomas Cook's advantageous distribution system in Europe to connect with the customers directly. We believe that tourism products can be delivered directly to the customers. We will integrate all of the resources to establish a closed-loop system.

All these closed-loop systems are centered on products and services. In addition, Fosun has several advantageous core capabilities to establish other types of closed-loop systems such as those of "Finance +", "Properties +" and "Internet +".

What is the concept of "+"? It is about integrating Fosun's advantages and making the best out of various resources to establish a closed-loop system. To that end, we start with a single point, a single product, or a single service business and then integrate it with other industries. "Finance +", for example, is about creating opportunities to reach customers frequently through financial service. As an example, we started with health insurance, the wealth management of H&A and Fosun-Pay, then link and integrate them with other industries to establish closed-loop systems. Hive City is an important offline portal to attract traffic, so "Properties +" is about starting with the real estate business and integrate it with other industries one by one to establish a closed-loop system. All these closed-loop systems have to be enabled by the internet, but they cannot be confined to the internet; they should be profoundly integrated with other industries.

Ultimately, these closed-loop systems will all be completed in Fosun's happiness ecosystem. This is a process of allowing the businesses to empower each other, to enable each other to enhance its own products, and to work out better solutions to address customers' real needs. They will also serve as a foundation for each other's development, and their developments will become closely intertwined. Through investments and cooperation, we will add new elements to Fosun's ecosystem of businesses and make them to reinforce and complement each other. We will seek for opportunities to upgrade the ecosystem of businesses, which will also keep on empowering all the elements within such ecosystem and supporting them in their attempts to form their own closed-loop systems so as to enable them to develop faster and perform better. This is the core philosophy of how Fosun establishes its ecosystem of businesses intelligently.

Fosun's business ecosystem is growing broader, deeper and stronger in 2017

We have now defined the direction of Fosun's development in the future, that is, creating a happiness ecosystem for success with the C2M business model. In 2017, we will try every means to make Fosun's business ecosystem deepen and flourish, that is, to grow broader, deeper and stronger. This will enable all the elements in Fosun's ecosystem of businesses to develop in synergy and achieve organic growth.

In terms of "growing broader", it means, on one hand, the capability of Fosun's ecosystem of businesses for "health, happiness and wealth" to enable all of its elements to integrate with each other, combine their strengths and leverage the broad range of their businesses to develop in synergy and in closed-loop systems. On the other hand, the term "growing broader" also refers to Fosun's continuing drive for globalization and its pursuit of broader geographical market coverage. While reinforcing our footholds in developed countries, we will focus on emerging markets of such countries and regions as Russia, Brazil, India, and Southeast Asia.

As regards "growing deeper", Fosun has always emphasized profound industrial accumulation. Both its investments and businesses have to be conducted according to the principle of profound industrial integration. Every closed-loop system that we have proposed must develop their businesses with depth, enhance the competitiveness of their products, which are excellent in quality. At the same time, we need to deepen our understanding of different regions across the world and seek opportunities that fit into Fosun's strategies in those regions through the local teams. Notably, Fosun, as a global company which was founded and has taken roots in China and specifically in Shanghai, will definitely develop further the local market of Shanghai and other provincial markets of China while pressing ahead with its globalization drive. We firmly believe that leaves cannot be luxuriant without deep roots. We can only conduct our globalization drive well with the profound localization of our operations.

While "growing stronger or reaching a new height", it refers to Fosun's ideas about innovation and product development that I would like to share with you.

Fosun must continue to be ahead of the curve in terms of technology and business model, and must occupy high grounds in competition in fast-changing times. It must take initiatives in such areas as research and development of medicines and medical technology, innovation in retail business models, integration of financial service into more situations and more types of industries, the upgrading of various creative products, and the upgrading of Hive City. We must fit product development into the company's development. Both Fosun and its subsidiaries have to increase investment in research and in creating innovative businesses. **For Fosun, innovation and research is not an option, but is a must and priority. Fosun's development in the future will definitely be driven by technologies.**

We propose that Fosun Pharma should be in the same position within the global healthcare industry just like how Huawei is positioned within the telecommunications equipment and service industry. It should take every effort to make faster breakthroughs in gene sequencing, innovative medicine, precision operation, artificial intelligence and other medical services. Fosun aspires to become the world's pioneer in Fin-Tech, building on the achievements of the giants in the past, through financial innovation in particular. Besides, Fosun will also have to lead the industry in the adoption of C2M business model which will drive the restructuring of traditional manufacturing industry and the supply chain.

Furthermore, we need to emphasize Fosun's immense worldwide social responsibility in the world. Fosun has preliminarily established a business layout which has a geographical market coverage all over the world. This entails corporate social responsibility on a global scale. For example, we sponsored a Protechting start up accelerating program in Portugal. We should introduce more amazing products to the society, support young people to be innovative and generate more employment opportunities for them. This will increase efficiency and productivity within the society. As a responsible global corporate citizen, Fosun will try its best to help the world change for the better.

The above-mentioned ideas about the direction of the Company's development in the future resulted from thorough discussions among all members of Fosun's management. I would like to take this opportunity to keep you posted on the details of Fosun's work plans for 2017.

One Fosun, further enhancement of management structure, empowerment of the capacity to create value

In order to achieve the target of its globalization drive, Fosun not only improves consistently its capabilities but also enhances both its management structure and corporate culture. Therefore, Fosun is taking efforts to build the One Fosun platform through the upgrading of the management structure. The platform, which will combine the flexible frontline and the strong middle and back offices, will enable Fosun to carry out its strategies with agility at various levels. In addition, the One Fosun platform will be an organization system that enables Fosun to adapt to the market with the advent of mobile internet and new technologies. It will empower the "combat troops" at the frontline through the lean, efficient and strong middle and back offices.

As to the management strategy, not only will Fosun aim for eliminating competition, it will even encourage a certain degree of overlapping of different teams. "Overlap" here means no strict definition of the boundaries between the business scopes of different teams and an appropriate degree of overlapping of different operations. To draw an analogy, I would say that there should be more than one player for each of the position in a football team, and those who ultimately can play in a match are certainly the best players who have proven their abilities by winning their positions through competition. Such individuals and teams are mature and trustworthy.

Continuous improvement of Fosun's comprehensive financial capability

Fosun's strong capability to operate various businesses with depth, comprehensive financial capability with insurance as its core operation, and global perspective are the three most dominant genes of Fosun. As Fosun has put in place its financial businesses worldwide, including those of insurance, banking, securities and asset management, we must have the capability to integrate finance with its various businesses seamlessly and continue to improve our comprehensive financial capability.

We will further improve investment capability that allows us to fully deploy the available capital generated from its insurance business, and build up our capability to make investments with fixed returns. The first life insurance package of our German Run-Off platform has started its operation. The insurance companies under Fosun will actively seek to match their operations with Fosun's resources and capabilities.

We encourage the establishment of special funds for big projects that fit into Fosun's strategies. We will press ahead with the securitization of our assets, and build up our capability to tap the capital markets.

The "power of three": Discipline, discipline, discipline

As a global investment group, Fosun has been adhering to value investing. The value of an investment that we pay attention to does not necessarily lie in bargaining the purchase of equity stakes at the lowest price or comparing our valuation of an investment and that done by others, or whether our valuation is lower than or the same as those done by others. We believe in "rediscovering value and rediscovering potential for growth". We must discern the value of investments and their growth drivers that others have failed to spot. This is the essence of Fosun's value investing.

At the same time, our investments have to be able to complement to empower each other to create value. They should be able to combine Fosun's capability to operate businesses with depth, financial capability and globalization capability with all of Fosun's subsidiaries. We need to give support to all those companies in their development and growth, and hope to find more companies that can empower Fosun's ecosystem of businesses. However, Fosun does not blindly follow investment fads and the opinions of the so-called "experts". We must exercise our own judgement to screen out the unsound businesses as targets of investment.

Fosun is an elite organization, and its staff must be faster than competitors by 0.01 second

Over the past 25 years, I appreciate that it was not easy to achieve so many goals. They could not be realized without the elite organization. Thus, **Fosun has always been building up an elite organization. The staff members of Fosun must be elites.**

I think “0.01” best serves as the standard of being an elite. In other words, we need to find those who are 0.01 second faster than the fastest. We hope to find those who are 0.01 per cent stronger than others in study. Presently, Fosun has a lot of younger talents. With professional expertise, a global perspective and entrepreneurial spirits, they have emerged in all ranks in Fosun and have taken on more responsibility at work. They are Fosun’s most valuable assets and they are also the driving force behind Fosun’s development.

Meanwhile, Fosun cannot tolerate mediocre people. It will weed out those who only have impressive résumés but makes no achievements at work, those who have experience but cannot innovate, and those who fail to learn and grow continuously. The elites we are talking about are those who run faster than their peers and perform more outstandingly and creatively than others in various competences.

We need to stress two more points in the establishment of the elite organization: the first one is “Glocal” (i.e. “Global + Local”). We need to build up strong local teams. The second point is Fosun’s global partnership system.

Glocal, the formation of strong local teams.

Over the past few years, Fosun has acquired and built up local companies in Japan, the United Kingdom, Russia, Brazil, and India. They have a wealth of experience and resources on the local markets. Along with the global capabilities of Fosun, the proven combination proves to be a strong and incredible force. For instance, Japan’s IDERA team has joined Fosun for more than two years and completed a number of projects. IDERA and Mitsui jointly established J-REITs, succeeded in listing J-REITs on the Tokyo’s stock market through an initial public offering, and formed a closed-loop system comprising investment, financing, management and the operation of exiting investments. The UK Resolution team has completed the acquisition of Estrella, a grade-A commercial building in Frankfurt after it finished the acquisition of a project of Thomas More Square in London. The Russian Eurasian Capital also achieved outstanding results. This arrangement will be one of the most important models of Fosun’s business development.

Meanwhile, Fosun also strongly encourages teams which have good ideas and entrepreneurial spirit to set up new businesses with Fosun or to do so by itself. It does not matter whether the team members are external scientists or are our own colleagues. We encourage business ideas in the areas of technological research and development and innovation, which require patience and commitment. It is self-explanatory that such teams must consist of members with world-leading talents in the fields and can work efficiently to match Fosun's strategies and development.

An increasingly dynamic global partnership system

With the Fosun Group, the status as the Group's global partner[2] is the highest recognition of the Fosun's elites. The global partnership with Fosun is not only an incentive, but also an honor and responsibility, and represents identification with Fosun's corporate culture, mission and strategy. At the beginning of this year, Fosun announced a new group of global partners. Meanwhile, the various businesses affiliated to Fosun Group are actively setting up multi-level partnership systems.

Fosun's global partners are not only our partners in business, but also owners of the enterprises and are responsible for implementing missions and strategies. The global partner team is playing an increasingly vital role in the development of Fosun. Fosun's partners must be self-motivated to strive for success diligently. They must take initiative to form closed-loop systems and learn how to leverage Fosun's resources to promote the synergistic development of both Fosun and their operations. Fosun's partners shall identify themselves with Fosun's corporate culture, think about the big picture when planning, and give priority to collective interests. Each partner shall not only have the expertise in a certain field, but also can connect and integrate internal and external resources and help to expand Fosun's ecosystem of businesses in Fosun's interests.

Fosun's partnership is not a system of life tenure. Every year, new partners join it, while some existing ones exit it. Fosun hopes to recruit two types of people as its global partners. The first type is people who can work independently and make great contributions to Fosun. The second type is people who identify themselves deeply in line with Fosun's corporate culture and strategy. They are young and vigorous with huge potential for development and they are willing to take on new challenges and do so bravely. We are eager to foster these two types of people and will give them opportunities for development.

Lastly, I would like to share two mottos with you:

the first one is "What you truly believe is the most powerful"; and

the second one is "Learning is the source of our greatest wisdom, or even the only source of it".

Therefore, let's commit ourselves to lifelong learning, and gain a deep understanding of the changes to the world in 2017. We shall care for our country, customers, and seek to enhance our products;

[2] It refers to the core management of the Group, which is different from the legal concept of "partner" under partnership.

keep up the entrepreneurial spirit, remain curious about new things, and stay aware of the developments in our society and the world; do the things which are right, difficult, far-reaching, and challenging and things which can truly create value. We should also be able to leverage science and technology so as to provide better services for our clients.

We have worked closely together for Fosun's development in the past 25 years. I believe what we have achieved today marks only one of milestones in the history of Fosun. We will scale new heights in the future!

I would like to thank all of you for your continued support. On behalf of Fosun, I would like to wish you fortune and success!

Guo Guangchang
28 March 2017

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, net assets attributable to owners of the parent of the Group reached RMB92,367.0 million, representing an increase of 21.9% as compared to the end of 2015. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB10,268.2 million, representing an increase of 27.7% as compared to the same period of 2015.

ASSET ALLOCATION OF THE GROUP

During the Reporting Period, the Group adhered to the philosophy of value investment, actively optimized its asset allocation and continued to implement the investment model of "Combining China's Growth Momentum with Global Resources" to build an investment portfolio benefiting from China's growth momentum.

Unit: RMB million

Segment	**Total assets as of 31 December 2016**	Total assets as of 31 December 2015 (Restated)	Change from the end of 2015
Integrated Finance (Wealth)	**326,478.9**	238,452.7	36.9%
Insurance	**203,332.1**	180,597.6	12.6%
Investment	**67,098.7**	39,632.9	69.3%
Wealth Management and Innovative Finance	**56,048.1**	18,222.2	207.6%
Industrial Operations	**172,361.8**	180,278.7	-4.4%
Health	**54,401.4**	46,190.2	17.8%
Happiness	**23,829.2**	20,245.4	17.7%
Property Development and Sales	**85,328.6**	96,228.1	-11.3%
Resources	**8,802.6**	8,370.2	5.2%
Steel[Note]	-	9,244.8	N/A
Eliminations	**(12,061.2)**	(11,313.5)	N/A
Total	**486,779.5**	407,417.9	19.5%

Note: As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group's investments in the steel industry were classified into the investment segment since 1 January 2016.

INTEGRATED FINANCE (WEALTH)

The Group's integrated finance (wealth) business includes three major segments: insurance, investment and wealth management and innovative finance.

INSURANCE[Note]

The Group's insurance segment mainly includes Fosun Insurance Portugal, Yong'an P&C Insurance, Pramerica Fosun Life Insurance, Peak Reinsurance, Ironshore and MIG.

The Group has regarded insurance as a good means to connect Fosun's investment capability to high quality long-term capital. On the one hand, the above-mentioned insurance companies can improve their profits through underwriting by leveraging the Group's extensive industrial operations experience and expertise in insurance and finance. On the other hand, the above-mentioned insurance companies may help the Group to realize higher investment revenue through effective investment practices. As a result, "insurance+investment" will be our core business in the future.

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	27,640.7	14,667.4	88.4%
Profit attributable to owners of the parent	2,411.3	2,104.2	14.6%

During the Reporting Period, the increase in both revenue and profit attributable to owners of the parent of the insurance segment was mainly attributable to the expansion of the insurance segment. The Group's acquisitions of 100% equity interest in both MIG and Ironshore were completed in July and November 2015, respectively and their statements of profit and loss of the whole financial year were consolidated in 2016.

Note: Financial data of individual insurance companies disclosed in this section are based on the General Accepted Accounting Standards applicable to the jurisdictions where such companies are located.

Fosun Insurance Portugal

Fosun Insurance Portugal is a global operator in the Portuguese insurance market, which sells products in all key lines of business and benefits from the largest and most diversified insurance sales network in Portugal, including exclusive and multi-brand agents, brokers, its own branches, internet and telephone channels and its strong distribution system with the post office and Caixa Geral de Depósitos S.A., a leading Portuguese bank. It also has an international presence in seven countries in three continents (Europe, Asia and Africa).

The Group owns 84.9861% equity interest in Fidelidade and 80.0% equity interest in each of Multicare-Seguros de Saúde, S.A. and Fidelidade Assistência.

During the Reporting Period, Fosun Insurance Portugal recorded total premium income of Euro3,730.7 million, non-life business combined ratio of 97.2% and net profit of Euro221.8 million. Its investable assets totalled Euro13,783.6 million, and total investment return reached 3.2%. All quoted are unaudited management information.

International business of Fosun Insurance Portugal continued to reveal a strong commercial performance, reaching overall Euro228.1 million in premium income of direct underwriting business, an increase of 12.7% as compared to the same period of last year. In terms of non-life business, international activity increased its weight to 11.4% in total portfolio.

Fosun Insurance Portugal's strong positioning and levels of service have reinforced its position in the Portuguese insurance market, achieving a total market share of 32.2% in 2016 (increased by 2.4 percentage points as compared to 2015).

Fosun Insurance Portugal has won several distinguished awards during the Reporting Period, such as Marca de Confiança 2016 (Most Trusted Brand), Escolha do Consumidor 2016 (Consumer's Choice), Marktest Reputation Index 2016 and 1st position in BASEF Seguros Global 2016 (Global Insurance).

Yong'an P&C Insurance

As of 31 December 2016, the Group increased its equity interest in Yong'an P&C Insurance to 40.68% from 19.93%. Share transfers have been completed and put on record with China Insurance Regulatory Commission. Yong'an P&C Insurance is a national insurance company headquartered in Xi'an and operates all types of non-life insurance businesses. Yong'an P&C Insurance has taken the initiative and been continuing to adjust and transform its business in 2016. It has discontinued certain less efficient businesses and constantly optimized business portfolio, increased per capita production capacity, reduced claim settlement cost, enhanced innovative development and actively explored internet applications. During the Reporting Period, Yong'an P&C Insurance recorded premium income of RMB9,101.8 million, net profit of RMB643.1 million, investable assets of RMB11,349.5 million, combined ratio of 98.5% and total investment return of 7.2%.

Pramerica Fosun Life Insurance

The Group holds 50% equity interest in Pramerica Fosun Life Insurance which was established in September 2012 with RMB1.3 billion registered capital. Pramerica Fosun Life Insurance conducts sales business through multiple sales channels including personal insurance channels, worksite marketing, bancassurance and health insurance etc.. In recent years, the premium received by Pramerica Fosun Life Insurance has been growing rapidly and it has launched the Beijing branch, Shandong branch and 12 sub-branches and sales offices. It has also obtained approval to prepare for Jiangsu branch. Pramerica Fosun Life Insurance has formed the regular-value-business oriented sales model and continuously promotes Internet and products innovation. Pramerica Fosun Life Insurance is also exploring new sales model such as "Insurance + Health Manager + Health Industry + Retirement Community + Overseas Asset Allocation". Today, Pramerica Fosun Life Insurance possesses a comprehensive set of product lines spanning from life insurance, accident insurance, critical illness insurance to universal life insurance and health insurance.

During the Reporting Period, new annualized premium income and total premium of Pramerica Fosun Life Insurance reached RMB171.1 million and RMB1,117.0 million respectively (both including universal life insurance policyholders' deposits). During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB116.0 million, net loss of RMB169.4 million, investable assets of RMB2,023.8 million and total investment return of 3.9%.

Peak Reinsurance

Peak Reinsurance obtained its certificate of authorisation in respect of the property and casualty reinsurance business and the licence for underwriting long-term reinsurance business from the Office of the Commissioner of Insurance of Hong Kong in 2012 and 2014 respectively. This makes Peak Reinsurance one of the few locally established reinsurance companies in Asia Pacific underwriting both life and non-life insurance business. Peak Reinsurance strives to provide innovative and forward-looking reinsurance services for customers in the Asia Pacific, Europe, Middle East and Africa (EMEA) and the Americas. During the Reporting Period, Peak Reinsurance further expanded its business and brand globally as planned with a subsidiary established in Zurich which was licensed to operate reinsurance business from 1 January 2017. During the Reporting Period, Peak Reinsurance has also completed its first strategic investment of a 50% stake in NAGICO Holdings Limited, a leading Caribbean insurance group. This investment provides Peak Reinsurance with attractive growth prospects in the Caribbean market and is in line with Peak Reinsurance's strategy to diversify its portfolio globally and its commitment to enhance its development in the insurance industry in emerging and developing countries and regions such as the Caribbean. In July 2016, Peak Reinsurance was awarded "Asian Reinsurer of the Year" by Asian Banking and Finance magazine. It is now one of the Top 50 global reinsurance groups, determined by gross written premium, ranked by A.M. Best.

During the Reporting Period, Peak Reinsurance's premium income was USD698.2 million (compared to USD582.7 million for the same period of 2015), its net profit was USD6.9 million, its combined ratio was 97.6%, its investable assets were USD1,219.2 million and its total investment return was 1.5%. In August 2016, Peak Reinsurance issued additional share capital of USD100 million. As of 31 December 2016, Peak Reinsurance's shareholders' equity stood at USD841.1 million. The Group owns 86.93% equity interest in Peak Reinsurance, while International Finance Corporation owns the remaining 13.07% equity interest.

Ironshore

In 2015, the Group completed the acquisition of 100% equity interest in Ironshore, with the purchase price of approximately USD2,518.6 million. Ironshore is a global specialty insurance company operating principally in Bermuda, the United States, Lloyd's and Ireland. Its management team has in-depth experience in the insurance industry, broad industry network and outstanding ability to operate a large enterprise, and is highly recognized by peers in the industry.

During the Reporting Period, Ironshore recorded premium income of USD2,200.4 million, net profit of USD115.7 million, combined ratio of 102.1%, total investable assets of USD5,464.5 million and total investment return of 3.2%.

The Group has entered into the stock purchase agreement dated 5 December 2016 with Liberty Mutual, pursuant to which the Group has agreed to sell and Liberty Mutual has agreed to purchase the 100% of the outstanding ordinary shares of Ironshore at a consideration of approximately USD3 billion in cash (subject to price adjustments). Upon completion of the transaction, the Group will cease to hold any interest in Ironshore and Ironshore will cease to be a subsidiary of the Company. The transaction is still subject to regulatory approval and the satisfaction or waiver of customary closing conditions. The completion of such transaction is expected to take place in the first half of 2017. As at 31 December 2016, all the assets and liabilities of Ironshore were classified as assets of a disposal group held for sale and liabilities directly associated with the assets classified as held for sale in aggregate in the consolidated statement of financial position.

MIG

In July 2015, the Group completed the acquisition of 100% equity interest in MIG with an aggregate transactional value of approximately USD439.0 million, and it was delisted and ceased trading on the New York Stock Exchange. MIG is a professional property and casualty insurer and an insurance administration services company focusing on niche markets. MIG markets and underwrites property and casualty insurance programs and products in the standard and non-standard markets through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agencies that value service and have specialized knowledge and focused expertise.

During the Reporting Period, MIG recorded premium income of USD718.6 million, net profit of USD28.3 million, combined ratio of 102.8%, investable assets of USD1,539.3 million and total return on investment of 3.2%.

INVESTMENT

The Group adheres to the concept of value investment and follows the model of "Combining China's Growth Momentum with Global Resources" to invest in a series of enterprises benefiting from the growth momentum of China in both domestic and global markets. The Group's investment business is divided into three segments, which are strategic investment, private equity investment, venture capital investment and capital contribution to the Group's asset management business as a limited partner (PE/VC/LP investments), and secondary market investments.

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	1,200.4	442.5	171.3%
Profit attributable to owners of the parent	4,297.5	3,787.4	13.5%

During the Reporting Period, the increase in both revenue and profit attributable to owners of the parent of the investment segment was mainly attributable to the Group's expansion in investment scale and the increase in investment income.

Strategic Investment

The Group's strategic investment includes Focus Media, Lloyds Chambers, 28 Liberty and Zhaojin Mining etc.

Focus Media

Focus Media is an important investment of the Group in the culture and media industry. In December 2015, Focus Media Holding Limited was successfully listed on the A-share market by way of backdoor listing, which was among one of the first Chinese concept shares to be successfully relisted on the A-share market. As of 31 December 2016, the Group held 7.62% equity interest in the listed company, and was one of the substantial shareholders of Focus Media. In this mobile internet era, Focus Media capitalizes on its in-depth understanding of advertising and its insights into the consumer landscape and uses its mobile internet technology that integrates offline with online information to target the 200 million most commercially valuable customers as its driver of brand sales. Focus Media strives to build an O2O (Online to Offline) portal with an offline big data, aiming to be an important player of mobile internet portal.

Lloyds Chambers

In October 2013, the Group purchased Lloyds Chambers with its partner at a purchase price of GBP64.5 million. The project is located at 1 Portsoken Street E1 in the financial district of London. Lloyds Chambers has a sound financing, taxation, property management and corporate governance structure. During the Reporting Period, its rental income was GBP7.1 million. Asset management of the project is being implemented in accordance with the business plan.

28 Liberty

In December 2013, the Group completed the acquisition of 28 Liberty, freehold for investment purposes at a purchase price of USD725 million. 28 Liberty, located in the financial district of Lower Manhattan of New York, is a 60-storey Grade A landmark office building with a leasable area of 2,200,000 sq.ft. During the Reporting Period, the rental revenue of the 28 Liberty project amounted to USD53.5 million.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations and focuses on the gold production business, with mine-produced gold as its main product. Zhaojin Mining is committed to maintaining strategic cooperation with local governments, large-scale geological exploration institutes and large enterprises. Through equity mergers and acquisitions as well as implementation of full-scale development strategies, it aims to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu provinces. It also increased its efforts in resources integration in the periphery of industrial clusters, which has further enhanced the company's resource strength. The gold output of Zhaojin Mining's mines for the year of 2016 was approximately 20.38 tons, which increased by 0.52% as compared to the same period of last year and its revenue amounted to approximately RMB6,664.79 million, representing an increase of 13.21% as compared to the same period of last year.

Zhaojin Mining produces mine-produced gold as its main product, key production data are as follows:

	Output of mine-produced gold (tons)	Gold resources (tons) [Note]
2016	20.38	1,235.52
2015	20.27	1,228.01
Change year-on-year	0.52%	

Note: The figure was measured in accordance with the standards of the Australasian Joint Ore Reserves Committee (JORC).

PE/VC/LP Investments

PE Investments

The Group's investment in PE involves international fashion, mass consumption, advanced manufacturing and other industries. The amount of new investment (at the accumulated cost of investment) in 2016 was approximately RMB1,111.5 million and the amount of exit was approximately RMB1,768.4 million. As of 31 December 2016, the Group has invested in 32 PE projects with a total remaining investment amount of approximately RMB3,478.1 million (at the accumulated cost of investment).

VC Investments

Fosun Kinzon Capital is the Group's venture capital platform investing in early and growth stage of internet-related enterprises. Fosun Kinzon Capital team focuses on early stage ventures with high-potential utilizing mobile-internet (including innovative finance, internet health, internet-related real estate & automotive, O2O (Online to Offline), internet education, on-line travel and services to small and medium enterprises). As of 31 December 2016, Fosun Kinzon Capital team has invested in around 36 projects with a total investment amount of RMB1,309.5 million.

Fosun Tonghao Capital is an investment fund team under Fosun focusing on early stage high-technology venture. It mainly invests in the seed, angel and A-round stages, with focusing on healthcare and TMT (technology, media, telecommunication) sectors, and carries out innovative industrial investments by adopting the "Medical + New Scientific Technology" and the "Financial, Travel, Education etc. + New Scientific Technology" model. As of 31 December 2016, Fosun Tonghao Capital team invested in 2 projects with an accumulated investment amount of RMB57.4 million.

LP Investments

The Group made investment through capital contribution as a limited partner while proactively developing its asset management business. As of 31 December 2016, the Group was committed to contribute a total of RMB12,785.7 million, of which RMB11,044.1 million was actually contributed.

Secondary Market Investments

The Group's major investment in the secondary market comprises investment in Folli Follie. For other investments in the secondary market, please refer to "Significant Secondary Market Holdings Held by the Group".

Folli Follie

Folli Follie, a globally renowned fashion retail group, was an overseas strategic investment of the Group in 2011. As of 31 December 2016, the Group held 10.0% equity interest and Pramerica-

Fosun China Opportunity Fund, a fund managed by the Group, held 3.89% equity interest, amounting to a total of 13.89% equity interest in Folli Follie.

The sales revenue of Folli Follie for the first three quarters of its financial year of 2016 amounted to Euro956.2 million, representing an increase of 9.2% as compared to the same period of 2015. Its EBITDA was Euro192.4 million, representing an increase of 9.8% as compared to the same period of 2015. Its net profit amounted to Euro112.0 million, representing an increase of 7.4% as compared to the same period of 2015. The sales of its self-owned core brand business increased by 9.4% and EBITDA increased by 8.6% as compared to the same period of last year. The other two business segments of Folli Follie, being wholesale/retail and department stores achieved growth of 10.5% and 7.0% respectively in sales revenue as compared to the same period of last year.

Since its initial investment in 2011, the Group has leveraged its solid industrial foundation and extensive online and offline channel resources in China to assist Folli Follie's development in the Greater China Region in respect of sales network expansion and brand building etc. Folli Follie achieved a continuous and steady growth in the sales performance in China and a significant acceleration of the expansion of its sales network.

Significant Secondary Market Holdings Held by the Group [1]

No.	Stock Code	Stock Name	Number of Securities (As at 31 December 2016)	Percentage of Total Number of Shares	Accounting Treatment[2]
1	002027.SZ	Focus Media	666,041,572	7.62%	B
2	01988.HK	Minsheng Bank[3]	773,019,800	2.12%	A
3	002078.SZ	Sun Paper	190,000,000	7.49%	B
4	02799.HK	China Huarong	500,000,000	1.28%	B
5	TCG.LN	Thomas Cook	153,180,979	9.98%	B
6	FFGRP.GA	Folli Follie	6,695,460	10.00%	A
7	SINA.NASDAQ	SINA	1,973,055	2.78%	B
	-	SINA Convertible Bonds	237,300	N/A	B
8	YY.NASDAQ	YY	2,212,045	4.00%	B
	-	YY Convertible Bonds	769,645	N/A	B
9	01833.HK	Intime	112,417,500	4.15%	B
10	0966.HK	China Taiping	44,669,200	1.25%	B
			500,000	0.01%	A

Notes:

1. The above calculation covers the securities investments of the Group in the secondary markets; however, it does not contain its interests in the listed subsidiaries and associates, or the securities invested by associates or funds of the Group;
2. A: Equity investments at fair value through profit and loss; B: Available-for-sale investments;
3. Including deemed derivative interests of 390 million shares.

WEALTH MANAGEMENT AND INNOVATIVE FINANCE

During the Reporting Period, the revenue and profit attributable to owners of the parent of the wealth management and innovative finance segment were as follows:

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	1,628.2	505.9	221.8%
Profit attributable to owners of the parent	863.0	596.0	44.8%

During the Reporting Period, the large increase in both revenue and profit attributable to owners of the parent of the wealth management and innovative finance segment was mainly attributable to the business growth of asset management.

WEALTH MANAGEMENT

Asset Management

During the Reporting Period, the Group continuously expanded its asset management business by upholding the investment philosophy of value investment and "Combining China's Growth Momentum with Global Resources" and consistently generated long-term and stable returns for limited partners.

The funds currently managed by the Group mainly include various RMB funds, USD funds and JPY funds, covering various types of asset portfolios, including growth funds and property development funds, such as Zhejiang Growth Fund, Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.), Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.), Fosun Chuanghong, Shanghai Star Equity Investment L.P., Shanghai Sunvision Xicheng Equity Investment Center (Limited Partnership), Shanghai Sunvision Binhe Equity Investment Center (Limited Partnership), Ji'nan Financial Investment Development Fund Partnership (Limited Partnership), Pramerica-Fosun China Opportunity Fund, Ji'nan Financial Fosun Weishi Equity Investment Fund Partnership (Limited Partnership), Shenzhen Fosun Ellassay Fashion Investment Fund (Limited Partnership), CMF and other funds.

Meanwhile, the Group also actively expanded the size of assets management through acquisitions. In May 2014, the Group acquired 98% equity interest in IDERA, a Japanese real estate capital management company. The Group also acquired 60% equity interest in Resolution Property, a European real estate capital management company headquartered in London in June 2015. In August 2015, the Group established Fosun Eurasia Capital, a Russian asset management limited company and held its 75% equity interest. In November 2016, the Group acquired 50.1% equity interest in Rio Bravo, a Brazilian fund asset management firm.

The asset management business of the Group, mainly targeting domestic and international high-end large institutional clients and high net worth individual clients, will continue to actively seek institutional investors, large enterprises and family capital to become limited partners of the Group for long term cooperation.

As at the end of the Reporting Period, the scale of the asset management business of the Group reached RMB88,610.0 million, of which RMB14,211.6 million was managed by IDERA, RMB6,636.4 million was managed by Resolution Property, RMB302.4 million was managed by Fosun Eurasia Capital, and RMB25,170.5 million was managed by Rio Bravo. The Group has committed to contribute RMB1,049.9 million as a general partner and RMB12,785.7 million as a limited partner to the asset management business. The management fee derived from the asset management business amounted to RMB636.6 million. In addition, during the Reporting Period, the asset management business of the Group invested in 22 new projects and increased investment in 5 existing projects, with an accumulated investment of RMB18,833.8 million.

IDERA

In May 2014, the Group completed the acquisition of 98% equity interest in IDERA, a Japanese real estate capital management company, at a consideration of JPY6,811.0 million. This investment is an important step of Fosun's pursuit of "insurance + investment" strategy to build its global investment capability. IDERA is a leading Japanese independent real estate capital management and fund platform and as at the end of the Reporting Period, its assets under management were over JPY238,485.5 million (approximately RMB14,211.6 million). IDERA will become the real estate investment platform of Fosun in the Japanese market and will continue to provide outstanding real estate fund and asset management services for investors in Europe and America, Asia, the Middle East and Japan.

In December 2016, a real estate investment trust (REIT) jointly managed by IDERA and Mitsui & Co., Ltd. (三井物產株式會社) in Japan was formally listed on the Tokyo Stock Exchange. The first phase of the REIT is JPY100,000 million.

During the Reporting Period, IDERA recorded an unaudited operating revenue of JPY4,958.6 million, net profit of JPY2,703.2 million and net asset book value of JPY10,899.8 million according to the Japanese accounting standards.

Resolution Property

In June 2015, the Group acquired 60% equity interest in Resolution Property, a European real estate capital management company headquartered in London, for a consideration of Euro15.6 million.

This investment is also an important step of Fosun's pursuit of "Insurance + Investment" strategy to build its global investment capability. Resolution Property is a leading fund manager focusing on real estate value-added and opportunistic investment in Europe and will become a priority platform of Fosun in the European market for real estate investment. As at the end of the Reporting Period, total funds under its management were approximately RMB6,636.4 million.

Fosun Eurasia Capital

Fosun Eurasia Capital is established in Moscow in August 2015 and the Group holds 75% of its equity interest. Fosun Eurasia Capital serves as a major comprehensive financial platform for the Group, providing financial, asset management and investment advisory services throughout Russia and its neighbouring countries. Fosun Eurasia Capital's scope of investment deploys across all asset classes, including fixed income, direct investments, real estate, bonds, listed and private equity and identifies and evaluates investment opportunities in various industries including energy, natural resources, consumer and manufacturing industries. Fosun Eurasia Capital also provides foreign investment advisory services and seeks underlying high-quality investment projects for local Russian and international investors. As at the end of the Reporting Period, total assets under its management were approximately RMB302.4 million.

Rio Bravo

In November 2016, the Group acquired 50.1% equity interest in Rio Bravo, a fund asset management company headquartered in São Paulo, Brazil. Rio Bravo is a leading fund management company in the Brazilian market specialised in various asset categories, also works in private equity, public equity funds, real estate funds, credit funds, infrastructure funds, financial advisory and multi-class portfolio asset management. This is the first equity acquisition of the Group in the Latin American region to expand local business. As at the end of the Reporting Period, total assets under its management were approximately RMB25,170.5 million.

BANKING AND OTHER FINANCIAL BUSINESS

H&A

In July 2015, the Group made an offer to acquire at least 80% of the share capital and voting rights of H&A plus one H&A share and voting right, at an offer price of Euro682.50 per no-par value ordinary share of H&A and the maximum amount of consideration payable was expected to be not more than Euro210 million ("**H&A Acquisition**"). In September 2016, the transaction obtained regulatory approval and all conditions precedent set out in the offer had been fulfilled. The Group acquired 99.91% equity interest in H&A, and accordingly H&A became a subsidiary of the Company. Its financial results had been consolidated into the consolidated financial statements of the Group since October 2016.

H&A is one of the few independent private banks in Germany with a history of 220 years. Through its institutions located in Frankfurt, Munich, Hamburg, Dusseldorf, Cologne and Luxembourg, the bank is committed to providing integrated advisory and asset management services to its individual, corporate and institutional clients, including providing asset management services to institutional investors, having close cooperation with independent asset managers, launching and managing of private branded funds. H&A has positioned itself as a private bank with a blend of modern and rich traditional ambience endeavouring to develop customized solutions based on integrated and personalized advisory services. As at the end of the Reporting Period, the size of asset management and asset services of the bank was over Euro60 billion.

The H&A Acquisition will enhance the Group's capability of providing financial services in Europe, in the areas of private banking asset management, financial markets and fund custodian services to individual, corporate and institutional clients, particularly the small and medium sized enterprises, and it is also a significant strategic step of the Group to build a global family wealth management platform.

Fosun Finance Company

Shanghai Fosun High Technology Group Finance Co., Ltd. ("**Fosun Finance Company**") officially commenced operations in September 2011 and has obtained the loan and entrusted loan business qualification and the interbank lending market business qualification. During the Reporting Period, Fosun Finance Company operated in a steady and sound manner and recorded revenue of RMB153.6 million, net assets of RMB1,870.3 million and net profit after tax of RMB98.0 million. As of 31 December 2016, Fosun Finance Company had 141 member entities in total, with size of deposits amounting to RMB6,347.0 million and size of loans amounting to RMB2,920.0 million.

Fosun Hani Securities

Fosun Hani Securities is an important investment of the Group to build a financial platform in Hong Kong in July 2014. The Company indirectly holds 100% equity interest in Fosun Hani Securities. The acquisition of Fosun Hani Securities has significant importance in opening up investment channels and enhancing overseas asset management capabilities.

Established in 1987, Fosun Hani Securities is a registered securities broker with license in Hong Kong to deal in securities on behalf of retail customers and corporate customers. Fosun Hani Securities owns four types of securities business related licenses: dealing in securities (Type 1), advising on securities (Type 4), advising on corporate finance (Type 6) and asset management (Type 9). By using the above licenses, Fosun Hani Securities acts as the Group's platform in Hong Kong to promote the establishment of domestic and overseas investment channels and enhance the overseas asset management capabilities of Fosun.

Fosun Hani Securities has established its capability to offer comprehensive investment banking services and achieved income diversification, with the income from rights issue, debt financing and financial advisory services reaching HKD22 million in 2016. In 2017, Fosun Hani will continue to optimize its business model and strengthen its talent strategy.

The Group's wealth management has already started a comprehensive business service platform by acquiring the PIBA (Professional Insurance Brokers Association) license through purchasing a Hong Kong Insurance broker firm at the beginning of the year strengthening the wealth management business which has achieved certain business scale by rapid development of such business.

BCP

In November 2016, Chiado (Luxembourg) S. à r.l ("**Chiado**"), an indirect wholly-owned subsidiary of the Company, subscribed for approximately 157.4 million shares at a subscription price of approximately Euro1.1 per share to be issued by Banco Comercial Português, S.A. ("**BCP**") through a private placement reserved to Chiado, equivalent to approximately 16.7% share capital of BCP post-completion of such capital increase at the total consideration of approximately Euro174.6 million. In February 2017, Chiado increased its holding in BCP's share capital to approximately 23.9% through the rights issue subscription of BCP at the total consideration of Euro374.4 million. In addition, according to the performance of the shares, the Company will also consider to potentially increase its shareholding in BCP up to 30% by acquiring shares in the secondary market.

BCP, found in 1985, is the largest Portuguese listed bank with market capitalization of approximately Euro2.40 billion. BCP is a distinguished leader in various areas of banking business in Portugal with approximately 17.8% market shares in loan and approximately 17.1% market shares in deposit. BCP offers a wide variety of banking products and financial services in Portugal and abroad, such as retail banking, corporate and investment banking, private banking, as well as an independent online bank ActivoBank. BCP also holds a prominent position abroad in following markets: Poland, Switzerland, Mozambique and Angola. In addition, BCP has operated in Macau through a full-license branch since 2010 and has expanded the Chinese mainland market through its Guangzhou representative office.

As at the end of the Reporting Period, BCP's total assets reached approximately Euro71.26 billion, with gross loans to customers of approximately Euro51.76 billion and customer deposits of approximately Euro48.80 billion. During the Reporting Period, BCP recorded net operating revenues of approximately Euro2.10 billion, of which the net interest income was recorded at approximately Euro1.23 billion with 3.3% annual growth. The net profits attributable to owners of the parent of BCP stood at approximately Euro23.9 million and the net profits excluding non-recurring items stood at approximately Euro97.6 million, representing an increase of approximately

Euro119.8 million from 2015. The asset quality of BCP has been improved during 2016. The non-performing loan over 90 days ratio fell from 11.0% in 2015 to 10.4% in 2016 with coverage strengthened to 69.5%. BCP's common equity tier 1 (CET1) ratio on the phase-in basis was approximately 12.4%, representing an increase of 0.2 percentage point from the previous quarter.

BCP is an important investment of the Group and is acting as the comprehensive financial service platform to help the Group extend its business in Europe and Africa. The Group believes that the international comprehensive financial service business of BCP can further improve the Group's capacity to combine China's growth momentum with global resources.

INNOVATIVE FINANCE

Mybank

The Group, as a founder, injected registered capital of RMB1,000 million into Zhejiang E-Commerce Bank Co., Ltd. ("**Mybank**") to acquire 25% equity interest in Mybank.

Commenced operation in June 2015, Mybank is a joint-stock commercial bank which provides financial services for small and micro businesses and individual consumers on the internet, and operated in the mode of a platform with light assets held for trading. Mybank operates its business on the basis of real economy and real trading backgrounds, and utilizes unique risk control technologies to realize whole process network operation, providing online financing and other financial services for target clients with characteristics of large scale, great volume, intensive operation and information support.

As of 30 November 2016, the total asset of Mybank was RMB58,000 million with a cumulative number of over 2 million small and micro enterprise borrowers, an average loan per borrower of RMB15,000, and a loan balance of RMB25,400 million. The accumulated amount of loans granted under Wangnongdai (旺農貸) had a balance of approximately RMB523 million with a total of 44,300 accounts and an average loan per borrower of RMB11,800, covering 24,700 villages in 2,348 counties of 347 cities across all provinces and cities of Mainland China.

Cainiao

In May 2013, the Group invested RMB500 million in Cainiao as one of the founders. Excluding the effect of equity incentive, the Company's equity interest in Cainiao has been diluted to 7.5% after Cainiao carried out the first round of financing in early 2016. Cainiao's vision is to develop a China smart logistics network that can help deliver online shopping within 24 hours in all cities across China and 72 hours worldwide to enhance merchant's logistics service capability and service quality in order to reduce total logistics costs and eliminate the logistics bottleneck.

Cainiao has currently developed five key networks, including delivery data and technology solutions, domestic fulfilment solutions, cross-border logistics, urban and rural last mile logistics. Cainiao has achieved rapid growth during the past year, including network coverage, product penetration, package volume and timeliness of delivery. The brand awareness of Cainiao Alliance has also witnessed significant enhancement. Cainiao has brought in over 100 logistics partners and intends to better serve merchants within the e-commerce ecosystem by building an open platform.

As of 31 December 2016, Cainiao had next-day delivery coverage capacity in 170 cities over 1,000 districts and counties and same-day delivery coverage capacity in 45 cities over 170 districts and counties. Cainiao's logistics data platform enabled the delivery of an average of approximately 57 million packages per day during the fourth quarter of 2016.

Chuangfu Finance Leasing

Chuangfu Finance Leasing (Shanghai) Co., Ltd. ("**Chuangfu Finance Leasing**") is mainly engaged in automobile finance leasing for corporate and individual consumers who need mid- to high-end automobile related financial services. As a market leader in its field, the company maintains strategic collaborations with a number of high-end branded automobile manufacturers and dealers such as Audi, Tesla, BMW, Mercedes Benz and Volvo, etc.. As at the end of the Reporting Period, the Group held a shareholding of 80.88% in Chuangfu Finance Leasing. In 2016, Chuangfu Finance Leasing strives to penetrate and develop retail and large customer channels, plan and expand business coverage regions, innovate and enhance product development capabilities and has finally transformed steadily to realize a more comprehensive business layout. As of 31 December 2016, the scale of leasing assets amounted to RMB1,238.8 million, representing an increase of 94.7% as compared to the same period of 2015. Revenue realized on accumulated basis for the current period was RMB99.3 million and net profit was RMB6.9 million, representing an increase of 76.9% and 133.5%, respectively, as compared to the same period of last year.

Yuntong Micro Credit

Guangzhou Yun Tong Micro Credit Co., Ltd. ("**Yuntong Micro Credit**") has a registered capital of RMB200 million. As at the end of the Reporting Period, the Group held a total equity interest of 68%. Yuntong Micro Credit relies on the internet to provide high quality financial services to the massive small and micro enterprises and individual residents. It places high importance on both asset quality and development stability to realize reasonable economic value as well as social value with a view to become one of the representative enterprises of inclusive finance in China.

After rapid progress in research and development achieved in 2016, the business system of Yuntong Micro Credit was launched on the internet with online business processes. Customers enjoyed high quality customer experience with precise customer solicitation, fast approval process and extremely fast loan release through combining big data credit technology, information structuring technology and internet payment technology, which laid a solid foundation to increase the business volume in the next stage. Meanwhile, Yuntong Micro Credit adheres to an open product design concept with credit product models of formulating scenarios suitable for specific groups, conducting joint marketing with cooperative entities and sharing traffic flows to realize maximization of cooperative benefits.

Fosunling

Shanghai Fosunling Asset Management Ltd. ("**Fosunling**") is a significant investment of the Group's layout in the innovative finance sector. Fosunling has a registered capital of RMB100 million and is 100% owned by the Group.

Fosunling concentrates on building an integrated investment and financing platform characterized by industrial depth and multi-dimensional ecosystem. Fosunling's own innovative financial platform "Fosunling" was launched online successfully in mid-September of 2015. As of 31 December 2016, the total trading volume of first launched online transactions of financial products was approximately RMB459.2 million (unaudited), with more than 76,800 individuals became registered customers of the platform. Fosunling will continue to provide an innovative and low-cost financing channel through the internet for financing parties, and strive to provide all-round services including finance, entertainment, healthcare and medical services for its customers.

INDUSTRIAL OPERATIONS

The industrial operations of the Group include four key segments: health, happiness property development and sales, and resources. The health segment mainly includes Fosun Pharma, Starcastle Senior Living, Luz Saúde, Star Healthcare, Sanyuan Foods and Silver Cross; the happiness segment mainly includes Yuyuan, Club Med, Atlantis, Studio 8, Cirque du Soleil and Thomas Cook; the property development and sales segment mainly includes Forte, The Bund Finance Center and Resource Property; the resources segment mainly includes Hainan Mining and ROC.

HEALTH

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	18,260.2	15,614.9	16.9%
Profit attributable to owners of the parent	1,222.8	1,099.2	11.2%

During the Reporting Period, the increase in both revenue and profit attributable to owners of the parent of the health segment was mainly due to the continuous and steady business growth of Fosun Pharma.

Fosun Pharma

During the Reporting Period, Fosun Pharma realized revenue of RMB14,506 million, representing an increase of 16.03% as compared to 2015; excluding the impact of the disposal of Handan Pharmaceutical Co., Ltd. in 2015 and the new acquisition of Hangzhou Wanbang Tiancheng Pharmaceutical Co., Ltd. and the new establishment of Wenzhou Geriatric Hospital Limited Company ("**Wenzhou Geriatric Hospital**") and other companies in 2016, the revenue would have increased by 16.16% on the same basis as compared to 2015.

In 2016, Fosun Pharma recorded total profit of RMB3,572 million and net profit attributable to the shareholders of the listed company of RMB2,806 million, representing an increase of 5.92% and 14.05%, respectively, as compared to 2015. The increase in each of the total profit and the net profit attributable to the shareholders of the listed company was mainly due to (1) the steady growth maintained by the businesses of Fosun Pharma, the further optimized sales structure, the construction of the marketing system and the positive effect of the supply chain integration; and (2) the rapid growth maintained by Sinopharm Group Co. Ltd., an associate of Fosun Pharma.

During the Reporting Period, the pharmaceutical manufacturing and research and development segment of Fosun Pharma realized revenue of RMB10,150 million, representing an increase of 14.78% as compared to 2015. In 2016, the sales of the Fosun Pharma's major products in therapeutic areas such as cardiovascular system, central nervous system and anti-tumor, antimalarial series such as artesunate and anti-tuberculosis series products, maintained rapid growth. Among new and recent products, the cardiovascular therapeutic product alprostadil dried emulsion (You Di Er) and the metabolism system therapeutic product febuxostat tablets (You Li Tong) maintained rapid growth.

In 2016, Fosun Pharma continued to reinforce its substantially completed strategic deployment of healthcare services segment with high-end healthcare institutions in the more developed coastal cities and specialty and general hospitals in second-tier and third-tier cities in the PRC. During the Reporting Period, revenue from healthcare service business amounted to RMB1,676 million, representing an increase of 21.71% as compared to 2015. As at the end of the Reporting Period, the total number of beds available for the public in Foshan Chancheng Central Hospital Company Limited, Anhui Jimin Cancer Hospital, Yueyang Guangji Hospital Company Limited, Suqian Zhongwu Hospital Co., Ltd., Wenzhou Geriatrics Hospital, etc. controlled by Fosun Pharma was 3,018.

During the Reporting Period, Fosun Pharma realized revenue of RMB2,653 million from the medical devices and medical diagnosis segment, representing an increase of 18.23% as compared to 2015. The increase in revenue of the medical devices and medical diagnosis business was mainly due to an increase in sales of consumables brought by the rapid increases in the number of installation of Da Vinci surgical robotic system as well as the volume of surgery by Da Vinci surgical robotic system.

Starcastle Senior Living

Starcastle Senior Living is a joint venture for developing senior living property in China. It was established by the Group and Fortress Investment Group LLC, each holding 50% of its equity interest. The company's first high-end senior living project is customized for Chinese senior citizens which commenced operations in May 2013, providing one-stop and whole process services to Chinese seniors from independent living to hospice care. The first phase had a total of 218 units with an occupancy rate of 97% as at 31 December 2016.

Luz Saúde

Luz Saúde is a leading private healthcare provider group in Portugal. It provides its services through 20 units (ten private hospitals, one national health service hospital under a public private partnership, seven private ambulatory clinics and two senior residences) and is present in the north, central and central-south of Portugal.

As at the end of the Reporting Period, Fidelidade held 98.8% equity interest in Luz Saúde. In 2016, Luz Saúde provided 1,395 beds and continued its growth in the Portuguese private healthcare market. Its consolidated operational revenue reached Euro450.7 million, an increase of 6.4% over the last year, mainly driven by the growth in the private healthcare segment (with an increase of 8.3%) which was mainly contributed by (i) a generalized increase in activity, both in ambulatory and inpatient services, despite the reintroduction of four holidays by the government, reducing the number of workdays; (ii) the acquisition of Hospital da Luz – Guimarães (including an acute care hospital and a specialized inpatient facility, with a total of 148 beds); and (iii) the full-year consolidation of the results of Hospital da Misericórdia de Évora.

During the Reporting Period, consolidated EBITDA reached Euro52.1 million, with an EBITDA margin of 11.6% as compared to 14.3% in 2015, which was mostly affected by the performance of Hospital Beatriz Ângelo (a public private partnership hospital), as a result of the significant increase in drug costs arising from the increase in Oncology and HIV/AIDS treatments, as well as by an increase in personnel costs. In the private segment, EBITDA decreased by 4.6% to Euro60.0 million as a consequence of price decreases in some areas and for some payers and the expansion of Hospital da Luz – Guimarães. Net profit attributable to shareholders totalled Euro17.4 million.

In 2016, Luz Saúde initiated a multi-year expansion program that will fuel its growth trajectory and consolidate its leadership in Portugal. Luz Saúde started this year the investment in the expansion of Hospital da Luz Lisboa (already the largest private hospital in the country) and Hospital da Luz Arrábida, in the expansion of Hospital da Luz Oeiras towards 80% more capacity in size, and in the acquisition of a land plot for a new hospital in Vila Real, with a total capital expenditure reaching Euro35 million in 2016.

Star Healthcare

Star Healthcare is a wholly-owned subsidiary of the Group, combining the Group's internal and external outstanding medical resources, and aims to provide one-stop and whole-process health management service and third-party insurance service for mid- to high-end member customers and corporate customers.

As at the end of the Reporting Period, Star Healthcare has built up one-stop healthcare management products targeted at mid- to high-end member customers, employee healthcare benefits planning products targeted at corporate customers, innovative fusion products for insurance customers as well as healthcare service products for groups of mothers and children. In 2016, Star Healthcare has formed a professional service team comprising insurance settlement specialists, medical experts, health managers and nutritionists to provide professional health management services to target customers through the multimedia customer service system and healthcare management system.

Facing the service demand in the insurance market, Star Healthcare has established a direct payment network in mainland China with coverage in 16 provinces and cities and over 200 cooperative medical institutions, mainly in the regions of Beijing, Shanghai, Guangzhou and Shenzhen. By leveraging the leading insurance settlement core system within the industry, Star Healthcare provides professional direct payment of medical management and settlement services for insurance companies. Such services will be provided to Yong'an P&C Insurance, Pramerica Fosun Life Insurance and Fosun United Health Insurance in 2017.

Sanyuan Foods

As at the end of the Reporting Period, the Group and Fosun Chuanghong, a fund managed by the Group, held 16.67% and 3.78% equity interest in Sanyuan Foods respectively. Sanyuan Foods is a renowned brand in the dairy industry of China, famous for the quality and safety of its products, and enjoys significant market advantages in Beijing and the peripheral markets. Fosun is optimistic about the future growth of dairy consumer goods in China.

After acquiring shares of Sanyuan Foods, Fosun utilized global resources to assist in formulating corporate strategies and introducing merger and acquisition targets for realizing integrated development in Sanyuan Foods and enhancing its leading position in the dairy industry of China.

In 2016, Sanyuan Foods completed the mergers of " Baxy (八喜)", a domestic leading brand in ice-cream, and "Avalon", a Canadian high-end organic dairy brand and successfully launched new products such as "Iceland yogurt (冰島式酸奶)" and "Light Energy (輕能)". In order to realize large-scale and professional production and upgrade company products, a processing, research and development and logistics centre for dairy products with daily fresh milk processing capacity of 1,000 tonnes was built in the Xinle Economic and Development Zone in Shijiazhuang, Hebei. Sanyuan Foods enhanced product marketing and brand promotions and adjusted product structure to provide high-quality products with high gross profit margins. As of the third quarter of 2016, revenue in the amount of RMB3,490.2 million was realized and net profit attributable to shareholders of the listed company amounted to RMB171.2 million.

Silver Cross

Silver Cross was an overseas investment of the Group and the acquisition was completed in July 2015. As at the end of the Reporting Period, the Company indirectly held 87.2% equity interest in Silver Cross through its subsidiary.

Silver Cross, which was established in 1877 by William Wilson, has established itself as a leading UK nursery brand. Silver Cross incorporates the leading edge product design with engineering mechanism to offer its customers a range of multifunctional and lightweight strollers alongside its hand-built legacy prams and complemented by its nursery furniture range. Silver Cross has an international distribution network covering the UK, Europe, the Middle East, Asia and Asia Pacific regions. In the UK, it has a significant retail presence with a strong national retail footprint and an extensive network of 170 independent retailers. Silver Cross has flagship stores in Shanghai, Hong Kong and Moscow and sells through a number of high-end maternal and infant chain stores. Its business performance in emerging markets, such as Southeast Asia region, was also proven to be very successful. Silver Cross products have won numerous high profile awards such as Illustrious Junior Design Award and Which! Best Buy Award. In 2016, it became a licensee of Aston Martin and Marie Chantal, a famous high-end baby and infant lifestyle brand, for durable children products. During the Reporting Period, the revenue of Silver Cross amounted to GBP44.0 million and the profit before tax was GBP6.0 million.

HAPPINESS

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	10,355.5	7,441.6	39.2%
Profit attributable to owners of the parent	414.4	175.1	136.7%

During the Reporting Period, revenue of the happiness segment was, in principle, contributed by the operating income from Club Med. The increase in the profit attributable to owners of the parent of the happiness segment was mainly attributable to the profitability of Club Med turning from its prior losses during 2016 and the gain on disposal of partial equity interest of Bona Film Group Limited.

Yuyuan

Yuyuan is mainly engaged in commercial retail and wholesale and retail of gold and jewellery, and it holds certain equity interest in Zhaojin Mining. During the Reporting Period, Yuyuan recorded revenue of RMB15,643.05 million, representing a decrease of 10.87% as compared to the same period of last year. Profit before tax was RMB716.41 million, representing a decrease of 30.06% as compared to the same period of last year. The net profit attributable to shareholders of the listed company amounted to RMB478.84 million, representing a decrease of 43.60% as compared to the same period of last year.

Due to changes in its accounting policies, Yuyuan retrospectively adjusted its financial information for the year ended 31 December 2015. As such, the comparative information of Yuyuan for the year ended 31 December 2015 has been restated.

Yuyuan recorded lower net profit mainly due to (i) the decrease in revenue from the gold and jewellery segment resulted in lower net profit on a year-on-year basis; (ii) Yulongcheng (豫瓏城) in Shenyang was completed and commenced operation at the end of 2015, it is still in the nurturing period and profit was not resulted in the Reporting Period; and (iii) disposal of long-term equity investments and income from financial assets, gains on fair value changes of financial assets and investment gains received from investees all decreased as compared to the same period of last year.

Shanghai Yuyuan Gold and Jewelry Group Co., Limited (上海豫園黃金珠寶集團有限公司) under Yuyuan owns two major brands of “Laomiao Gold” and “Yayi Jewelry”. As at the end of the Reporting Period, the number of chain stores of the two brands amounted to 1,828.

Yuyuan was seeking tourism business projects actively to expand its tourism and hotel businesses. In 2015, Yuyuan acquired 100% equity interest in the Japanese company Hoshino Resort Tomamu (“**Hoshino**”) through Kabushiki Kaisha Shinsetsu (株式會社新雪), its wholly-owned subsidiary in Japan. In 2016, Hoshino entered into an agreement with Club Med, the leading brand of global resort chain group, to establish Club Med TOMAMU separately in the Hoshino resort area. Through the cooperation between Yuyuan and Club Med, a positive driving momentum was created for the operation of Hoshino. The Group will assist Yuyuan to develop the potential value of enormous flows of tourists, explore the business model of combining online and offline operations, and actively seek for opportunities to consolidate premium quality assets in the industry, in order to create value for shareholders.

Club Med

Despite the unstable geopolitical environment that has negatively affected the outbound markets and some of its destinations, including terrorist attacks occurred in North Africa, Turkey, France and Belgium last year, Club Med still managed to record a good result in the financial year of 2016.

During the Reporting Period, Club Med recorded operating profit of Euro44.1 million from resorts, representing a year-on-year increase of 36%. The growth in results was mainly attributable to the outstanding performance of skiing resorts, the increase in the number of tourists for long-haul travel destinations in Europe and also the growth of clients in both the Greater China Region and the Americas.

During the Reporting Period, Club Med opened three new resorts, including Sanya, Beidahu (a skiing resort in Jilin) and Lake Paradise (in the vicinity of Sao Paulo in Brazil). Club Med will continue to accelerate its development pace in China according to its plans. During the Reporting Period, the number of tourists in the Greater China Region recorded 200,000, which was 10 times more than such number at the time before Fosun's investment in 2010.

Atlantis

The Atlantis project is located in Haitang Bay of Sanya in Hainan Province of China, and is a large-scale high-end theme resort hotel project with a water park and aquarium as its signature developed by the Group. The scale of the project exceeded RMB10 billion and was designated as the key construction project of Hainan Province. The project commenced construction in 2013 and its first phase compared to the hotel, water park and aquarium has topped out in July 2016. It is expected to commence trial operation in October 2017 and will be managed by Kerzner International Management FZ LLC. Tang Residence, the second phase of the project, had obtained the "Commercial Housing Pre-Sale Permit" and began pre-sale in November 2016. As of 31 December 2016, RMB 4,631.3 million was invested by the Group.

Name of project	Usage	Land area (sq.m.)	Total GFA (sq.m.)	Ownership of interest	Land cost (RMB million)	Development progress	Expected completion date	Construction and installation costs (RMB million)
Atlantis	Accommodation, food and beverage, cultural, sports and entertainment	537,420.2	492,215.1	99.98%	2,177.4[Note]	Under development	2017	2,453.9

Note: The municipal infrastructure facilities related fees and deed taxes were added into the land costs as compared to 2015.

Studio 8

Studio 8 is an important investment made by the Group in the film industry, a significant step for the Group to enter the film and television entertainment industry. As at the end of the Reporting Period, the Group held 80% equity interest in the Class A investors of Studio 8. The Group exercises significant influence over the distribution arrangement of movies produced by Studio 8 in mainland China, Hong Kong, Macau and Taiwan, whereby the Group will build a global media entertainment, investment, financing and operating platform with its base in China's culture consumer market and focusing on the global film and television entertainment industry. During the Reporting Period, Studio 8 and Columbia TriStar Motion Picture Group, a company under Sony, co-invested and produced *Billy Lynn's Long Halftime Walk* directed by Ang Lee, which was released in November 2016 globally (including China). During the Reporting Period, the second film *Solutrean* completed filming smoothly and entered into the post-production stage. Currently, there are over 30 projects under research and development and we are expecting to announce some greenlight projects soon.

Cirque du Soleil

Cirque du Soleil from Canada was an overseas investment completed by the Group in July 2015. As at the end of the Reporting Period, CMF and Zhejiang Growth Fund, two funds managed by the Group, together with Yuyuan collectively held 24.81% equity interest in Cirque du Soleil. Specifically, CMF held approximately 14.04% equity interest, while Zhejiang Growth Fund and Yuyuan held approximately 7.96% and 2.81% equity interest, respectively.

Cirque du Soleil is a leading creative content provider for a wide variety of unique projects. With deep roots in Montréal, Quebec, the company extends its creative talent to other spheres of activity in addition to shows. Cirque du Soleil brings unswerving energy and spirit to each of its shows while maintains the highest standards of artistic quality and originality. In 2016, Cirque du Soleil launched touring shows of *Avatar*, entered Broadway with *Paramour*, and created *Luzia*, a Mexico theme touring performance. The company also partnered with National Football League ("**NFL**") in second half of 2016 to create NFL's first immersive exhibition, which will be opened in New York's Times Square by the end of 2017. Cirque du Soleil will be the creative engine for such exhibition. Meanwhile, the company is also developing new contents such as dinner shows, ice shows and other hotel partnership programs. In terms of China, Cirque du Soleil is planning to launch its Hangzhou resident show by the end of 2018; *KOOZA* show will start its tour in Beijing and Shanghai during the second half of 2017; *Avatar* will also start its China tour in 2018. The investment in Cirque du Soleil represents the Group's continued focus within happiness segment following the Group's privatization of Club Med. The Group will work together with TPG VII CDS Holdings and Cirque du Soleil to expand its business within the China market in the future.

Thomas Cook

During the Reporting Period, the Group held an aggregate of 9.9% equity interest in Thomas Cook. Thomas Cook is one of the leading leisure travel groups in the world with deep-rooted branding tradition and leading position in the European tourism market. During the financial year of 2016, revenue of GBP7,810 million was recorded, approximately keeping flat over the same period of 2015. EBITDA of GBP512 million was recorded, which was increased by 5.8% as compared to same period of 2015. During the Reporting Period, website design and payment connection have been completed for the travel agency, Kuyi International Travel Agency (Shanghai) Co., Ltd. ("**KUYI**"), jointly established by the Group and Thomas Cook and regular business operations had commenced to offer domestic, overseas and MICE (meetings, incentives, conferencing/conventions, exhibitions and events) travel services to the growing middle class population both inside and outside China. As at the end of the Reporting Period, the Group held 51% shareholding in KUYI.

PROPERTY DEVELOPMENT AND SALES

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	13,898.2	16,893.7	-17.7%
Profit attributable to owners of the parent	3,098.9	2,993.5	3.5%

During the Reporting Period, the decrease in revenue of the property development and sales segment was mainly due to that certain properties of Forte were sold but not booked in 2016 and the property area (booked area) declined compared with last year. The profit attributable to owners of the parent of the property development and sales segment basically kept flat as compared to last year.

Forte

In 2016, against the backdrop of active transactions in the real estate market, Forte captured the market opportunities to accelerate its own turnover and achieved good sales results for the full year. In respect of operation, the Hive City strategy focusing on the integration of property and city as its core was implemented, and by combining with quality property resources from Cirque du Soleil, Club Med and Starcastle Senior Living services, etc., product competitiveness was created to enhance the overall value of the project. Forte focused on the city penetration direction and enhanced business development in first-tier and second-tier cities where it has established its presence. Meanwhile, connections with capital markets and various types of other financing channels were actively pursued to lower financing costs continuously and provide diversified sources of capital for business development.

Project Development

During the Reporting Period, Forte's total GFA under development was approximately 6,470,867.6 sq.m., and total attributable GFA amounted to approximately 4,203,432.1 sq.m., representing a decrease of approximately 0.9% as compared to the same period of 2015 (2015: total attributable GFA was approximately 4,242,113.6 sq.m.).

During the Reporting Period, the total GFA of newly commenced projects was approximately 2,048,744.3 sq.m., and total attributable GFA amounted to approximately 1,616,797.9 sq.m., representing an increase of approximately 16.2% as compared to the same period of 2015 (2015: total attributable GFA was approximately 1,391,452.4 sq.m.).

During the Reporting Period, total GFA of completed projects was approximately 1,051,849.5 sq.m., and total attributable GFA amounted to approximately 606,248.1 sq.m., representing a decrease of approximately 57.9% as compared to the same period of 2015 (2015: total attributable GFA was approximately 1,438,964.9 sq.m.).

Project Reserves

During the Reporting Period, Forte obtained 2 projects as additional project reserves with planned GFA of approximately 268,089 sq.m. and total attributable GFA amounted to approximately 129,445 sq.m., representing a decrease of approximately 80% as compared to the same period of 2015 (2015: total attributable GFA was approximately 646,109 sq.m.).

As at the end of the Reporting Period, Forte owned project reserves with total planned GFA of approximately 11,008,181.1 sq.m., total attributable GFA was approximately 6,953,351.1 sq.m., representing a decrease of approximately 18% as compared to the same period of 2015 (2015: total attributable GFA was approximately 8,476,587 sq.m.).

Property Sales

During the Reporting Period, Forte realized property contract sales area and contract sales revenue of approximately 1,679,787.2 sq.m. and RMB23,682 million respectively, and attributable contract sales area and contract sales revenue were approximately 1,243,226.4 sq.m. and RMB17,917.2 million respectively, representing an increase of approximately 22.1% and 22.8% respectively as compared to the same period of 2015 (2015: total attributable contract sales area and contract sales revenue were approximately 1,017,910.8 sq.m. and RMB14,595.1 million, respectively).

Property Booked

During the Reporting Period, the booked area and booked amount of properties by Forte were approximately 1,110,895.4 sq.m. and RMB15,757.8 million respectively, attributable booked area and booked amount were approximately 804,282.6 sq.m. and RMB11,651.1 million respectively, representing a decrease of approximately 29.9% and 38.4%, respectively, as compared to the same period of 2015 (2015: attributable booked area and booked amount were approximately 1,148,021.6 sq.m. and RMB18,911.4 million, respectively).

As of 31 December 2016, the area and amount sold but not booked were approximately 1,587,071.1 sq.m. and RMB23,213.2 million, respectively, and the attributable area and amount sold but not booked were approximately 1,128,189.4 sq.m. and RMB16,264.4 million respectively, representing an increase of approximately 47.4% and 54.2%, respectively as compared to the same period of 2015 (2015: attributable area and amount sold but not booked were approximately 765,367.0 sq.m. and RMB10,544.4 million, respectively).

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core district of the Bund in Shanghai, the north side was completed in 2016, and the south side is applying for its Certification of Completion. The Bund Finance Center is an experiential financial complex in the Bund financial zone and this project comprises four different business modes, including Grade A offices, shopping center, Fosun arts center and boutique hotel, in order to facilitate multiple functions of finance, commerce, tourism, culture, arts and so forth under one roof.

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

Name of project	Floor	Area (sq.m.)
GFA		425,392
Grade A offices	S1	107,062
	S2	103,079
	N1	21,363
	N2	25,185
	N4	10,316
Shopping center		118,098
Boutique hotel		36,331
Fosun arts center		3,959

Resource Property

Founded in 1999, Resources Property is an integrated service platform with investment and management capability in the property sector of the Group. Resources Property has established itself on the global development strategy of the Group. As a global diversified and integrated real estate service provider, Resource Property focuses on three major segments, including real estate transaction services, asset management and innovative investment, both local and abroad. After the official public listing on NEEQ in September 2015 (stock code: 833517), Resources Property has achieved a sales scale of over RMB40 billion for two consecutive years. With the outstanding performance, it is awarded the name of “Top 10 planning and agency organisation of overall strength”(2016年中國房地產策劃代理綜合實力TOP 10), enjoying a brand value of approximately RMB2.3 billion.

RESOURCES

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

Unit: RMB million

	2016	2015	Change year-on-year
Revenue	1,453.8	1,627.6	-10.7%
Loss attributable to owners of the parent	(193.5)	(463.5)	N/A

During the Reporting Period, the decrease in revenue of the resources segment was attributable to the decrease in the revenue of Hainan Mining and ROC as a result of industry decline. The decrease in loss attributable to owners of the parent was mainly due to the provision for impairment of oil and gas assets as a result of the decline of oil price in the second half year of 2015. The oil price stabilized in 2016 and no further impairment was provided in 2016.

Hainan Mining

The Group engages in iron ore production and operation through a subsidiary, Hainan Mining. Hainan Mining owns a large open-pit, high-grade iron ore mine in China. Its core business includes mining and sales of iron ore. By investing in the existing mining projects and other mining companies, Hainan Mining aims to accelerate the expansion of its scale and promote its industry position.

The main product of Hainan Mining is iron ore. During the Reporting Period, prices of iron ore fell sharply, affected by the market fluctuation in the downstream steel industry. Relying on its own advantages, Hainan Mining overcame market difficulties and enhanced its sales, with its sales of iron ore reaching 2,896.2 thousand tonnes in 2016, representing a decrease of 12.76% year-on-year. The finished iron ore output reached 2,905.8 thousand tonnes, representing a decrease of 3.44% year-on-year.

The main product of Hainan Mining is iron ore, and its key production data during the Reporting Period were as follows:

	Finished iron ore output (thousand tonnes)	Reserves of iron ore [Note]
2016	2,905.8	268 million tonnes
2015	3,009.3	266 million tonnes
Change year-on-year	-3.44%	

Note: According to the "Solid Minerals Geological Prospecting Standards" of the PRC, the figures in 2016 were estimated figures.

ROC

The Company launched an offer of acquisition to ROC in August 2014. In January 2015, ROC was wholly-owned by the Group and officially delisted from the Australian Securities Exchange.

During the Reporting Period, ROC realized sales revenue of USD99.6 million, net profit amounted to USD4.1 million, EBITDA was USD45.5 million and net cash inflow from operating activities amounted to USD24.7 million.

The Company intended to utilize ROC as its strategic platform in the oil and gas sector in future. Leveraging ROC's leading operational and management capabilities and business development potentials, the company will integrate its existing business bases in the PRC, Southeast Asia and Australia to capture the global oil and gas investment opportunities under the environment of declining oil prices, so as to obtain sustainable returns.

RECENT DEVELOPMENT

Fosun United Health Insurance

In August 2016, Shanghai Fosun Industrial Investment Co., Ltd. ("**Fosun Industrial Investment**"), a wholly-owned subsidiary of the Company) and other independent third parties received the official approval reply from the China Insurance Regulatory Commission granting consent for the establishment of Fosun United Health Insurance in Guangzhou of the PRC, with registered capital of RMB500 million. Fosun Industrial Investment will invest RMB100 million in the registered capital of Fosun United Health Insurance. The investment is another important strategic measure of the Group in building a wealthy, healthy and happy ecosystem, aiming to provide more diversified and customized insurance and health services for family customers by combining the Group's resources in the insurance and health sectors to create synergies. During the Reporting Period, Fosun United Health Insurance obtained approval for its business registration from the industrial and commercial authority in January 2017 and commenced operation. Fosun United Health Insurance strives to connect smoothly with various types of effective resources of big health to provide quality products throughout the full life cycle. Fosun United Health Insurance, as an integral part of Fosun's global insurance business, has ventured into the professional health insurance sector in the China market, which will further develop the insurance network of Fosun.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, decreased to RMB4,433.5 million in 2016 from RMB4,492.7 million in 2015. The decrease in net interest expenditures in 2016 was mainly attributable to the decrease in interest rate. The interest rates of borrowings in 2016 were approximately between 0.13% and 8.50%, as compared with approximately between 0.52% and 8.70% for the same period of last year.

TAX

Tax of the Group decreased to RMB3,594.6 million in 2016 from RMB5,229.1 million in 2015. The decrease in tax was mainly resulted from the decrease in taxable profit from the Group.

CAPITAL EXPENDITURE

The capital expenditure of the Group mainly consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights, intangible assets, investment properties and oil and gas assets. We have been increasing our investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. We continued our commitment in property development, but will adjust our strategy according to market conditions. With an aim to further strengthen our leading role in the happiness industry, we have made extra efforts in the happiness segment. The amount of capital expenditures of the Group during the Reporting Period was RMB6,274.4 million. Details of capital expenditures of each business segment are set out in note 2 to financial statements.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 31 December 2016, the total debt of the Group was RMB126,276.8 million, representing an increase over RMB115,110.0 million as at 31 December 2015, which was mainly due to the increase in borrowings as a result of business expansion of various segments of the Group. As at 31 December 2016, mid-to-long-term debt of the Group accounted for 65.3% of total debt, as opposed to 57.4% as at 31 December 2015. As at 31 December 2016, cash and bank and term deposits increased by 10.5% to RMB52,156.4 million as compared with RMB47,219.2 million as at 31 December 2015.

INTEREST COVERAGE

In 2016, EBITDA divided by net interest expenditures was 5.4 times, the same with that in 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
REVENUE	3	73,966,562	78,796,889
Cost of sales		(48,094,096)	(61,135,274)
Gross profit		25,872,466	17,661,615
Other income and gains	3	22,609,531	25,864,006
Selling and distribution expenses		(11,007,684)	(7,680,142)
Administrative expenses		(12,365,138)	(8,767,118)
Other expenses		(6,709,978)	(9,312,810)
Finance costs	4	(4,845,431)	(4,724,031)
Share of profits and losses of:			
Joint ventures		106,827	1,066,950
Associates		2,620,224	2,074,079
PROFIT BEFORE TAX	5	16,280,817	16,182,549
Tax	6	(3,594,619)	(5,229,122)
PROFIT FOR THE YEAR		12,686,198	10,953,427
Attributable to:			
Owners of the parent		10,268,185	8,038,282
Non-controlling interests		2,418,013	2,915,145
		12,686,198	10,953,427
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
- For profit for the year (RMB)	8	1.19	1.06
Diluted			
- For profit for the year (RMB)	8	1.19	1.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2016

	2016 RMB'000	2015 RMB'000 (Restated)
PROFIT FOR THE YEAR	**12,686,198**	**10,953,427**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	11,103,463	3,012,488
Reclassification adjustments for gains/(losses) included in the consolidated statement of profit or loss		
- gain on disposal	(2,107,386)	(4,868,248)
- impairment loss	1,473,197	(99,412)
Income tax effect	(1,040,926)	754,531
	9,428,348	(1,200,641)
Change in other life insurance contract liabilities due to potential (losses)/gains on financial assets	(17,280)	472,029
- Income tax effect	6,821	44,087
	(10,459)	516,116
Fair value adjustments of hedging instruments in cash flow hedges	(23,794)	-
- Income tax effect	6,310	-
	(17,484)	-
Fair value adjustments of hedging of a net investment in a foreign operation	316,497	-
- Income tax effect	(69,058)	-
	247,439	-
Share of other comprehensive income of joint ventures	67,074	-
Share of other comprehensive income/(loss) of associates	221,580	(164,525)
Exchange differences on translation of foreign operations	496,236	(118,603)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
Year ended 31 December 2016

	2016 RMB'000	2015 RMB'000 (Restated)
Net other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods	10,432,734	(967,653)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Revaluation gain upon transfer from owner-occupied property to investment property	54,114	-
- Income tax effect	(15,018)	-
	39,096	
Actuarial reserve	(74,807)	-
- Income tax effect	45,369	-
	(29,438)	
Share of other comprehensive income of associates	293,811	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	303,469	-
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX	10,736,203	(967,653)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**23,422,401**	**9,985,774**
Attributable to:		
Owners of the parent	18,331,214	7,621,487
Non-controlling interests	5,091,187	2,364,287
	23,422,401	**9,985,774**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2016

	2016 RMB'000	2015 RMB'000 (Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	20,672,028	18,023,602
Investment properties	30,493,267	40,898,689
Prepaid land lease payments	2,105,331	2,143,888
Exploration and evaluation assets	225,731	197,500
Mining rights	531,296	564,507
Oil and gas assets	1,050,517	970,236
Intangible assets	6,024,968	9,189,950
Goodwill	9,862,200	10,366,162
Investments in joint ventures	17,662,504	11,809,125
Investments in associates	44,115,608	31,579,652
Available-for-sale investments	105,785,016	97,956,123
Properties under development	9,330,509	17,035,471
Loans receivable	813,210	553,789
Prepayments, deposits and other receivables	2,540,614	3,854,693
Deferred tax assets	4,801,141	5,221,803
Inventories	267,836	323,708
Policyholder account assets in respect of unit-linked contracts	3,112,170	3,594,381
Insurance and reinsurance debtors	115,473	128,787
Reinsurers' share of insurance contract provisions	4,377,481	9,620,463
Term deposits	348,692	465,135
Placements with and loans to banks and other financial institutions	73,068	-
Loans and advances to customers	454,502	-
Derivative financial instruments	379,652	-
Finance lease receivables	288,517	-
Total non-current assets	265,431,331	264,497,664

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2016

	Note	2016 RMB'000	2015 RMB'000 (Restated)
CURRENT ASSETS			
Cash and bank		51,807,704	46,754,045
Investments at fair value through profit or loss		8,328,696	10,716,167
Derivative financial instruments		445,382	15,921
Trade and notes receivables	9	4,321,733	4,120,969
Prepayments, deposits and other receivables		15,977,831	10,358,356
Inventories		2,705,018	2,347,989
Completed properties for sale		7,737,290	10,898,015
Properties under development		22,738,105	18,846,968
Loans receivable		2,130,688	1,735,066
Due from related companies		11,741,735	3,707,641
Available-for-sale investments		22,390,416	20,998,463
Policyholder account assets in respect of unit-linked contracts		636,076	471,535
Insurance and reinsurance debtors		6,434,748	8,146,186
Reinsurers' share of insurance contract provisions		1,468,553	3,452,133
Placements with and loans to banks and other financial institutions		37	-
Loans and advances to customers		2,904,371	247,581
Finance lease receivables		929,759	-
		162,698,142	142,817,035
Assets of a disposal group/non-current assets classified as held for sale		58,650,003	103,245
Total current assets		221,348,145	142,920,280

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2016

	Note	2016 RMB'000	2015 RMB'000 (Restated)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		43,874,088	48,788,443
Loans from related companies		-	193,000
Trade and notes payables	10	9,569,939	10,613,116
Accrued liabilities and other payables		33,710,957	24,450,255
Tax payable		4,035,686	3,787,469
Finance lease payables		48,686	46,161
Deposits from customers		18,511,530	1,300,688
Due to the holding company		381,646	979,101
Due to related companies		3,647,173	2,944,692
Derivative financial instruments		505,115	204,015
Accounts payable to brokerage clients		68,823	34,462
Unearned premium provisions		5,194,018	12,881,979
Provision for outstanding claims		10,518,108	14,461,347
Provision for unexpired risks		360,623	432,410
Financial liabilities for unit-linked contracts		237,459	251,577
Investment contract liabilities		1,382,071	4,940,511
Other life insurance contract liabilities		1,429,933	1,359,147
Insurance and reinsurance creditors		3,109,676	3,740,375
Due to banks and other financial institutions		715,681	-
Placements from banks and other financial institutions		270,276	-
		137,571,488	131,408,748
Liabilities directly associated with the assets classified as held for sale		40,674,050	-
Total current liabilities		178,245,538	131,408,748
NET CURRENT ASSETS		43,102,607	11,511,532
TOTAL ASSETS LESS CURRENT LIABILITIES		308,533,938	276,009,196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2016

	2016 RMB'000	2015 RMB'000 (Restated)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	82,094,953	65,859,536
Convertible bonds	307,730	268,983
Finance lease payables	197,224	120,334
Deposits from customers	68,715	-
Derivative financial liabilities	802,875	-
Deferred income	1,514,423	1,019,108
Other long term payables	4,160,042	4,086,385
Deferred tax liabilities	8,841,545	9,042,528
Provision for outstanding claims	16,764,930	32,548,001
Financial liabilities for unit-linked contracts	3,510,787	3,814,339
Investment contract liabilities	55,370,424	48,204,699
Other life insurance contract liabilities	11,420,408	11,374,815
Insurance and reinsurance creditors	175,360	117,333
Due to banks and other financial institutions	426,987	-
Placements from banks and other financial institutions	3,707	-
Total non-current liabilities	185,660,110	176,456,061
Net assets	122,873,828	99,553,135

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2016

	2016 RMB'000	2015 RMB'000 (Restated)
EQUITY		
Equity attributable to owners of the parent		
Share capital	36,157,089	36,046,143
Treasury shares	(93,008)	-
Equity component of convertible bonds	68,674	68,674
Other reserves	56,234,244	39,629,492
	92,366,999	75,744,309
Non-controlling interests	30,506,829	23,808,826
Total equity	122,873,828	99,553,135

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

1.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain investments which have been measured at fair value. Non-current assets/assets of a disposal group classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited financial information relating to the year ended 31 December 2016 and the financial information relating to the year ended 31 December 2015 included in this preliminary announcement of annual results for the year ended 31 December 2016 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2015, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2016 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 December 2015. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
   (i) the materiality requirements in HKAS 1;
   (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
   (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
   (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

   Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[2]
HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption

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

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

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

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

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

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases - Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

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

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

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

1.4 PRIOR YEAR RESTATEMENT

1.4.1 RESTATEMENT OF PRIOR YEARS' FINANCIAL STATEMENTS AS A RESULT OF BUSINESS COMBINATIONS FOR ENTITIES UNDER COMMON CONTROL

In June 2016, Yadong Fosun Industrial Technology Development Co., Ltd., an indirectly wholly owned subsidiary of the Company, completed the acquisition of 35.21% equity interest in Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) ("Chuanghong Fund") at a purchase consideration of RMB582,000,000. After the completion of the acquisition, Chuanghong Fund was accounted for as a subsidiary of the Group, because the Group could control the Chuanghong Fund as the general partner and the 35.21% interests as limited partner. Since the Company and Chuanghong Fund were under common control of Mr. Guo Guangchang ("Mr. Guo", the ultimate controlling shareholder of the Company) before and after the completion of the aforesaid acquisition, the business combination of Chuanghong Fund has been accounted for by applying pooling of interest method.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements from the perspective of controlling shareholder.

Upon transfer of interest in an entity to another entity that is under the control of the ultimate shareholder that controls the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

The opening balances as at 1 January 2015 and comparative information as at 31 December 2015 and for the year ended 31 December 2015 have been restated in the consolidated financial statements.

1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

1.4 PRIOR YEAR RESTATEMENT (continued)

1.4.2 RESTATEMENT OF PRIOR YEARS' FINANCIAL STATEMENTS AS A RESULT OF FINALIZED PURCHASE PRICE ALLOCATION OF THE ACQUISITION OF CLUB MED

In February 2015, Club Med Invest (former name: Gaillon Invest II), an indirectly owned subsidiary of the Company, acquired 100% of the equity interests in Club Med, at a total consideration of Euro916,664,000 (equivalent to RMB6,240,832,000). The assessment of the fair values of the identifiable assets and liabilities of Club Med was still undergoing and the information of the fair values of the identifiable assets and liabilities was provisional as at 31 December 2015.

During the year, the Company finalized the assessment of the fair values of the identifiable assets and liabilities of Club Med and the Company retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as at the acquisition date.

The comparative information as at 31 December 2015 and comparative information for the year ended 31 December 2015 have been restated in the consolidated financial statements.

1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

1.4 PRIOR YEAR RESTATEMENT (continued)

1.4.3 QUANTITATIVE IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS

i. Restated consolidated statement of comprehensive income for the year ended 31 December 2015:

	As previously reported RMB'000	Effect of prior year adjustments RMB'000 (note 1.4.1)	RMB'000 (note 1.4.2)	As restated RMB'000
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(974,632)	6,979	-	(967,653)
Total comprehensive income for the year	9,978,795	6,979	-	9,985,774
Attributable to:				
Owners of the parent	7,618,960	2,527	-	7,621,487
Non-controlling interests	2,359,835	4,452	-	2,364,287

Details of the restated consolidated statement of comprehensive income for the year ended 31 December 2015 includes the followings:

	As previously reported RMB'000	Effect of prior year adjustments RMB'000 (note 1.4.1)	RMB'000 (note 1.4.2)	As restated RMB'000
Available-for-sale investments:				
Changes in fair value	3,005,509	6,979	-	3,012,488

1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

1.4 PRIOR YEAR RESTATEMENT (continued)

1.4.3 QUANTITATIVE IMPACT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

ii. Restated consolidated statement of financial position as at 31 December 2015:

	As previously reported RMB'000	Effect of prior year adjustments RMB'000 (note 1.4.1)	RMB'000 (note 1.4.2)	As restated RMB'000
Total non-current assets	262,586,561	1,191,912	719,191	264,497,664
Total current assets	142,748,650	152,430	19,200	142,920,280
Total current liabilities	130,967,192	220	441,336	131,408,748
Total non-current liabilities	176,213,944	-	242,117	176,456,061
Equity attributable to owners of the parent	75,252,509	491,800	-	75,744,309
Non-controlling interests	22,901,566	852,322	54,938	23,808,826
Total equity	98,154,075	1,344,122	54,938	99,553,135

Details of the restated consolidated statement of financial position as at 31 December 2015 includes the followings:

	As previously reported RMB'000	Effect of prior year adjustments RMB'000 (note 1.4.1)	RMB'000 (note 1.4.2)	As restated RMB'000
Non-current assets				
Property, plant and equipment	17,176,435	-	847,167	18,023,602
Goodwill	10,713,380	-	(347,218)	10,366,162
Investments in associates	31,209,652	370,000	-	31,579,652
Available-for-sale investments	97,134,211	821,912	-	97,956,123
Deferred tax assets	5,002,561	-	219,242	5,221,803
Current assets				
Cash and bank	46,601,795	152,250	-	46,754,045
Prepayments, deposits and other receivables	10,338,976	180	19,200	10,358,356
Current liabilities				
Trade and notes payables	10,436,233	-	211,345	10,647,578
Accrued liabilities and other payables	24,220,044	220	229,991	24,450,255
Non-current liabilities				
Deferred tax liabilities	8,800,411	-	242,117	9,042,528

2. OPERATING SEGMENT INFORMATION

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

(i) Insurance segment engages in the operation of and investment in the insurance businesses;

(ii) Investment segment comprises, principally, the investments in strategic investments, private equity investments/venture capital investments/capital contribution to the Group’s asset management business as a limited partner (PE/VC/LP investments) and secondary market investments; and

(iii) Wealth management and innovative finance segment mainly comprises wealth management and innovative finance business. Wealth management engages in the asset management business and the operation of and investment in banking and other financial business, while innovative finance comprises the operation of and investment in the financial industry using internet cloud computing technology.

Insurance segment, investment segment, wealth management and innovative finance segment listed above all belong to one integrated finance (wealth) sector of the Group.

(iv) Health segment engages in the research and development, manufacturing, sale and trading of pharmaceutical and medical products and providing healthcare services;

(v) Happiness segment comprises principally the operation and investments in the wholesale and retail of gold and jewelery, tourism and entertainment industries;

(vi) Property development and sales segment engages in the development and sale of properties; and

(vii) Resources segment engages in the mining and ore processing of various metals and the oil and gas exploration.

Health segment, happiness segment, property development and sales segment and resources segment listed above all belong to one industrial operations sector of the Group.

As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group's investments in the steel industry were classified into the investment segment since 1 January 2016.

2. OPERATING SEGMENT INFORMATION (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. During the year, as the management changed the structure of the Group's internal organisation to match its business development strategy in a manner that caused change to the Group's composition of its reportable segments, some entities within the Group were re-structured to reflect such change.

Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that head office and corporate expenses are excluded from such measurement.

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

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2016

	Integrated Finance (Wealth)			Industrial Operations					
	Insurance RMB'000	Investment RMB'000	Wealth management and innovative finance RMB'000	Health RMB'000	Happiness RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	27,640,715 *	1,188,012	1,466,235	17,979,155	10,355,548	13,883,053	1,453,844	-	73,966,562
Inter-segment sales	-	12,399	162,009	281,007	-	15,189	-	(470,604)	-
Other income and gains	5,026,532	8,821,558	31,624	911,319	608,079	2,538,547	67,038	(70,413)	17,934,284
Total	32,667,247	10,021,969	1,659,868	19,171,481	10,963,627	16,436,789	1,520,882	(541,017)	91,900,846
Segment results	1,443,915	8,627,723	403,853	2,807,914	501,354	5,430,664	(342,006)	65,541	18,938,958
Interest and dividend income	3,620,305	640,225	274,237	167,727	22,532	226,634	43,318	(319,731)	4,675,247
Impairment losses recognised in the statement of profit or loss, net	(1,542,349)	(1,410,992)	(14,713)	(79,710)	(3,670)	(371,359)	(35,927)	-	(3,458,720)
Unallocated expenses									(1,756,288)
Finance costs	(375,711)	(3,434,757)	(25,726)	(531,527)	(61,970)	(634,257)	(74,691)	293,208	(4,845,431)
Share of profits and losses of									
- Joint ventures	(130,752)	113,218	4,143	938	(9,934)	129,214	-	-	106,827
- Associates	198,482	311,417	403,268	1,373,590	143,774	260,244	-	(70,551)	2,620,224
Profit/(loss) before tax	3,213,890	4,846,834	1,045,062	3,738,932	592,086	5,041,140	(409,306)	(31,533)	16,280,817
Tax	(514,783)	(642,937)	(191,524)	(389,042)	(146,558)	(1,775,300)	83,667	(18,142)	(3,594,619)
Profit/(loss) for the year	2,699,107	4,203,897	853,538	3,349,890	445,528	3,265,840	(325,639)	(49,675)	12,686,198
Segment and total assets	203,332,120	67,098,705	56,048,140	54,401,409	23,829,170	85,328,592	8,802,621	(12,061,281)	486,779,476
Segment and total liabilities	157,936,107	98,478,032	30,075,649	21,491,784	12,071,350	60,003,257	2,855,626	(19,006,157)	363,905,648

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2016 (continued)

	Integrated Finance (Wealth)			Industrial Operations					
	Insurance RMB'000	Investment RMB'000	Wealth management and innovative finance RMB'000	Health RMB'000	Happiness RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Other segment information:									
Depreciation and amortisation	1,046,072	83,975	10,631	961,311	550,405	41,209	483,439	-	3,177,042
Impairment losses recognised in the statement of profit or loss	1,542,349	1,410,992	14,713	79,710	3,670	371,359	35,927	-	3,458,720
Research and development costs	-	-	-	308,539	-	-	-	-	308,539
Fair value (gains)/loss on fair value adjustments of investment properties	(395,744)	307,474	(58,223)	-	-	(1,168,967)	-	-	(1,315,460)
Fair value (gains)/loss on investments at fair value through profit or loss	(81,163)	(1,229,884)	1,133	(12,301)	-	-	-	-	(1,322,215)
Investments in joint ventures	1,224,818	7,770,001	199,284	249,126	22,725	8,196,550	-	-	17,662,504
Investments in associates	7,815,487	4,635,504	5,536,591	18,658,337	3,966,858	3,660,301	316,323	(473,793)	44,115,608
Capital expenditure**	1,150,452	668,927	43,736	1,580,328	1,731,450	450,275	649,255	-	6,274,423

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2015

	Integrated Finance (Wealth)			Industrial Operations						
	Insurance RMB'000	Investment RMB'000	Wealth management and innovative finance RMB'000	Health RMB'000	Happiness RMB'000	Steel RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:										
Sales to external customers	14,667,408 *	399,969	393,386	15,416,454	7,441,623	21,986,032	16,868,011	1,624,006	-	78,796,889
Inter-segment sales	-	42,494	112,559	198,421	-	-	25,695	3,587	(382,756)	-
Other income and gains	4,825,257	13,150,048	252,142	1,352,274	365,266	318,474	1,342,935	221,858	(28,639)	21,799,615
Total	19,492,665	13,592,511	758,087	16,967,149	7,806,889	22,304,506	18,236,641	1,849,451	(411,395)	100,596,504
Segment results	1,347,074	10,914,440	404,549	2,985,901	145,263	(1,263,913)	3,942,813	(34,084)	167,246	18,609,289
Interest and dividend income	2,976,387	457,227	252,338	120,146	23,790	424,993	142,295	47,483	(380,268)	4,064,391
Impairment losses recognised in the statement of profit or loss, net	(1,564,001)	(189,468)	(258)	(93,005)	(13,296)	(478,247)	(799,124)	(401,111)	-	(3,538,510)
Unallocated expenses										(1,369,619)
Finance costs	(97,958)	(2,741,319)	(2)	(553,753)	(39,364)	(899,740)	(656,869)	(57,112)	322,086	(4,724,031)
Share of profits and losses of										
- Joint ventures	(51,302)	(8,099)	22,513	(19,631)	(491)	(9,799)	1,133,759	-	-	1,066,950
- Associates	263,170	366,155	(25,834)	1,130,695	119,363	(327,046)	552,258	(53)	(4,629)	2,074,079
Profit/(loss) before tax	2,873,370	8,798,936	653,306	3,570,353	235,265	(2,553,752)	4,315,132	(444,877)	104,435	16,182,549
Tax	(435,776)	(3,164,680)	(33,331)	(555,457)	(102,180)	277,263	(1,168,135)	(16,978)	(29,848)	(5,229,122)
Profit/(loss) for the year	2,437,594	5,634,256	619,975	3,014,896	133,085	(2,276,489)	3,146,997	(461,855)	74,587	10,953,427
Segment and total assets	180,597,569	39,632,918	18,222,150	46,190,228	20,245,372	9,244,781	96,228,138	8,370,234	(11,313,446)	407,417,944
Segment and total liabilities	144,341,458	80,982,265	5,540,938	19,946,850	8,948,688	-	63,602,215	1,929,061	(17,426,666)	307,864,809

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2015 (continued)

	Integrated Finance (Wealth)			Industrial Operations						
	Insurance RMB'000	Investment RMB'000	Wealth management and innovative finance RMB'000	Health RMB'000	Happiness RMB'000	Steel RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Other segment information:										
Depreciation and amortisation	334,367	66,301	2,529	854,811	255,147	1,594,031	28,895	611,084	-	3,747,165
Impairment losses recognised in the statement of profit or loss	1,768,105	189,468	258	93,005	13,296	478,247	799,124	401,111	-	3,742,614
Impairment losses reversed in the statement of profit or loss	(204,104)	-	-	-	-	-	-	-	-	(204,104)
Research and development costs	-	-	-	622,707	-	137,049	-	-	-	759,756
Fair value (gains) on fair value adjustments of investment properties	(249,188)	(1,258,029)	(210,564)	-	-	-	(120,730)	-	-	(1,838,511)
Fair value (gains)/loss on investments at fair value through profit or loss	(257,339)	2,015,259	-	2,218	-	151,958	-	-	-	1,912,096
Investments in joint ventures	790,973	76,106	469,698	223,380	7,159	7,226,883	3,082,994	-	(68,068)	11,809,125
Investments in associates	1,392,746	4,129,918	1,886,189	15,287,873	3,142,618	2,017,898	3,656,698	429,096	(363,384)	31,579,652
Capital expenditure**	2,895,088	356,527	780,247	1,617,645	752,253	1,017,085	421,226	735,271	-	8,575,342

2. OPERATING SEGMENT INFORMATION (continued)

* The sales to external customers of the insurance segment can be further analysed in note 3.

** Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights, intangible assets, investment properties and oil and gas assets.

Geographical information

(a) Revenue from external customers

	2016 RMB'000	2015 RMB'000
Mainland China	30,252,571	51,833,431
Portugal	12,470,208	10,796,266
Other countries and regions	31,243,783	16,167,192
	73,966,562	78,796,889

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

(b) Non-current assets

	2016 RMB'000	2015 RMB'000
Mainland China	93,384,115	101,141,889
Hong Kong	3,220,568	2,433,251
Portugal	20,877,955	14,622,408
Other countries and regions	27,399,771	28,759,635
	144,882,409	146,957,183

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

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2016 and 2015.

3. REVENUE, OTHER INCOME AND GAINS

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

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

	2016 RMB'000	2015 RMB'000
Revenue		
Insurance revenue:		
Gross premiums written	35,804,699	17,846,826
Less: Premiums ceded to reinsurers and retrocessionaires	(7,559,376)	(2,612,559)
Net premiums written	28,245,323	15,234,267
Change in unearned premium provisions, net of reinsurance	(604,608)	(566,859)
Net earned premiums	27,640,715	14,667,408
Sale of goods:		
Pharmaceuticals and medical products	12,527,396	11,016,596
Properties	14,281,657	16,854,217
Iron and steel products	-	22,067,060
Ore products	843,498	873,403
Oil and gas	662,682	814,074
Others	482,568	196,496
	28,797,801	51,821,846
Rendering of services:		
Tourism	10,356,520	7,441,623
Healthcare	4,967,026	4,309,700
Property agency	469,266	353,768
Property management	447,041	320,916
Leasing from investment properties	705,671	611,477
Asset management	538,097	403,401
Others	614,144	154,204
	18,097,765	13,595,089
Subtotal	74,536,281	80,084,343
Less: Government surcharges	(569,719)	(1,287,454)
	73,966,562	78,796,889

3. REVENUE, OTHER INCOME AND GAINS (continued)

	2016 RMB'000	2015 RMB'000
Other income		
Interest income	514,755	912,697
Dividends and interests from available-for-sale investments	3,200,957	2,683,723
Dividends and interests from investments at fair value through profit or loss	959,535	467,971
Rental income	645,976	357,117
Sale of scrap materials	-	84,369
Government grants	258,545	314,163
Consultancy and other service income	378,231	237,471
Insurance commissions	1,060,132	432,569
Others	211,073	168,668
	7,229,204	5,658,748
Gains		
Gain on disposal of subsidiaries	559,558	7,180,957
Gain on bargain purchase of subsidiaries	279,589	847,409
Gain on bargain purchase of associates	1,276,423	-
Gain on disposal of associates	4,790,497	2,896,125
Gain on deemed disposal of partial investments in associates	328,640	-
Gain on disposal of joint ventures	191,508	-
Gain on disposal of available-for-sale investments	4,962,845	6,671,444
Gain on disposal of investments at fair value through profit or loss	56,899	434,394
Gain on disposal of non-current assets held for sale	-	130,600
Gain on disposal of items of property, plant and equipment	108,619	1,714
Gain on disposal of investment properties	183,685	-
Gain on fair value adjustment on equity investments at fair value through profit or loss	1,322,215	-
Gain on fair value adjustment on derivative financial instrument	1,784	-
Gain on fair value adjustment of investment properties	1,315,460	1,838,511
Gain on reversal of impairment of insurance and reinsurance debtors	2,605	204,104
	15,380,327	20,205,258
Other income and gains	22,609,531	25,864,006
Total revenue, other income and gains	96,576,093	104,660,895

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2016 RMB'000	2015 RMB'000
Interest on bank and other borrowings (including convertible bonds)	5,108,046	5,662,882
Incremental interest on other long term payables	35,920	10,219
	5,143,966	5,673,101
Less: Interest capitalised, in respect of bank and other borrowings	(733,111)	(1,313,812)
Interest expenses, net	4,410,855	4,359,289
Interest on discounted bills	7,700	122,074
Interest on finance leases	14,916	11,378
Bank charges and other financial costs	411,960	231,290
Total finance costs	4,845,431	4,724,031

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2016 RMB'000	2015 RMB'000
Cost of sales	48,094,096	61,135,274
Staff costs (including directors' and senior management's remuneration):		
Wages and salaries	9,381,464	8,780,491
Accommodation benefits:		
Defined contribution fund	99,913	205,740
Retirement costs:		
Defined contribution fund	479,390	671,761
Equity-settled share-based payments	123,135	98,185
Total staff costs	10,083,902	9,756,177

5. PROFIT BEFORE TAX (continued)

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

	2016 RMB'000	2015 RMB'000
Research and development costs	308,539	759,756
Auditors' remuneration	9,400	10,700
Depreciation of items of property, plant and equipment	1,644,506	2,746,177
Amortisation of prepaid land lease payments	48,841	76,107
Amortisation of mining rights	18,609	26,945
Amortisation of intangible assets	1,109,249	414,535
Amortisation of oil and gas assets	355,837	483,401
Provision for impairment of receivables	165,361	142,892
Provision for inventories	70,255	381,595
Provision for impairment of items of property, plant and equipment	30,923	125,975
Provision for impairment of investments in associates	524,420	49,153
Provision for impairment of available-for-sale investments	2,306,787	1,823,695
Provision for impairment of intangible assets	3,548	-
Provision for impairment of mining rights	-	101,523
Provision for impairment of oil and gas assets	-	338,224
Provision for impairment of properties under development	-	377,631
Provision for impairment of completed properties for sale	293,065	401,926
Operating lease rentals	1,480,725	1,076,657
Exchange loss, net	419	80,980
Loss on fair value adjustment of investments at fair value through profit or loss	-	1,912,096
Loss on the settlement of derivative financial instruments	638,471	121,678
Provision for impairment of loans and advances to customers	64,361	-
Loss on disposal of joint ventures	-	73,946

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The provision for income tax of Alma Lasers Ltd. ("Alma Lasers"), a subsidiary of Fosun Pharma incorporated in Israel, is based on a preferential rate of 16% (2015: 16%).

The provision for income tax of Fidelidade - Companhia de Seguros, S.A., Multicare - Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A., subsidiaries incorporated in Portugal acquired by the Group in 2014, is based on a rate of 29.5% (2015: 29.5%).

The provision for income tax of Ironshore Inc. ("Ironshore") and its subsidiaries incorporated in the United States acquired by the Group in 2015, is based on a rate of 35% (2015: 35%).

The provision for income tax of Meadowbrook Insurance Group, Inc. ("MIG") and its subsidiaries incorporated in the United States acquired by the Group in 2015, is based on a rate of 35% (2015: 35%).

The provision for income tax of Club Med Holding (formerly known as Holding Gaillon II) and its subsidiaries incorporated in France acquired by the Group in 2015, is based on a rate of 38% (2015: 38%).

The provision for income tax of Hauck & Aufhäuser Privatbankiers KGaA and its subsidiaries incorporated in Germany acquired by the Group in 2016, is based on a rate of 32.175% .

The provision for income tax of entities incorporated in Mainland China was based on a statutory rate of 25% (2015: 25%) as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which were taxed at preferential rates of 0% to 20%.

The major components of tax expenses for the years ended 31 December 2016 and 2015 are as follows:

	2016 RMB'000	2015 RMB'000
Current – Portugal, Hong Kong and others	1,490,166	1,818,039
Current – Mainland China		
- Income tax in Mainland China for the year	1,242,658	2,776,949
- LAT in Mainland China for the year	690,861	771,557
Deferred	170,934	(137,423)
Tax expenses for the year	3,594,619	5,229,122

6. TAX (continued)

According to the tax notices issued by the relevant local tax authorities, the Group commenced to pay land appreciation tax ("LAT") at rates ranging from 0.5% to 5% on proceeds from the sale and pre-sale of properties from 2004. Prior to 2007, except for the mentioned amount paid to the local tax authorities, no further provision for LAT had been made. The Directors considered that the relevant tax authorities would be unlikely to impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the year, the prepaid LAT of the Group amounted to RMB298,676,000 (2015: RMB472,074,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB530,101,000 (2015: RMB521,780,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, unpaid LAT provision in the amount of RMB25,888,000 (2015: RMB222,297,000) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group. The net accrual of LAT provision for the year is RMB504,213,000 (2015: net accrual of RMB299,483,000).

7. DIVIDENDS

	2016 RMB'000	2015 RMB'000
Proposed final – HKD0.21 (2015: HKD0.17) per ordinary share	1,616,101	1,226,242

The proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2015 was declared and approved by the shareholders at the annual general meeting of the Company on 1 June 2016.

On 28 March 2017, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2016 of HKD0.21 per ordinary share, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 8,600,742,231 (2015: 7,580,400,646) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the share award scheme and the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed vesting or conversion of share award scheme or convertible bonds into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2016 in respect of a dilution as the impact of share option scheme had an anti-dilutive effect on the basic earnings per share amounts presented.

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

	Year ended 31 December	
	2016	2015
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	10,268,185	8,038,282
Less: cash dividends distributed to share award scheme	(1,424)	(613)
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	10,266,761	8,037,669
Interest on convertible bonds	24,420	89,457
Cash dividends distributed to share award scheme	1,424	613
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	10,292,605	8,127,739

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

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

	Number of shares	
	2016	2015
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	8,600,742,231	7,580,400,646
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	4,359,362	3,070,986
– Convertible bonds	36,900,000	171,925,754
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	8,642,001,593	7,755,397,386
Basic earnings per share (RMB)	1.19	1.06
Diluted earnings per share (RMB)	1.19	1.05

9. TRADE AND NOTES RECEIVABLES

	2016 RMB'000	2015 RMB'000
Trade receivables	3,694,175	3,491,695
Notes receivable	627,558	629,274
	4,321,733	4,120,969

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

	2016 RMB'000	2015 RMB'000
Outstanding balances with ages:		
Within 90 days	2,552,417	2,478,148
91 to 180 days	537,061	676,826
181 to 365 days	592,950	382,548
1 to 2 years	112,707	86,792
2 to 3 years	62,974	17,078
Over 3 years	32,532	31,856
	3,890,641	3,673,248
Less: Provision for impairment of trade receivables	(196,466)	(181,553)
	3,694,175	3,491,695

Trade and notes receivables of the Group mainly arose from the resources segment, health segment, and property development and sales segment. Credit terms granted to the major customers of these segments are as follows:

	Credit terms
Resources segment	0 to 360 days
Health segment	90 to 180 days
Property development and sales segment	30 to 360 days

10. TRADE AND NOTES PAYABLES

	2016 RMB'000	2015 RMB'000 (Restated)
Trade payables	9,348,109	10,470,642
Notes payable	221,830	142,474
	9,569,939	10,613,116

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

	2016 RMB'000	2015 RMB'000 (Restated)
Outstanding balances with ages:		
Within 90 days	2,196,510	3,867,475
91 to 180 days	1,319,954	1,821,188
181 to 365 days	2,134,960	2,247,450
1 to 2 years	2,070,265	606,355
2 to 3 years	288,259	703,743
Over 3 years	1,338,161	1,224,431
	9,348,109	10,470,642

11. EVENTS AFTER THE REPORTING PERIOD

(1) In February 2017, Chiado (Luxembourg) S. à r.l ("Chiado", an indirect wholly-owned subsidiary of the Company) completed increasing its shares in Banco Comercial Português, S.A. ("BCP"), an associate of the Group, at a consideration of Euro374 million. Thereafter, Chiado held 23.92% equity interests in BCP.

(2) On 14 March 2017, Fosun Pharma issued five-year domestic corporate bonds with a par value of RMB1.25 billion and coupon rate of 4.50% per annum.

(3) On 23 March 2017, Fortune Star (BVI) Limited, an indirect subsidiary of the company, issued five-year senior notes with a par value of USD800 million and an interest rate of 5.25% per annum.

CORPORATE GOVERNANCE

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

MODEL CODE

The Company has adopted the Model Code. Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees who are likely to be in possession of unpublished inside information of the Company.

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

AUDIT COMMITTEE

During the Reporting Period, the audit committee of the Company (the "**Audit Committee**") comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao. On 28 March 2017, Dr. Lee Kai-Fu has been appointed as a member of the Audit Committee. The main duties of the Audit Committee are to review the financial statements and reports; to review the relationship with the external auditors and to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system. The Company's annual results for the year ended 31 December 2016 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 6 June 2017. The notice of AGM will be published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.21 per Share for the year ended 31 December 2016 to the shareholders of the Company whose names appear on the register of members of the Company on 14 June 2017. Subject to approval by the shareholders of the Company at the AGM to be held on 6 June 2017, the proposed final dividend is expected to be paid on or around 17 July 2017 to the shareholders of the Company.

The register of members of the Company will be closed from Thursday, 1 June 2017 to Tuesday, 6 June 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company (the "**Share Registrar**"), at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "**Registrar Address**"), for registration no later than 4:30 p.m. on Wednesday, 31 May 2017.

The register of members of the Company will also be closed from Monday, 12 June 2017 to Wednesday, 14 June 2017, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be proposed at the AGM, all share transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar at the Registrar Address for registration no later than 4:30 p.m. on Friday, 9 June 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As of 31 December 2016, the Company repurchased a total of 24,350,500 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD270,993,240.02. All the repurchased Shares were cancelled.

Details of the repurchase are summarized as follows:

Month of Repurchase	**Total number of shares repurchased**	**Highest price paid per share** ***HKD***	**Lowest price paid per share** ***HKD***	**Total purchase price paid** ***HKD***
February 2016	2,856,000	10.30	9.32	27,771,750.28
September 2016	8,894,500	12.08	10.84	103,853,369.94
December 2016	12,600,000	11.20	10.74	139,368,119.80
Total	**24,350,500**	**-**	**-**	**270,993,240.02**

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 25 March 2015.

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

On 1 April 2016, the Board resolved to award an aggregate of 5,410,000 award shares to 69 selected participants under the Share Award Scheme. The award shares were settled by way of (i) issue and allotment of 5,150,000 Shares (the "**New Award Shares**") pursuant to a specific mandate; and (ii) 260,000 award shares which were lapsed before vesting under the grant of 4,620,000 award shares to 71 selected participants in 2015 under the Share Award Scheme. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the New Award Shares shall be transferred from the trustee, Computershare Hong Kong Trustee Limited (the "**Trustee**") to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, the New Award Shares have been fully issued to the Trustee.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 19 June 2007. The purpose of the Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

On 8 January 2016, the Board announced that, subject to the acceptance of the relevant Grantees (as defined below), the Company has decided to grant 111,000,000 share options to subscribe for an aggregate of 111,000,000 Shares to its first 18 global core management staff (the "**Grantees**") under the Share Option Scheme. Among the 111,000,000 share options, the Company has granted an aggregate of 40,000,000 share options to the Directors (namely, the grant of 10,000,000 share options to each of Mr. Ding Guoqi, Mr. Qin Xuetang, Mr. Chen Qiyu and Mr. Xu Xiaoliang).

FORWARD-LOOKING STATEMENTS

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

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the shareholders of the Company and published on both websites on or before 30 April 2017.

GLOSSARY

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

FORMULA

EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Total debt	=	current and non-current interest-bearing borrowings + convertible bonds + loans from related parties
Net debt	=	total debt – cash and bank and term deposits
Interest coverage	=	EBITDA / net interest expenditures
Net interest expenditures	=	Interest expenses, net + interest on discounted bills + interest on finance leases
Net gearing ratio	=	net debt / shareholder’s equity
Capital debt ratio	=	total debts / (shareholder’s equity + total debts)

ABBREVIATIONS

the Board	the board of Directors
Cainiao	Cainiao Network Technology Co., Ltd.
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Club Med	Club Med SAS (formerly known as Club Méditerranée SA)
CMF	China Momentum Fund, L.P.
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência-Companhia de Seguros, S.A. (formerly known as Cares-Companhia de Seguros, S.A.)
Focus Media	Focus Media Information Technology Co., Ltd. (formerly known as Hedy Holding Co., Ltd.), a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 002027)
Folli Follie	Folli Follie Group, a company listed on the Athens Stock

	Exchange with stock code FFGRP
Forte	Shanghai Forte Land Co., Ltd.
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Eurasia Capital	Fosun Eurasia Capital Limited Liability Company
Fosun Hani Securities	Fosun Hani Securities Limited (formerly known as Hani Securities (H.K.) Limited)
Fosun Insurance Portugal	Fidelidade, Multicare-Seguros de Saúde, S.A. and Fidelidade Assistência
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun United Health Insurance	Fosun United Health Insurance Company Limited
GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
H&A	Hauck & Aufhäuser Privatbankiers KGaA
Hainan Mining	Hainan Mining Co., Ltd., a company whose A shares are listed on the SSE with stock code 601969
HKD	Hong Kong dollars, the official currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
Ironshore	Ironshore Inc.
JPY	Japanese yen, the official currency of Japan
Liberty Mutual	Liberty Mutual Group Inc., a Massachusetts corporation
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE - SGPS, SA), a company listed on the Euronext Lisbon with stock code LUZ
MIG	Meadowbrook Insurance Group, Inc.
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
NEEQ	National Equities Exchange and Quotations
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica-Fosun China Opportunity Fund	Pramerica - Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.

PRC or China	the People's Republic of China
Reporting Period	the year ended 31 December 2016
Resolution Property	Resolution Property Investment Management LLP
Resource Property	Shanghai Resource Property Consultancy Co., Ltd., a company listed on NEEQ with stock code 833517
Rio Bravo	Rio Bravo Investimentos S.A.
RMB	Renminbi, the official currency of the PRC
ROC	Roc Oil Company Limited
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the SSE with stock code 600429
Share(s)	the share(s) of the Company
Share Award Scheme	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time
Share Option Scheme	the share option scheme of the Company adopted on 19 June 2007
Silver Cross	Silver Cross Nurseries Limited
SSE	the Shanghai Stock Exchange
Star Healthcare	Shanghai Star Healthcare Co., Ltd.
Starcastle Senior Living	Shanghai Starcastle Senior Living Co., Ltd.
Studio 8	Studio 8, LLC
Thomas Cook	Thomas Cook Group plc
USD	United States dollars, the official currency of the United States
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd., a company whose A shares are listed on the SSE with stock code 600655
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd., a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01818
Zhejiang Growth Fund	Hangzhou Zhejiang Momentum Equity Investment Fund Partnership LLP

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

28 March 2017

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