FOSUN 复星

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 0656)

INTERIM RESULTS ANNOUNCEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2008

SUMMARY

	For the six month ended 30 June	
In RMB million	**2008**	2007
Revenue	**20,782.8***	14,264.3*
Contribution of each segment to revenue		
Pharmaceuticals	**1,880.5**	1,799.0
Property development	**1,033.1**	1,335.8
Steel	**16,604.2**	11,129.5
Mining	**1,848.8**	63.0
Profit attributable to equity holders of the parent	**1,921.4**	826.6
Contribution of each segment to the profit attributable to equity holders of the parent		
Pharmaceuticals	**196.1**	56.0
Property development	**23.2**	37.9
Steel	**1,086.1**	609.3
Mining	**880.9**	186.7
Retail, financial services and others (including unallocated expenses)	**-264.9**	-63.3
Earnings per share *(in RMB)*	**0.30**	0.17

* Inter-segment sales amounting to RMB583.8 million and RMB63.0 million have been eliminated in the revenue for the six months ended 30 June 2008 and the six months ended 30 June 2007, respectively.

CHAIRMAN'S STATEMENT

Dear shareholders,

For the six months ended 30 June 2008 (the "**Reporting Period**"), the overall results of Fosun International Limited (the "**Company**") and its subsidiaries (the "**Group")** continued to grow. During the Reporting Period, profit attributable to equity holders of the parent and revenue were RMB1,921.4 million and RMB20,782.8 million respectively, an increase of 132.4% and 45.7% over the same period of last year.

Continuous optimization of management, enhancement of core competitiveness

Pharmaceuticals: During the Reporting Period, the results of the Group's pharmaceuticals segment grew rapidly. Through further strengthening of our professional operating teams in therapeutic areas such as malaria, diabetes and hepatic diseases, sales of pharmaceuticals developed and manufactured by our subsidiary, Shanghai Fosun Pharmaceutical (Group) Company Limited ("**Fosun Pharma**"), increased by approximately 10.2% to RMB950.9 million compared to the same period of last year. Omitting the effect of deconsolidation of a former subsidiary, Guangxi Huahong Pharmaceutical Stock Co., Ltd ("**Guangxi Huahong**"), sales from the research and development and manufacturing businesses increased by 28.0%. As for pharmaceutical distribution and retail business, Sinopharm Medicine Holding Co., Ltd. ("**Sinopharm Holding**"), the largest pharmaceutical distribution enterprise in China, in which Fosun Pharma owns a significant stake, recorded RMB18,057.0 million in sales revenue during the Reporting Period, a year-on-year increase of 21.9%. Net profit was RMB356.3 million, a year-on-year increase of 118.5%.

Property development: During the Reporting Period, sales by Shanghai Forte Land Co., Ltd. ("**Forte**"), the Company's subsidiary, was significantly affected by the overall trend of the property industry in the PRC. The gross floor area ("**GFA**") sold and GFA booked attributable to Forte dropped by 44.5% and 65.3% over the same period of last year, representing 148,979 sq.m. and 43,652 sq.m. respectively. The Group is optimistic about the medium and long term development of the property industry. During the Reporting Period, Forte continued to launch new projects. The aggregate GFA of newly commenced projects attributable to Forte was 525,947 sq.m., an increase of 43.2% compared to the same period of last year. Forte continued to increase its land banks at a reasonable price as well. As at the end of the Reporting Period, Forte's planned aggregate GFA was approximately 10,070,000 sq.m. (the planned aggregate GFA attributable to Forte was approximately 6,309,741 sq.m.). Such investment laid solid foundation for Forte's rapid growth once the market starts to recover. Currently, Forte is trying to adjust its profit model that is mainly based upon sales of residential properties. Forte is gradually speeding up the development of properties held. The implementation of this strategy will bring Forte sustainable cash inflows in the future.

Steel: The steel segment of the Group actively participated in industry consolidation and capacity expansion to take advantage of economies of scale. During the Reporting Period, through organic growth, the gross production of crude steel increased to 11.0 million tonnes from 8.5 million tonnes for the same period of last year, an increase of 29.8%. The attributable production of crude steel increased to 2.8 million tonnes from 2.4 million tonnes for the same period of last year. The Group announced an investment in Tianjin Iron & Steel (Group) Co., Ltd. ("**Tianjin Steel**") to further expand the Group's steel business along the coastal areas.

Meanwhile, the Group improved and optimized its existing processes, as well as emphasized on the development and application of new products. This resulted an increase in the products' profitability and offset the pressure of rising raw material and fuel prices. During the Reporting Period, Nanjing Iron & Steel United Co., Ltd. ("**Nanjing Steel United**"), the Company's subsidiary, invested in the construction of a medium and heavy coil heat treatment line. Sales of Nanjing Steel United's medium and heavy plates increased to 1.6 million tonnes from 1.3 million tonnes for the same period of last year, an increase of more than 22.4%. The production of plates for shipbuilding increased by 90.1%. During the Reporting Period, Nanjing Steel United overcame the pressure of the surging raw material prices and kept the gross profit per tonne steel at a similar level as the same period of last year. The sales to production ratio was approximately 100%. During the Reporting Period, Ningbo Iron & Steel Co., Ltd. ("**Ningbo Steel**") in which the Group owns a 20.0% effective equity interest was also gradually put into operation and recorded profit.

Mining: During the Reporting Period, the Group's mining segment enjoyed considerable growth in profit. Such increase was mainly due to the formation of a new subsidiary, Hainan Mining United Co., Ltd. ("**Hainan Mining**") in the second half of 2007. The increase in profit also benefited from the surge in prices of iron ore during the Reporting Period and increased production efficiency and profitability as a result of Hainan Mining's continuous management optimization. During the Reporting Period, subsidiaries and associates of our mining segment produced in total 3.5

million tonnes of iron ore. The attributable production was 1.5 million tonnes. Hainan Mining adjusted its downstream client profile, added products with higher gross profit and controlled its costs, all of which drove a significant increase in the overall profitability.

One important strategy for the Group in the development of its mining business is to integrate upstream raw material resources of the steel industry and to raise iron ore self-supply ratio. By increasing investments in the mining segment, the Group's iron ore self-supply ratio reached 35.9% at the end of the Reporting Period.

Retail: During the Reporting Period, through brand expansion, Shanghai Yuyuan Tourist Mart Co., Ltd. ("**Yuyuan**"), the Group's major associate, accelerated its effort in expanding its market coverage, which led to rapid growth in its principal business activities. Businesses using "Old Temple Gold" and "Ya Yi Gold Store", two well-known trademarks of China, expanded the scale of their gold and jewellery wholesale and retail network. As at the end of the Reporting Period, the number of outlets of "Old Temple Gold" and "Ya Yi Gold Store" increased by approximately 100 as compared with the beginning of the year. In addition, other commercial brands of Yuyuan achieved positive results in market development.

Financial services and strategic investments: During the Reporting Period, the investment banking and brokerage businesses of Tebon Securities Co., Ltd. ("**Tebon Securities**") experienced steady development. However, the performance of its proprietary trading business declined as compared with the same period of last year reflecting the downward trend of the Chinese stock market. In May 2008, the investment banking division of Tebon Securities was accredited "Investment Bank with the Greatest Potential in China for 2008" by "Securities Times". In addition, in January 2008, Tebon Securities was awarded the 2007 Chinese Securities Dealers "Best Risk Control" Prize by 21st Century Newspapers.

Continuous identification and development of investment opportunities

During the Reporting Period, the Group's professional investment teams were actively seeking strategic investment projects with great potential, as well as industrial consolidation opportunities of the Group's existing businesses. In relation to industrial investment, the Group announced in June 2008 for acquisition of a 47.5% equity interest in Tianjin Steel for a consideration of RMB3,800.0 million. Tianjin Steel is located in the Tianjin Binhai development zone, established under the national strategic plan, and is in proximity to the Tianjin port, thus enjoying considerable political and logistical advantages. The acquisition of Tianjin Steel will help the Group to expand the economies of scale and to further complete the layout along the coastline and ports for its steel business.

As for strategic investments, during the Reporting Period, the Group invested in altogether four enterprises for a total investment amount of RMB511.4 million.

Continuous construction of a multi-channel financing system

During the Reporting Period, domestic enterprises generally faced financial pressure due to a tight monetary policy. As at the end of the Reporting Period, the Group had available credit facility of approximately RMB13,320.0 million, including a three-year credit facility of RMB5,000.0 million successfully obtained from the Shanghai Branch of China Development Bank and credit lines of approximately HKD881.2 million received from principal banks in Hong Kong during the Reporting Period. Currently, the Group's overall financial position is sound with sufficient cash liquidity. As at the end of the Reporting Period, cash and bank balances of the Group was RMB14,101.8 million and the net debt to net capitalisation ratio was 23.0%.

Future Prospects

At present, various nations and regions have started to observe signs of economic slowdown or even recession with a tendency of decline in market demand. Meanwhile, it seems unlikely that prices of raw materials will drop significantly in a short term, and cost will remain high. China is also expected to be affected shortly, and the second half of year 2008 will present a difficult environment, bringing tremendous challenge to the Group's operations. However, the Group has been making continuous effort in improving operational efficiency, as well as consistently implementing a prudent financial policy. With sufficient cash in hand and a proven capability to discover high growth investment opportunities, this volatile market will likely to bring more opportunities to the Group, as a result. We are cautiously optimistic about the Group's performance for the second half of year 2008.

From a medium to long term point of view, urbanization and industrialization are likely to continue for a significant period of time because of the consumption growth driven by the huge population of the PRC and the differences in economic status from regions to regions. The Group is confident in a sustainable and rapid Chinese economic growth. The core businesses of the Group, including pharmaceuticals, property development, steel, mining, retail, financial services and strategic investments, all benefit from the rapid economic growth of China, and therefore, enjoy a good medium to long term prospective. With prudent risk evaluation, the Group will actively participate in the industry consolidation of its existing core businesses and continue to identify and invest in industries which enjoy positive growth in China.

Facing a tough economic environment, the Group will continue to optimize management, reduce costs, increase efficiency, enhance corporate value and competitiveness. Meanwhile, the Group is also making continuous effort to construct a multi-channel financing platform and implement a prudent financial policy, which will ensure the Group to achieve a good growth while lowering the risks.

Appreciations

On behalf of the board of directors of the Company (the "**Board**'), I would like to take this opportunity to thank all staff and directors of the Group for their hard work and shareholders of the Company for their support.

Guo Guangchang
Chairman

Shanghai, the PRC
23 August 2008

FINANCIAL REVIEW

ACCOUNTING PRINCIPLES

The Company has prepared its financial statements in accordance with the generally adopted Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The profit attributable to equity holders of the parent for the six months ended 30 June 2008 was RMB1,921.4 million, an increase of 132.4% compared with RMB826.6 million for the same period in 2007. This was mainly attributable to respective profit growth of the majority business segments. Details of the reasons for the increase in profit regarding each segment are set out below.

PROFIT CONTRIBUTION OF EACH BUSINESS SEGMENT

Comparison between the profit contribution of each business segment for the six months ended 30 June 2008 and the corresponding figures for the same period in 2007 is as follows:

Unit: RMB million

Segments	**January-June, 2008**	January-June, 2007	Change
Pharmaceuticals	**196.1**	56.0	140.1
Property development	**23.2**	37.9	(14.7)
Steel	**1,086.1**	609.3	476.8
Mining	**880.9**	186.7	694.2
Retail, financial services and others	**(264.9)**	(63.3)	(201.6)
Total	**1,921.4**	826.6	1,094.8

Pharmaceuticals: Profit contributed by the pharmaceuticals segment increased to RMB196.1 million for the six months ended 30 June 2008 from RMB56.0 million for the six months ended 30 June 2007. The significant increase was mainly due to the continuous and rapid growth in the manufacturing business of Fosun Pharma in the first half of 2008, the continuous and rapid growth in the business of its associate Sinopharm Holding and the investment gain from the disposal of interests in, among others, Shanghai Friendship Fosun (Holding) Co., Ltd..

Property Development: Profit contributed by the property development segment decreased to RMB23.2 million for the six months ended 30 June 2008 from RMB37.9 million for the six months ended 30 June 2007. The total GFA booked from property projects completed by Forte for the first half of 2008 decreased as compared with the same period in 2007. However, given the relatively high profit margin of the property projects booked, gross profit still increased as compared with the same period in 2007. Nevertheless, the expansion of the scale of development projects undertaken by Forte led to an increase in various operating expenses in the first half of 2008. In addition, the relatively high gross profit from certain property developments booked also led to higher land appreciation tax expenses. As the increase in relevant expenses exceeded the increase in gross profit as a result of the high gross profit from property projects booked, this resulted in a decrease in profit contribution from the property development segment.

Steel: Profit contributed by the steel segment increased to RMB1,086.1 million for the six months ended 30 June 2008 from RMB609.3 million for the six months ended 30 June 2007. The significant increase in the profit contribution was due to the increase in profit in Nanjing Steel United, a subsidiary of the Company, and Tangshan Jianlong Industrial Co., Ltd Group and Ningbo Steel, associates of the Company. The cost of raw materials increased substantially and domestic steel product prices continued to maintain at relatively high levels. The increase in selling prices of steel products offset the impact of the increase in the costs of production during the Reporting Period. Based on the above, the profitability of Nanjing Steel United was greatly improved as a result of the increase in the sales volume of steel products and the continuous optimisation of its product portfolio by increasing the proportion of higher value-added medium-heavy plate products. Moreover, Nanjing Steel United adopted an effective cost control policy to continuously minimise the impact of the increase in production cost resulting from the rising prices of the raw materials. Furthermore, Nanjing Steel United reduced its shareholding in its subsidiary, Nanjing Iron & Steel Shareholding Co., Ltd., which also increased its profit contribution. In addition, Ningbo Steel commenced operation gradually and started contributing profits in the first half of 2008 whereas the large amount of preliminary expenses for the same period last year led to losses.

Mining: Profit contributed by the mining segment increased to RMB880.9 million for the six months ended 30 June 2008 from RMB186.7 million for the six months ended 30 June 2007. This increase was mainly contributed by its newly formed subsidiary, Hainan Mining, in the second half of 2007. The operating results of this subsidiary were consolidated for the whole Reporting Period. In addition, the increase in the production capacity in its subsidiary, Anhui Jin'an Mining Co., Ltd. ("**Jin'an Mining**"), and associate, Beijing Huaxia Jianlong Mining Technology Co., Ltd. ("**Huaxia Mining**"), and sustained high prices of iron ore contributed to the net profit of the Company. In April 2007, the Group recognised an excess over the cost of business combination in the amounts of RMB129.0 million arising from its acquisition of an equity interest in Huaxia Mining. There was no such gain in the first half of 2008, and this partially offsets the growth of the operating profit of the mining business.

Retail, Financial Services and Others: Profit contributed by the retail, financial services and other segments widened to a loss of RMB264.9 million for the six months ended 30 June 2008 from a loss of RMB63.3 million for the six months ended 30 June 2007. This was mainly attributable to foreign exchange losses in the amount of RMB167.5 million as the Renminbi appreciated and because large amounts of non-Renminbi deposits were held at the group level during the Reporting Period. In addition, the core retail business, particularly the gold retail business, operated by Yuyuan, maintained stable growth, resulting in an increase of its operating profit. However, this portion of income was offset by a decline of 65.2% in profit contributed from the financial service business.

REVENUE

For the six months ended 30 June 2008, total revenue of the Group was RMB20,782.8 million, an increase of 45.7% compared to the total revenue of RMB14,264.3 million for the same period in 2007. The increase in revenue during the Reporting Period was mainly due to the increase of revenue in majority of our business segments compared to the results for the same period in 2007. The details are as follows:

Pharmaceuticals: Revenue contributed by the pharmaceuticals segment increased to RMB1,880.5 million for the six months ended 30 June 2008 from RMB1,799.0 million compared to the same period in 2007. The increase in revenue was mainly due to the significant growth in the manufacturing business of Fosun Pharma compared with the same period in 2007. Despite the deconsolidation of Guangxi Huahong in December 2007, the rapid development of the pharmaceuticals manufacturing business still led to an increase in revenue of the pharmaceuticals segment.

Property Development: Revenue contributed by the property development segment decreased to RMB1,033.1 million for the six months ended 30 June 2008 from RMB1,335.8 million for the six months ended 30 June 2007. It was mainly due to the decrease in total GFA booked by Forte for the six months ended 30 June 2008 compared to the same period in 2007.

Steel: Revenue contributed by the steel segment increased to RMB16,604.2 million for the six months ended 30 June 2008 from RMB11,129.5 million for the six months ended 30 June 2007. The significant increase in revenue was mainly due to the increase in revenue of Nanjing Steel United as a result of a substantial increase in the selling prices of steel products which was pushed by increasing cost and was sustained at a relatively high level as compared to the same period in 2007, and on the other hand, due to the increase in the production capacity and the continuous optimization of product portfolio by increasing the proportion of high value-added products, in particular, the medium and heavy plates.

Mining: Revenue contributed by the mining segment increased to RMB1,848.8 million for the six months ended 30 June 2008 from RMB63.0 million for the six months ended 30 June 2007. The significant growth in revenue was due to the consolidation of the subsidiary, Hainan Mining for the whole Reporting Period and the increase in the production capacity of Jin'an Mining as well as the relatively high selling prices of iron ore.

INTEREST EXPENSES

The interest expenses net of the capitalized amount of the Group increased from RMB583.9 million for the six months ended 30 June 2007 to RMB683.1 million for the six months ended 30 June 2008, which was mainly attributable to an increase in the interest rate benchmark. For the six months ended 30 June 2008, the borrowing cost was approximately between 2.13% and 9.84%, compared with approximately between 2.13% and 9.20% for the six months ended 30 June 2007.

INCOME TAX

Income tax of the Group increased from RMB636.6 million for the six months ended 30 June 2007 to RMB950.9 million for the six months ended 30 June 2008. The increase of income tax was mainly attributable to the rise in the taxable profit of Hainan Mining, the steel segment and the pharmaceuticals segment.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

The capital expenditures of the Group mainly included the amounts spent on construction of production facilities, technology upgrade, purchase of machines and equipment, and development of investment property. We increased investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher profit margins. We have been striving for property development and will make the necessary adjustment according to the changes in market conditions. In order to increase the production capacity of the steel segment and the optimisation of product mix, we have increased the investment in the steel segment. More efforts will be put into the mining segment with an aim to continuously strengthen its leading position in the industry.

As at 30 June 2008, the Group's capital commitment contracted but not provided for was RMB9,699.6 million, and this is mainly committed for property development and investment in the steel segment.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 30 June 2008, the total debt of the Group was RMB23,520.5 million, a slight increase as compared with 31 December 2007. Cash and bank balances stayed stable, with a total balance of RMB14,101.8 million.

Unit: RMB million

	30 June 2008	31 December 2007
Total debt	**23,520.5**	21,918.0
Cash and bank balances	**14,101.8**	14,144.0

The original denomination of the Group's debt as well as cash and bank balances by currencies, equivalent in Renminbi, as at 30 June 2008 is summarized as follows:

Unit: RMB million equivalent

	RMB	HKD	USD	Others
Debt	21,568.9	430.8	1,520.8	-
Cash and bank balances	9,830.9	1,789.5	2,480.1	1.3

TOTAL DEBT TO TOTAL CAPITALISATION RATIO

As at 30 June 2008, the ratio of total debt to total capitalisation was 42.8% compared to 42.3% as at 31 December 2007, and this was relatively stable. Healthy debt ratios and abundant financial resources can reinforce the Group's ability to defend against risk exposure and provide support to the Group in capturing investment opportunities.

BASIS OF CALCULATING INTEREST RATE

To stabilize interest expenses, the Group endeavoured to maintain appropriate borrowings at fixed and floating interest rates respectively. As at 30 June 2008, 42.8% of the Group's total borrowing was calculated at a fixed rate.

THE MATURITY PROFILE OF OUTSTANDING BORROWINGS

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

Outstanding borrowings classified by year of maturity as at 30 June 2008 are as follows:

Unit: RMB million

	Outstanding borrowings	Percentage
Total debt	23,520.5	100%
Within one year	13,008.8	55.3%
In the second year	2,921.0	12.4%
In the third to fifth year	6,850.7	29.1%
Over five years	740.0	3.2%

AVAILABLE FACILITIES

Save for cash and bank balances of RMB14,101.8 million, as at 30 June 2008, the Group had unutilised banking facilities of RMB13,320.0 million.

Save for the banking facilities mentioned above, the Group has entered into cooperation agreements with various major banks in China. According to these agreements, the banks have granted the Group general banking facilities to support its capital needs. Prior approval of individual projects in China from banks in accordance with bank regulations must be obtained before the use of these banking facilities. As at 30 June 2008, available banking facilities under these arrangements aggregated to RMB35,156.2 million, among which RMB21,836.2 million has been allocated to various projects.

PLEDGED ASSETS

As at 30 June 2008, the Group has pledged assets of RMB7,986.6 million (31 December 2007: RMB8,584.9 million) for bank borrowings.

CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB4,741.8 million as at 30 June 2008.

INTEREST COVERAGE

For the six months ended 30 June 2008, earning before interest expenses, tax, depreciation and amortisation ("**EBITDA**") divided by interest expense was 8.7 times as compared with 5.8 times for the same period in 2007. This was due to the rise in operating results of the Group, resulting in increase of EBITDA by 74.4%, whereas the interest expense only increased by 17.0%.

FINANCIAL POLICIES AND RISK MANAGEMENT

General policy

The Company provides guidance to each business segments while maintain their financial independence to ensure that risks of the Group are centrally monitored and financial resources are being effectively utilised. We obtain funds from different sources through banks borrowing and capital markets. These sources of funding allow the Company to meet the needs of cash flow for our business development.

Foreign currencies exposure

The Group conducts its business mainly in Renminbi which is also our functional and presentation currency. Most of our revenue is received in Renminbi, but part of it is converted into foreign currencies for the purchase of imported raw materials. Since the exchange rate reform in July 2005, the exchange rate of Renminbi against U.S. dollar has appreciated steadily. However, we are uncertain of the stability of Renminbi in the future. The cost of conversion of Renminbi into foreign currencies will be subject to the fluctuation of the exchange rate of Renminbi. As at 30 June 2008, 97.0% (approximately RMB70,289.7 million) of our total assets were located in China (31 December 2007: RMB62,799.8 million or 93.8%).

The Company received the proceeds from its listing on the main board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in Hong Kong dollars. It is unlikely that such proceeds can be converted into Renminbi in full or be applied in the short term. With the continued appreciation of Renminbi since the exchange rate reform and the business settlement and currency conversion on the statement date, such non-Renminbi deposits will generate foreign exchange losses of a greater amount within a certain period of time.

Interest rate exposure

The Group uses bank loans and other borrowings to meet capital expenditure and working capital requirements from time to time and is subject to the risk of interest rate fluctuation. Certain Group's borrowings are provided at floating interest rates which are subject to change by the lenders as required by the People's Bank of China and the market conditions in and outside China. As a result, the interest expenses of the Group will increase if the People's Bank of China and foreign banks increase their interest rates.

Application of derivatives

The Group will make timely use of suitable derivatives to hedge risk exposure. We do not apply derivative products for speculation. To reduce uncertainties concerning revenue from the export business due to the appreciation of Renminbi, individual subsidiaries of the Group signed foreign exchange forward contracts with financial institutions to fix the amount in Renminbi converted from future proceeds.

Forward-looking statements

This announcement contains certain forward looking statements which includes financial condition, results and business of the Group. These forward-looking statements are the Group's expectation or beliefs for future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation expressed or implied by these statements. Forward-looking statements involve inherent risks and uncertainties. Please note that numerous factors can cause actual results to differ from any business forecasted or implied by the forward looking statements. Material difference may even exist under certain circumstances.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 June 2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
REVENUE	3, 4	20,782,755	14,264,294
Cost of sales		(15,646,435)	(11,194,120)
Gross profit		5,136,320	3,070,174
Other income and gains	4	977,267	280,435
Selling and distribution costs		(533,158)	(462,951)
Administrative expenses		(898,227)	(529,447)
Other expenses		(270,595)	(80,914)
Finance costs	5	(866,758)	(610,499)
Share of profits and losses of:			
- Jointly-controlled entities		2,947	8,176
- Associates		902,072	469,374
PROFIT BEFORE TAX	6	4,449,868	2,144,348
Tax	7	(950,911)	(636,603)
PROFIT FOR THE PERIOD		3,498,957	1,507,745
Attributable to:			
Equity holders of the parent		1,921,372	826,615
Minority interests		1,577,585	681,130
		3,498,957	1,507,745
DIVIDENDS	8	-	-
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	9		
- BASIC (RMB)		0.30	0.17
- DILUTED (RMB)		N/A	N/A

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		16,001,124	15,598,578
Investment properties		466,000	456,000
Prepaid land lease payments		898,786	908,376
Mining rights		874,347	546,469
Intangible assets		23,906	25,352
Goodwill		234,717	108,152
Investments in jointly-controlled entities		644,053	381,055
Investments in associates		7,818,060	6,847,994
Available-for-sale investments		1,691,762	2,188,057
Properties under development		5,898,528	6,009,593
Loans receivable		220,000	220,000
Prepayments		1,505,709	1,547,278
Deferred tax assets		395,700	283,426
Total non-current assets		36,672,692	35,120,330
CURRENT ASSETS			
Cash and bank balances		14,101,762	14,144,004
Equity investments at fair value through profit or loss		61,178	90,437
Available-for-sale investments		-	205,000
Trade and notes receivables	10	4,354,897	2,924,246
Prepayments, deposits and other receivables		2,246,366	3,320,208
Inventories		7,575,774	6,470,854
Completed properties for sale		675,545	746,538
Properties under development		5,937,857	3,405,440
Due from related companies		850,511	530,506
Total current assets		35,803,890	31,837,233
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		13,008,789	14,890,502
Trade and notes payables	11	4,505,533	4,486,157
Accrued liabilities and other payables		8,725,751	7,612,814
Tax payable		1,374,878	972,091
Deferred income		1,400	-
Dividends payables		1,045,348	-
Due to related companies		640,943	815,464
Total current liabilities		29,302,642	28,777,028
NET CURRENT ASSETS		6,501,248	3,060,205
TOTAL ASSETS LESS CURRENT LIABILITIES		43,173,940	38,180,535

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	10,364,348	6,879,740
Loans from related companies	147,355	147,719
Deferred income	25,419	21,735
Other long-term payables	688,917	737,472
Deferred tax liabilities	465,018	423,244
Total non-current liabilities	11,691,057	8,209,910
Net assets	31,482,883	29,970,625
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	621,497	622,962
Reserves	19,692,967	18,188,934
Proposed final dividend	-	1,022,219
	20,314,464	19,834,115
Minority interests	11,168,419	10,136,510
Total equity	31,482,883	29,970,625

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2007.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007, except for the adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations), as set out in note 2.2 to the interim condensed consolidated financial statements.

2.2 ADOPTION OF NEW AND REVISED HKFRSs

From 1 January 2008, the Group adopted the following new and revised HKFRSs, which are relevant to its operations.

HK(IFRIC)-Int 11	HKFRS 2 *Group and Treasury Share Transactions*
HK(IFRIC)-Int 14	HKAS 19 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operation of the Group.

2.2 ADOPTION OF NEW AND REVISED HKFRSs (continued)

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or reduction in the future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists. As the Group's current policy for defined benefit aligns with the requirements of the interpretation, the interpretation has had no financial impact on the Group.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment - Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and Amendments to HKAS 1 *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*[1]

[1] Effective for annual periods beginning on or after 1 January 2009

[2] Effective for annual periods beginning on or after 1 July 2009

The amendments to HKFRS 2 Share-based Payments were published in March 2008 and become effective for financial years beginning on or after 1 January 2009. The standard restricts the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counter party, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes and does not expect implications on its accounting for share-based payments.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will have impact on the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The changes introduced by HKFRS 3 (Revised) are required to be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group plans to adopt HKFRS 3 (Revised) on 1 January 2010.

HKAS 27 (Revised) requires accounting treatment on changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Group plans to adopt HKAS 27 (Revised) on 1 January 2010.

The amendments to HKAS 32 and HKAS 1 were issued in June 2008, which allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified features. As the Group currently has no such transactions, the amendments are unlikely to have any financial impact on the Group.

3. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(i) the pharmaceutical segment engages in the manufacturing, sale and trading of pharmaceutical products;
(ii) the property development segment engages in the development and sale of properties in the PRC;
(iii) the steel segment engages in the manufacturing, sale and trading of iron and steel products;
(iv) the mining segment engages in the mining and ore processing of various metals; and
(v) the "others" segment comprises, principally, the management of investments in retail and financial service industries, and other strategic investments.

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2008

	Pharma-ceutical RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Steel RMB'000 (Unaudited)	Mining RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:							
Sales to external customers	1,880,472	1,033,117	16,604,224	1,264,942	-	-	20,782,755
Inter-segment sales	-	-	-	583,820	-	(583,820)	-
Other income and gains	335,314	25,800	376,884	85,059	6,446	-	829,503
Total	2,215,786	1,058,917	16,981,108	1,933,821	6,446	(583,820)	21,612,258
Segment results	**412,291**	**380,391**	**2,223,381**	**1,352,948**	**(52,274)**	**-**	**4,316,737**
Interest and dividend income	14,414	8,635	29,927	14,787	81,057	(1,056)	147,764
Unallocated expenses							(52,894)
Finance costs	(79,160)	(19,348)	(473,960)	(26,433)	(268,913)	1,056	(866,758)
Share of profits and losses of:							
- Jointly-controlled entities	38	2,909	-	-	-	-	2,947
- Associates	262,233	(616)	398,744	201,673	40,038	-	902,072
Profit/(loss) before tax	609,816	371,971	2,178,092	1,542,975	(200,092)	-	4,449,868
Tax	(109,565)	(239,050)	(396,746)	(193,597)	(11,953)	-	(950,911)
Profit/(loss) for the Period	500,251	132,921	1,781,346	1,349,378	(212,045)	-	3,498,957

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2007

	Pharma-ceutical RMB'000 (Unaudited, restated)	Property development RMB'000 (Unaudited, restated)	Steel RMB'000 (Unaudited, restated)	Mining RMB'000 (Unaudited, restated)	Others RMB'000 (Unaudited, restated)	Eliminations RMB'000 (Unaudited, restated)	Total RMB'000 (Unaudited, restated)
Segment revenue:							
Sales to external customers	1,799,012	1,335,775	11,129,507	-	-	-	14,264,294
Inter-segment sales	-	-	-	62,953	-	(62,953)	-
Other income and gains	99,748	27,204	62,624	114	6,633	-	196,323
Total	1,898,760	1,362,979	11,192,131	63,067	6,633	(62,953)	14,460,617
Segment results	**164,680**	**221,732**	**1,825,159**	**31,612**	**(24,909)**	**-**	**2,218,274**
Interest and dividend income	9,136	643	75,677	-	14,378	(15,722)	84,112
Unallocated expenses							(25,089)
Finance costs	(59,249)	(2,735)	(430,645)	(2,729)	(130,863)	15,722	(610,499)
Share of profits and losses of:							
- Jointly-controlled entities	-	8,176	-	-	-	-	8,176
- Associates	104,485	4,444	89,772	163,575	107,098	-	469,374
Profit/(loss) before tax	219,052	232,260	1,559,963	192,458	(34,296)	-	2,144,348
Tax	(5,332)	(114,814)	(522,301)	9,660	(3,816)	-	(636,603)
Profit/(loss) for the Period	213,720	117,446	1,037,662	202,118	(38,112)	-	1,507,745

3. SEGMENT INFORMATION (continued)

Total segment assets:

Total segment assets as at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Pharmaceutical	6,730,610	6,773,019
Property development	20,131,002	18,042,003
Steel	30,987,936	27,424,963
Mining	6,075,550	4,645,406
Others	12,275,821	13,109,590
	76,200,919	69,994,981
Adjustments and eliminations	(3,724,337)[1]	(3,037,418)
Total consolidated assets	72,476,582	66,957,563

[1] Inter-segment loans and other balances of RMB4,258,304,000 (31 December 2007: RMB3,450,492,000) are eliminated on consolidation. Segment assets do not include deferred tax of RMB395,700,000 (31 December 2007: RMB283,426,000) and income tax recoverable of RMB138,267,000 (31 December 2007: RMB129,648,000) as these assets are managed on a group basis.

4. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June 2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Revenue		
Sale of goods:		
Pharmaceutical products	1,874,913	1,788,260
Properties	1,048,625	1,364,488
Iron and steel products	16,711,416	11,164,876
Iron concentrates	1,300,890	62,952
	20,935,844	14,380,576
Rendering of services:		
Property agency	45,987	47,728
Others	19,139	22,186
	65,126	69,914
Subtotal	21,000,970	14,450,490
Less: Government surcharges	(218,215)	(186,196)
	20,782,755	14,264,294

4. REVENUE, OTHER INCOME AND GAINS (continued)

	For the six months ended 30 June	
	2008	2007
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	135,800	78,730
Dividends from available-for-sale investments	3,143	5,382
Dividends from equity investments at fair value through profit or loss	8,821	-
Gross rental income	20,691	16,941
Sale of scrap materials	28,545	9,110
Government grants	36,337	20,612
Consultancy income	1,517	2,451
Processing income	10,493	1,838
Others	97,995	28,228
	343,342	163,292
Gains		
Gain on disposal of subsidiaries	1,497	-
Gain on disposal of interests in subsidiaries	247,854	20,398
Gain on disposal of interests in associates	-	27,169
Gain on disposal of an associate	172,541	17,980
Gain on disposal of items of property, plant and equipment	1,757	3,812
Gain on disposal of available-for-sale investments	145,799	11,404
Gain on disposal of equity investments at fair value through profit or loss	-	17,243
Exchange gains	54,477	9,171
Gain on fair value adjustment of investment properties	10,000	5,000
Fair value gains of derivative financial instruments - transactions not qualifying as hedges	-	4,966
	633,925	117,143
Other income and gains	977,267	280,435
Total	21,760,022	14,544,729

5. FINANCE COSTS

	For the six months ended 30 June	
	2008	**2007**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Total interest expenses	854,853	670,903
Less: Interest capitalized	(171,724)	(87,003)
Interest expenses, net	683,129	583,900
Bank charges and other finance costs	16,102	8,317
Bank loan guarantee fees	-	11,559
Exchange losses	167,527	6,723
Total finance costs	866,758	610,499

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2008	**2007**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Cost of sales	15,646,435	11,194,120
Inventories written off	409	350
Depreciation of items of property, plant and equipment	745,425	661,227
Amortization of:		
Prepaid land lease payments	9,590	7,313
Mining rights	41,351	1,948
Intangible assets	2,454	1,842
Provisions/(reversals) for impairment of:		
Trade and other receivables	(1,153)	1,511
Items of property, plant and equipment	-	186
Available-for-sale investments	-	8,000
Inventories	14,369	4,292
Provision for indemnity of LAT (note 7(3))	15,110	7,066
Loss on deemed disposal of interest in an associate	25,238	-
Loss on disposal of items of property, plant and equipment	10,988	7,993

7. TAX

The major components of tax expenses for the six months ended 30 June 2008 and 2007 are as follows:

		For the six months ended 30 June	
		2008	**2007**
		RMB'000	**RMB'000**
	Notes	**(Unaudited)**	**(Unaudited)**
Current taxation – Hong Kong	(1)	2,082	-
Current taxation – Mainland China			
- Income tax in Mainland China for the period	(2)	780,577	658,995
- Under provision in prior years		-	8,009
- LAT in Mainland China for the period	(3)	175,843	89,763
Deferred tax		(7,591)	(120,164)
Tax expenses for the period		950,911	636,603

Notes:

(1) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period.

(2) In accordance with the PRC Corporate Income Tax Law (the "New CIT Law") which was approved and became effective on 1 January 2008, the provision for Mainland China current income tax has been based on a statutory rate of 25% of the assessable profits of the Group for the Reporting Period (six months ended 30 June 2007: 33%), except for certain subsidiaries of the Group in Mainland China, which are taxed at preferential rates in the range of 15% to 20%.

(3) According to the tax notice issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 1% to 3% on proceeds of the sale and pre-sale of properties from 2004. Prior to the year ended 31 December 2006, except for this 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.

For the Reporting Period, based on the latest understanding of LAT regulations from the tax authorities, the Group provided additional LAT of RMB165,016,000 (six months ended 30 June 2007: RMB77,186,000) in respect of the sales of properties sold up to 30 June 2008 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

7. TAX (continued)

Notes: (continued)

(3) (continued)

In 2004, Shanghai Fosun High Technology (Group) Co., Ltd. (the “Fosun Group”) and Shanghai Forte Land Co., Ltd. (“Forte”), both subsidiaries of the Group, entered into a deed of tax indemnity whereby the Fosun Group has undertaken to indemnify Forte in respect of the LAT payable attributable to Forte and its subsidiaries in excess of the prepaid LAT based on 1% to 3% of sales proceeds, after netting off potential income tax savings, in consequence of the disposal of the properties owned by Forte as at 30 November 2003. As at 30 June 2008, the outstanding LAT indemnity payable to Forte after netting off potential income tax saving amounted to RMB46,831,000 (31 December 2007: RMB190,808,000), and the deferred tax liability arising thereon amounted to RMB59,410,000 (31 December 2007: RMB47,701,000). The Group’s share of losses arising from the LAT indemnity during the Reporting Period amounted to RMB15,110,000 (six months ended 30 June 2007: RMB7,066,000).

(4) The share of tax attributable to jointly-controlled entities and associates amounting to RMB1,854,000 (six months ended 30 June 2007: RMB878,000) and RMB207,190,000 (six months ended 30 June 2007: RMB235,360,000), respectively, is included in “Share of profits and losses of jointly-controlled entities and associates” on the face of the interim condensed consolidated income statement.

8. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Reporting Period (six months ended 30 June 2007: Nil).

The proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2007 was declared payable and approved by the shareholders at the Annual General Meeting of the Company on 17 June 2008.

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of earnings per share is based on profit for the Reporting Period attributable to equity holders of the parent of RMB1,921,372,000 (six months ended 30 June 2007: RMB826,615,000).

The calculation of earnings per share is based on the weighted average number of 6,424,708,497 shares in issue during the Reporting Period (six months ended 30 June 2007: 5,000,000,000 shares, on the basis as disclosed in note 13 to the Accountants’ Report included in the Company’s prospectus dated 29 June 2007), after taking into account of the repurchase of ordinary shares as referred to the section “PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY”.

No diluted earnings per share amounts are presented for the two periods ended 30 June 2008 and 2007 as no diluting events occurred during the two periods ended 30 June 2008 and 2007.

10. TRADE AND NOTES RECEIVABLES

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Trade receivables	1,406,138	1,454,074
Notes receivable	2,948,759	1,470,172
	4,354,897	2,924,246

An aged analysis of trade receivables as at the balance sheet dates, based on the invoice date, is as follows:

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,132,827	1,129,012
91 - 180 days	135,691	159,254
181 - 365 days	122,311	150,071
1 - 2 years	24,242	25,988
2 - 3 years	7,843	10,003
Over 3 years	113,624	109,108
	1,536,538	1,583,436
Less: Provision for impairment of trade receivables	(130,400)	(129,362)
	1,406,138	1,454,074

Credit terms granted to the Group's customers are as follows:

	Credit terms
Steel segment	0 to 90 days
Mining segment	0 to 90 days
Pharmaceutical segment	90 to 180 days
Property development segment	30 to 360 days

The Group's notes receivable with a carrying value of RMB57,000,000 (31 December 2007: RMB435,224,000) was pledged to certain banks as security for bank loans granted to the Group.

11. TRADE AND NOTES PAYABLES

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Trade payables	3,262,277	3,326,879
Notes payable	1,243,256	1,159,278
	4,505,533	4,486,157

An aged analysis of trade payables as at the balance sheet dates, based on the invoice date, is as follows:

Outstanding balances with ages:		
Within 90 days	2,581,003	1,990,063
91 - 180 days	178,268	676,200
181 - 365 days	201,937	383,744
1 - 2 years	264,731	188,341
2 - 3 years	15,845	52,563
Over 3 years	20,493	35,968
	3,262,277	3,326,879

Credit terms granted by the Group's creditors are as follows:

	Credit terms
Steel segment	0 to 90 days
Mining segment	0 to 90 days
Pharmaceutical segment	0 to 360 days
Property development segment	180 to 360 days

12. EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, there were significant falls in many major international stock markets, including those exchanges on which the Group's listed investments are traded. The decline in the carrying amounts of the investments subsequent to the balance sheet date and up to the date of approval of these interim condensed consolidated financial statements has not been reflected in these financial statements.

13. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the current Reporting Period's presentation.

INTERIM DIVIDEND FOR 2008

No interim dividend was declared by the Company for 2008.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased 15,905,500 of its shares on the Stock Exchange. All the shares repurchased by the Company were cancelled. Details of shares acquired by date are as follows:

Date of Repurchase	Number of shares Repurchased	Highest Price Paid (HKD)	Lowest Price Paid (HKD)	Total Amount Paid (HKD)
30 January 2008	3,000,000	5.50	5.30	16,194,900.00
31 January 2008	3,000,000	5.26	5.08	15,482,400.00
01 February 2008	4,000,000	5.20	5.02	20,514,800.00
15 February 2008	5,905,500	5.50	5.26	32,292,455.10
Total	15,905,500			84,484,555.10

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

REVIEW OF INTERIM RESULTS

During the Reporting Period, the Audit Committee of the Company comprised three members, all of whom are independent non-executive directors.

The duties of the Audit Committee primarily include reviewing and supervision of the Company’s financial reporting procedures and internal control systems of the Group, as well as advising the Board.

The Company’s interim results for the Reporting Period are unaudited. The Audit Committee has reviewed the Company’s interim results for the Reporting Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of

Securities on the Stock Exchange except the deviation from Code A.2.1, details of which are set out below:

Code A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr Guo Guangchang currently holds the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

The Board is of the view that the current structure has been operating well over the years. Both the Board and senior management have benefited from the leadership and experience of Mr Guo Guangchang. The Company has, therefore, no intention to segregate the duties of Chairman and Chief Executive Officer so as to maintain leadership consistency for the Company.

PUBLICATION OF THE INTERIM REPORT

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and on the Company's website (http://www.fosun-international.com). The interim report will be despatched to the shareholders of the Company and will be available at the websites of the Stock Exchange and the Company.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

23 August 2008, Shanghai, the PRC

As at the date of this announcement, the Company's executive directors are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping; the non-executive director is Mr. Liu Benren; and the independent non-executive directors are Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.