FOSUN 复星

FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 00656)

INTERIM RESULTS ANNOUNCEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2009

SUMMARY

	For the six months ended 30 June	
In RMB million	**2009**	2008
Revenue	**15,972.0***	20,782.8*
Revenue of each segment		
Pharmaceuticals	**1,740.2**	1,880.5
Property development	**2,003.6**	1,033.1
Steel	**11,674.3**	16,604.2
Mining	**889.2**	1,848.8
Profit attributable to equity holders of the parent	**1,316.3**	1,921.4
Contribution of each segment to the profit attributable to equity holders of the parent		
Pharmaceuticals	**159.4**	196.1
Property development	**186.8**	23.2
Steel	**769.9**	1,086.1
Mining	**101.9**	880.9
Retail, services and others (including unallocated expenses)	**98.3**	(264.9)
Earnings per share *(in RMB)*	**0.20**	0.30

* Intersegment sales amounting to RMB335.3 million and RMB583.8 million have been eliminated in the consolidated revenue for the six months ended 30 June 2009 and the six months ended 30 June 2008, respectively.

CHAIRMAN'S STATEMENT

Dear shareholders,

Although the worst time of the global economic crisis is behind us and signs of recovery are increasing in large economies such as China in particular, during the six months ended 30 June 2009 (the **"Reporting Period"**), China's economy was still faced with great challenges. During the Reporting Period, the revenue and profit of Fosun International Limited (the **"Company"**) and its subsidiaries (the **"Group"**) attributable to equity holders of the parent were RMB15,972.0 million and RMB1,316.3 million respectively, a decrease of 23.1% and 31.5% respectively from the same period last year, although the overall results increased significantly over the second half of last year.

Management optimisation: Timely adjustment to weather the crisis

Pharmaceuticals: During the Reporting Period, the Group's pharmaceuticals segment achieved sound results. The pharmaceutical development and manufacturing business of Shanghai Fosun Pharmaceuticals (Group) Company Limited (**"Fosun Pharma"**), a subsidiary of the Company, continued to grow steadily, while its pharmaceutical distribution and retail business continued to sustain relatively rapid growth. Adhering to the policy of product innovation, Fosun Pharma submitted a total of 20 patent applications during the Reporting Period and received nine approval. The influenza A nucleic acid diagnostic kit successfully researched and developed by Fosun Pharma and its partners stood out from more than 90 candidate products, and was among the first batch which has successfully passed the national on-site testing.

Property Development: The results of Shanghai Forte Land Co., Ltd. (**"Forte"**), a subsidiary of the Company, increased significantly during the Reporting Period in comparison to the same period last year. The total gross floor area (**"GFA"**) sold attributable to Forte was 429,966 square meters, representing an increase of 188.6% from the same period last year. Attributable revenue from property sales was RMB 3,470.2 million, representing an increase of 121.2% from the same period last year. Forte has been making steady progress in project construction even during the cyclical bottom of the market in 2008. It also strengthened efforts in sales promotion during the Reporting Period and reduced the sales and administrative expenses through the enhancement of the capacity and efficiency of management; as a result, Forte was able to seize the opportunities arising from the rapid market recovery.

During the Reporting Period, the total GFA under development attributable to Forte was approximately 2,091,285 square meters, representing an increase of 35.7% from the same period last year. The GFA booked attributable to Forte was 248,457 square meters, representing an increase of approximately 469.2% from the same period last year. As of 30 June 2009, the GFA carried forward attributable to Forte was 412,101 square meters, representing an increase of approximately 79.0% from the same period last year. Meanwhile, the total planned GFA attributable to Forte was 7.2 million square meters, which provides a solid foundation for the rapid growth of Forte in the future.

Steel: During the Reporting Period, the Group's gross output of crude steel was 6.5 million tonnes. The attributable output of crude steel was 2.2 million tonnes. The steel industry as a whole suffered losses for several consecutive months. In counter measures, Nanjing Iron & Steel United Co., Ltd. (**"Nanjing Steel United"**), a subsidiary of the Company, strengthened its cost control to enhance efficiency which at the same time, actively explored new markets. While making continuous efforts in product innovation and product mix optimisation, it also adjusted its production plans timely to quickly adapt to real market situation, thus to enhance its production capacity utilisation rate to the fullest extent and achieved maximum benefits. According to the statistics of the China Iron & Steel Association, as of the end of May 2009, the rankings of Nanjing Steel United's six major economic efficiency indicators have jumped from leading positions to number one among other industrial peers.

Mining: During the Reporting Period, the Group's mining segment still maintained considerable profitability through effective cost control and active market expansion even the iron ore spot prices suffered a year-on-year decrease of over 50% over the same period last year. According to the statistics of the Metallurgy Industry Information Center, Hainan Mining United Co., Ltd. (**"Hainan Mining"**), a subsidiary of the Company, ranked top in the metallurgy industry in terms of profit to cost ratio and second in terms of the overall efficiency index and return on total assets. During the Reporting Period, subsidiaries and associates of the Group's mining segment produced a total of 3.3 million tonnes of iron ores, of which 1.5 million tonnes were attributable to the Group.

Retail and Services: During the Reporting Period, our retail and services business developed steadily. The core business, in particular the gold sale business, of our associate Shanghai Yuyuan Tourist Mart Co., Ltd. (**"Yuyuan"**), maintained steady growth, leading to an increase of its operating profits.

Investments: Profit from China’s growth momentum, optimisation and adjustments of asset structure

During the Reporting Period, the Group actively supported its subsidiaries and associates to participate in industrial consolidation and integration. The reorganisation of Nanjing Steel United announced in May is currently in steady progress. The Group adopted an entry & exit investment strategy and has been actively identifying strategic investment projects with good development potential. It also increased the proportion of its light assets to adjust and optimise its portfolio structure. During the Reporting Period, the Group divested itself either totally or partially of several projects including Ningbo Iron & Steel Co., Ltd., recovering an amount of RMB1,357.4 million. The Group also invested a total of RMB1,212.6 million in several light asset enterprises such as Focus Media Holding Limited and Tongjitang Chinese Medicines Company. The Group also increased its land bank through participation in land auctions and equity acquisitions in accordance with its development strategy and industry background. During the Reporting Period, the Group acquired three new projects and increased its attributable GFA by approximately 430,000 square meters.

Financing: Optimal financing through multiple channels

During the Reporting Period, the Group's funding focus turned from traditional equity financing to low cost medium to long term bond financing. As at the end of the Reporting Period, Nanjing Steel United successfully issued seven-year enterprise bonds of RMB2.5 billion. The China Securities Regulatory Commission approved Forte's application for the issue of domestic corporate bonds. During the Reporting Period, as the average lending rate fell, the Group continued to optimise the debt structure. While the Group has been actively engaged in bond issuance, it also tried to capture financing opportunities from capital markets. During the Reporting Period, Fosun Pharma proposed the issue of 35 to 78 million ordinary shares. The Group’s current overall financial position is sound with sufficient cash liquidity and available facilities. As at the end of the Reporting Period, cash and bank balances of the Group were RMB14,988.4 million.

Future Prospects

The Group expects China’s urbanisation and industrialisation to last for a long period of time on the basis of the growth of consumption driven by China’s large population and the differences in economic status in different regions. As a result, despite the prolonged global financial crisis stretching beyond a year, China's trend towards growth continues and we are confident in the sustained and rapid development of the Chinese economy. The core businesses of the Group, including pharmaceuticals, property development, steel, mining, retail, services and strategic investments, will all benefit from the rapid economic development of China, and will therefore enjoy positive growth in the medium to long-term perspective.

However, the speed of recovery of the property market from March this year and the resurgence of the capital markets did exceed some of our expectations. Looking forward, and on the basis of careful risk evaluation, the Group will continue to identify and invest in industries which benefit from China's growth momentum. The Group will continue to take opportunities of industry consolidation in our core businesses, to adjust and optimise portfolio structure, and to increase assets of industries that may enjoy the growing domestic consumption market, such as the pharmaceuticals and consumer goods industries. We will also closely attend to investment opportunities for strategic assets, in particular in relation to the resources industries.

In the meantime, under the excellent leadership of our team of entrepreneurs, the Group will continue to optimise management, control cost and expand market share in our various core business segments, so as to further enhance our core competitiveness. As before, we will continue to actively identify opportunities for listing of our qualified enterprises so as to optimise financing through various channels and maximise shareholders' value.

Appreciation

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

Guo Guangchang
Chairman

Shanghai, the PRC
24 August 2009

FINANCIAL REVIEW

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Profit attributable to equity holders of the parent for the six months ended 30 June 2009 was RMB1,316.3 million, a decrease of 31.5% compared with RMB1,921.4 million for the same period in 2008. The decrease in profit of the Group was mainly due to profit drops in both the steel and the mining segments during the Reporting Period as compared with the same period last year. Details of the reasons for the fluctuation in profit regarding each segment are set out below.

PROFIT CONTRIBUTION OF EACH BUSINESS SEGMENT

Comparisons between the profit contribution of each business segment for the six months ended 30 June 2009 and the corresponding figures for the same period in 2008 are as follows:

Unit: RMB million

Segments	**January - June 2009**	January - June 2008	Change
Pharmaceuticals	**159.4**	196.1	(36.7)
Property development	**186.8**	23.2	163.6
Steel	**769.9**	1,086.1	(316.2)
Mining	**101.9**	880.9	(779.0)
Retail, services and others (including unallocated expenses)	**98.3**	(264.9)	363.2
Total	**1,316.3**	1,921.4	(605.1)

Pharmaceuticals: Profit contributed by the pharmaceuticals segment decreased to RMB159.4 million for the six months ended 30 June 2009 from RMB196.1 million for the six months ended 30 June 2008. The decrease was mainly due to the gain on disposal of equity interests in Shanghai Friendship Fosun (Holding) Co., Ltd. by Fosun Pharma in the first half of 2008, while there was no such gain in the Reporting Period. However, profit contributed by the research and development and manufacturing business and distribution business of Fosun Pharma still increased as compared with the same period in 2008.

Property Development: Profit contributed by the property development segment increased to RMB186.8 million for the six months ended 30 June 2009 from RMB23.2 million for the six months ended 30 June 2008. The increase in profit contribution was mainly due to three things: (i) the total GFA booked from property projects completed by Forte for the first half of 2009 increased as compared with the same period in 2008; (ii) the operating expenses in the first half of 2009 were more effectively controlled; and (iii) Forte held higher equity interests in subsidiaries which had completed projects during the Reporting Period, which contributed higher profits to equity holders of the parent.

Steel: Profit contributed by the steel segment decreased to RMB769.9 million for the six months ended 30 June 2009 from RMB1,086.1 million for the six months ended 30 June 2008. The decrease in profit contribution was mainly due to the fact that in the first half of 2009, the steel market had not completely recovered from the downturn of the second half of 2008, and the entire steel industry continued to operate with low gross profit margin, although product prices increased as compared with the end of 2008.

Mining: Profit contributed by the mining segment decreased to RMB101.9 million for the six months ended 30 June 2009 from RMB880.9 million for the six months ended 30 June 2008. The decrease in profit contribution was attributable to the downturn in downstream industry, resulting in the significant shrinkage of gross profit from sales of iron ore products. In addition, the Group entered into an agreement to transfer the majority of equity interest in Zhaojin Mining Industry Company Limited in the second half of 2008, thus ceased to treat it as an associate and share its profit in the first half of 2009.

Retail, Services and Others: Profit contributed by the retail, services and others segment changed to a profit of RMB98.3 million for the six months ended 30 June 2009 from a loss of RMB264.9 million for the six months ended 30 June 2008. This was mainly attributable to the foreign currency deposits held at the group holding companies level were applied to various uses as time passes, and as exchange of foreign currency against Renminbi was relatively stable during the Reporting Period, therefore foreign exchange losses through profit or loss for the Reporting Period represented a significant decrease as compared with the same period in 2008. In addition, the core business of the associate Yuyuan, particularly its gold business, maintained stable growth, resulting in an increase of its operating profit.

REVENUE

For the six months ended 30 June 2009, total revenue of the Group was RMB15,972.0 million, a decrease of 23.1% as compared with the total revenue of RMB20,782.8

million for the six months ended 30 June 2008. The decrease in revenue during the Reporting Period was mainly due to decreases in revenue in both the steel and mining segments as compared with the same period last year.

Pharmaceuticals: Revenue of the pharmaceuticals segment decreased to RMB1,740.2 million for the six months ended 30 June 2009 from RMB1,880.5 million for the six months ended 30 June 2008. The decrease in revenue was mainly due to the deconsolidation of the former subsidiary Hubei Tianxiaming Pharmaceutical Co., Ltd. as it was sold in August 2008. After eliminating this factor, revenue of the pharmaceuticals segment still increased as compared with the same period of last year.

Property Development: Revenue of the property development segment increased to RMB2,003.6 million for the six months ended 30 June 2009 from RMB1,033.1 million for the six months ended 30 June 2008. This was mainly due to the significant increase in total GFA booked by Forte for the six months ended 30 June 2009 as compared with the same period in 2008.

Steel: Revenue of the steel segment decreased to RMB11,674.3 million for the six months ended 30 June 2009 from RMB16,604.2 million for the six months ended 30 June 2008. The decrease of revenue was primarily due to a substantial decrease in the price of steel products in the first half of 2009 as compared with the same period in 2008.

Mining: Revenue of the mining segment decreased to RMB889.2 million for the six months ended 30 June 2009 from RMB1,848.8 million for the six months ended 30 June 2008. The decrease of revenue was mainly due to the prices of iron ore products remained at a low level in the first half of 2009, representing a significant decrease as compared with the same period in 2008.

INTEREST EXPENSES

Interest expenses net of capitalised amounts of the Group decreased from RMB683.1 million for the six months ended 30 June 2008 to RMB564.4 million for the six months ended 30 June 2009. This was mainly attributable to a decrease in the interest rate of borrowings, although there was an increase in total borrowings. For the six months ended 30 June 2009, the interest rates of borrowing were approximately between 1.35% and 9.02%, compared with approximately between 2.13% and 9.84% for the six months ended 30 June 2008.

TAX

Tax of the Group decreased from RMB950.9 million for the six months ended 30 June 2008 to RMB336.0 million for the six months ended 30 June 2009. The decrease in tax was mainly attributable to the drops in the taxable profit of the mining and steel segments.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

The capital expenditures of the Group mainly included the amounts spent on construction of production facilities, technology upgrades, purchases 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 gross profit margins. We have been striving for property development and will make necessary adjustments 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 2009, the Group's capital commitment contracted but not provided for was RMB6,100.4 million, with most of this committed to property development.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 30 June 2009, the total debt of the Group was RMB27,502.2 million, an increase as compared with 31 December 2008, which was mainly attributable to the increase in long-term borrowings. Cash and bank balances also increased, with a total balance of RMB14,988.4 million.

Unit: RMB million

	30 June 2009	31 December 2008
Total debt	**27,502.2**	24,550.5
Cash and bank balances	**14,988.4**	11,691.0

TOTAL DEBT TO TOTAL CAPITALISATION RATIO

As at 30 June 2009, the ratio of total debt to total capitalisation was 46.4% compared with 45.0% as at 31 December 2008, 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 stabilise interest expenses, the Group endeavoured to maintain appropriate borrowings at fixed and floating interest rates. The Group made timely adjustment to the debt structure under the current circumstances where interest rates were reduced from time to time. As at 30 June 2009, 77.8% of the Group's total borrowings was subject to floating interest rates.

AVAILABLE FACILITIES

Save for cash and bank balances of RMB14,988.4 million as at 30 June 2009, the Group had unutilised banking facilities of RMB18,457.2 million. The Group has entered into cooperation agreements with various major banks in China. Under 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 2009, aggregate available banking facilities under these arrangements was approximately RMB43,282.3 million, of which RMB24,825.1 million has already been allocated to various projects.

PLEDGED ASSETS

As at 30 June 2009, the Group had pledged assets of RMB11,671.1 million (31 December 2008: RMB10,297.3 million) for bank borrowings.

CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB2,859.1 million as at 30 June 2009.

INTEREST COVERAGE

For the six months ended 30 June 2009, earning before interest expense, tax, depreciation and amortisation ("**EBITDA**") divided by interest expense was 6.8 times as compared with 8.7 times for the same period in 2008. Although interest expense decreased by 17.4%, interest coverage ratio also decreased, mainly due to a decrease of EBITDA by 35.5% as the drop in operating results of the Group.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2009	2008
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
REVENUE		15,972,040	20,782,755
Cost of sales		(13,306,606)	(15,646,435)
Gross profit		2,665,434	5,136,320
Other income and gains	4	1,337,951	922,790
Selling and distribution costs		(522,122)	(533,158)
Administrative expenses		(832,634)	(898,227)
Other expenses		(236,627)	(383,645)
Finance costs	5	(573,468)	(699,231)
Share of profits and losses of:			
- Jointly-controlled entities		6,407	2,947
- Associates		553,204	902,072
PROFIT BEFORE TAX	6	2,398,145	4,449,868
Tax	7	(336,017)	(950,911)
PROFIT FOR THE PERIOD		2,062,128	3,498,957
Attributable to:			
Equity holders of the parent		1,316,264	1,921,372
Minority interests		745,864	1,577,585
		2,062,128	3,498,957
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
- BASIC (RMB)		0.20	0.30
- DILUTED (RMB)		N/A	N/A

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		16,604,945	16,378,577
Investment properties		1,351,205	429,000
Prepaid land lease payments		971,849	893,404
Exploration and evaluation assets		408,841	386,645
Mining rights		1,058,288	1,110,721
Intangible assets		35,073	28,826
Goodwill		96,524	90,591
Interests in jointly-controlled entities		658,246	632,481
Interests in associates		6,193,375	5,947,063
Held-to-maturity investments		65,309	63,761
Available-for-sale investments		2,419,855	1,905,289
Properties under development		4,812,226	6,666,100
Loans receivable		220,000	220,000
Prepayments		1,153,452	1,156,383
Deferred tax assets		759,065	663,330
Total non-current assets		36,808,253	36,572,171
CURRENT ASSETS			
Cash and bank balances		14,988,359	11,691,015
Equity investments at fair value through profit or loss		2,152,250	1,534,899
Trade and notes receivables	9	4,582,005	2,441,440
Prepayments, deposits and other receivables		2,406,807	2,793,980
Loan receivables		220,000	-
Inventories		5,976,247	6,203,675
Completed properties for sale		1,026,932	987,604
Properties under development		7,318,071	6,121,600
Due from related companies		1,087,474	830,953
		39,758,145	32,605,166
Non-current assets held for sale		165,596	594,430
Total current assets		39,923,741	33,199,596

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Notes	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		15,695,221	15,228,528
Trade and notes payables	10	5,763,700	5,180,426
Accrued liabilities and other payables		7,823,292	5,931,574
Tax payable		1,325,729	1,385,710
Due to the holding company		883,059	568,819
Due to related companies		411,676	864,135
Total current liabilities		31,902,677	29,159,192
NET CURRENT ASSETS		8,021,064	4,040,404
TOTAL ASSETS LESS CURRENT LIABILITIES		44,829,317	40,612,575
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		11,649,353	9,169,761
Loans from related companies		157,635	152,193
Deferred income		66,517	47,702
Other long-term payables		574,280	634,251
Deferred tax liabilities		601,302	565,581
Total non-current liabilities		13,049,087	10,569,488
Net assets		31,780,230	30,043,087
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		621,497	621,497
Reserves		20,298,941	18,795,730
Proposed final dividend	11	-	453,051
		20,920,438	19,870,278
Minority interests		10,859,792	10,172,809
Total equity		31,780,230	30,043,087

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months ended 30 June 2009 (the "Period"), 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 2008.

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 2008, 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 2009, the Group adopted the following new and revised HKFRSs, which are relevant to its operations.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	*Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosure about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 Financial Instruments: *Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*

2.2 ADOPTION OF NEW AND REVISED HKFRSs (continued)

HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
Annual Improvements to HKFRSs 2008	

The principal effects of adopting these new and revised HKFRSs are as follows:

HKFRS 8 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 *Segment Reporting*. Additional disclosures about each of these segments are shown in Note 3, including revised comparative information.

HKAS 1 (Revised) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

Except as stated above, the adoption of the above new and revised HKFRSs is unlikely to have a significant impact on the Group's interim condensed consolidated financial statements.

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 1 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRS– *Additional Exemptions for First-time Adopters*[1]
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Accounting *for Group Cash-settled Share-based Payment Transactions*[1]
HKFRS 1 (Revised)	*First-time Adoption of HKFRSs*[2]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[2]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[2]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers*[2]

[1] Effective for annual periods beginning on or after 1 January 2010
[2] Effective for annual periods beginning on or after 1 July 2009

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 impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may affect future acquisitions, loss of control and transactions with minority interests.

Except as stated above, the adoption of the above new and revised HKFRSs is unlikely to have a significant impact on the Group's interim condensed consolidated financial statements.

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 reportable operating 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 reportable operating segments. Summary details of the reportable operating segments are as follows:

(i) the pharmaceuticals 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 services industries, and other strategic investments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2009

	Pharma-ceuticals 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	1,740,192	2,003,574	11,674,360	553,914	-	-	15,972,040
Inter-segment sales	-	-	-	335,265	-	(335,265)	-
Other income and gains	135,098	80,180	739,313	54,272	186,192	(15,400)	1,179,655
Total	1,875,290	2,083,754	12,413,673	943,451	186,192	(350,665)	17,151,695
Segment results	**185,487**	**579,923**	**1,045,012**	**343,348**	**118,792**	**57,803**	**2,330,365**
Interest and dividend income	10,539	7,399	94,279	5,786	106,081	(65,788)	158,296
Unallocated expenses							(76,659)
Finance costs	(74,856)	(29,477)	(361,002)	(25,341)	(82,792)	-	(573,468)
Share of profits and losses of:							
- Jointly-controlled entities	-	6,407	-	-	-	-	6,407
- Associates	259,326	(4,768)	290,298	(45,170)	53,518	-	553,204
Profit/(loss) before tax	380,496	559,484	1,068,587	278,623	195,599	(7,985)	2,398,145
Tax	(26,705)	(257,581)	42,628	(65,415)	(34,045)	5,101	(336,017)
Profit/(loss) for the Period	353,791	301,903	1,111,215	213,208	161,554	(2,884)	2,062,128

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2008

	Pharma-ceuticals 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	333,418	25,800	334,664	85,059	428	(4,343)	775,026
Total	2,213,890	1,058,917	16,938,888	1,933,821	428	(588,163)	21,557,781
Segment results	**409,112**	**384,249**	**2,223,381**	**1,352,948**	**(216,137)**	**(4,343)**	**4,149,210**
Interest and dividend income	14,414	8,635	29,927	14,787	159,759	(79,758)	147,764
Unallocated expenses							(52,894)
Finance costs	(75,981)	(23,206)	(473,960)	(26,433)	(100,707)	1,056	(699,231)
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	(117,047)	(83,045)	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	(129,000)	(83,045)	3,498,957

3. SEGMENT INFORMATION (continued)

Segment assets:

Total segment assets as at 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Pharmaceuticals	8,069,259	6,870,278
Property development	22,471,308	19,482,432
Steel	30,331,574	26,993,660
Mining	5,655,431	6,198,221
Others	14,604,337	15,499,617
	81,131,909	75,044,208
Adjustments and eliminations[1]	(4,399,915)	(5,272,441)
Total consolidated assets	76,731,994	69,771,767

[1] Inter-segment loans and other balances of RMB5,264,815,000 (31 December 2008: RMB6,031,455,000) are eliminated on consolidation. Segment assets do not include deferred tax of RMB759,065,000 (31 December 2008: RMB663,330,000) and income tax recoverable of RMB105,835,000 (31 December 2008: RMB95,684,000) as these assets are managed on a group basis.

4. OTHER INCOME AND GAINS

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

	For the six months ended 30 June 2009 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)
Other income		
Interest income	80,829	135,800
Dividends from available-for-sale investments	76,435	3,143
Dividends from equity investments at fair value through profit or loss	1,032	8,821
Gross rental income	32,128	20,691
Sale of scrap materials	39,669	28,545
Government grants	77,713	36,337
Consultancy income	9,736	1,517
Processing income	17,433	10,493
Others	65,803	97,995
	400,778	343,342

4. OTHER INCOME AND GAINS (continued)

	For the six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Gains		
Gain on disposal of subsidiaries	-	1,497
Gain on disposal of interests in subsidiaries	-	247,854
Gain on disposal of associates	642,834	172,541
Gain on disposal of items of property, plant and equipment	-	1,757
Gain on disposal of available-for-sale investments	48,358	145,799
Gain on disposal of equity investments at fair value through profit or loss	39,459	-
Gain on fair value adjustment of investment properties	55,670	10,000
Gain on deemed disposal of interest in an associate	7,609	-
Exchange gains, net	143,243	-
	937,173	579,448
Other income and gains	1,337,951	922,790

5. FINANCE COSTS

	For the six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Total interest expenses	794,682	854,853
Less: Interest capitalized	(230,289)	(171,724)
Interest expenses, net	564,393	683,129
Bank charges and other finance costs	9,075	16,102
Total finance costs	573,468	699,231

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2009	**2008**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
Cost of sales	13,306,606	15,646,435
Inventories written off	40	409
Depreciation of items of property, plant and equipment	801,831	745,425
Amortization of:		
Prepaid land lease payments	9,552	9,590
Mining rights	50,370	41,351
Intangible assets	2,086	2,454
Exchange loss, net	-	113,050
Provisions/(reversals) for impairment of:		
Trade and other receivables	(2,574)	(1,153)
Items of property, plant and equipment	595	-
Available-for-sale investments	1,119	-
Inventories	11,594	14,369
Provision for indemnity of LAT (note 7(3))	2,880	15,110
Loss on deemed disposal of interest in an associate	-	25,238
Loss on disposal of non-current assets held for sale	1,419	-
Loss on fair value adjustment on equity investment at fair value through profit or loss	21,369	21,326
Loss on disposal of items of property, plant and equipment	2,556	10,988

7. TAX

The major components of income tax expenses for the six months ended 30 June 2009 and 2008 are as follows:

		For the six months ended 30 June	
		2009	**2008**
		RMB'000	**RMB'000**
	Notes	**(Unaudited)**	**(Unaudited)**
Current – Hong Kong	(1)	5,144	2,082
Current – Mainland China			
- Income tax in Mainland China for the Period	(2)	341,116	780,577
- LAT in Mainland China for the Period	(3)	129,912	175,843
Deferred		(140,155)	(7,591)
Income tax expenses for the Period		336,017	950,911

7. TAX (continued)

Notes:

(1) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the 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 Period (six months ended 30 June 2008: 25%), 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 unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

For the Period, based on the latest understanding of LAT regulations from the tax authorities, the Group provided additional LAT of RMB112,659,000 (six months ended 30 June 2008: RMB165,016,000) in respect of the sales of properties sold up to 30 June 2009 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

In 2004, Shanghai Fosun High Technology (Group) Co., Ltd. ("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 ("Forte Group") 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 the Forte Group as at 30 November 2003. As at 30 June 2009, the outstanding LAT indemnity payable to Forte after netting off potential income tax saving amounted to RMB70,468,000 (31 December 2008: RMB59,441,000), and the deferred tax liability arising thereon amounted to RMB65,319,000 (31 December 2008: RMB62,561,000). The Group's share of losses arising from the LAT indemnity during the Period amounted to RMB2,880,000 (six months ended 30 June 2008: RMB15,110,000).

(4) The share of tax attributable to jointly-controlled entities and associates amounting to RMB999,000 (six months ended 30 June 2008: RMB1,854,000) and RMB124,871,000 (six months ended 30 June 2008: RMB207,190,000), 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. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of earnings per share is based on profit for the Period attributable to equity holders of the parent of RMB1,316,264,000 (six months ended 30 June 2008: RMB1,921,371,000).

The calculation of earnings per share is based on the weighted average number of 6,421,594,500 shares in issue during the Period (six months ended 30 June 2008: 6,424,708,497 shares).

No diluted earnings per share amounts are presented for the two periods ended 30 June 2009 and 2008 as no diluting events occurred during the two periods ended 30 June 2009 and 2008.

9. TRADE AND NOTES RECEIVABLES

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade receivables	1,390,432	1,068,676
Notes receivable	3,191,573	1,372,764
	4,582,005	2,441,440

An aged analysis of trade receivables as at the statement of financial position date, based on the invoice date, is as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,134,353	939,067
91 - 180 days	157,053	75,258
181 - 365 days	87,016	35,977
1 - 2 years	28,172	26,742
2 - 3 years	5,165	8,906
Over 3 years	54,667	61,040
	1,466,426	1,146,990
Less: Provision for impairment of trade receivables	(75,994)	(78,314)
	1,390,432	1,068,676

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
Pharmaceuticals segment	90 to 180 days
Property development segment	30 to 360 days

9. TRADE AND NOTES RECEIVABLES (continued)

The Group's notes receivable with a carrying value of RMB224,200,000 (31 December 2008: RMB112,000,000) was pledged to certain banks as security for bank loans granted to the Group.

10. TRADE AND NOTES PAYABLES

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade payables	2,440,291	3,173,599
Notes payable	3,323,409	2,006,827
	5,763,700	5,180,426

An aged analysis of trade payables as at the statement of financial position date, based on the invoice date, is as follows:

Outstanding balances with ages:		
Within 90 days	1,526,662	2,484,540
91 - 180 days	271,738	402,703
181 - 365 days	451,573	54,503
1 - 2 years	132,315	175,311
2 - 3 years	41,626	34,965
Over 3 years	16,377	21,577
	2,440,291	3,173,599

11. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2008: Nil).

The proposed final dividend of HKD0.08 per ordinary share for the year ended 31 December 2008 was declared payable and approved by the shareholders at the Annual General Meeting of the Company on 19 June 2009.

12. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

(a) On 9 August 2009, Forte, a subsidiary of the Company, entered into an equity transfer agreement with Jiangyin Lichang Property Development Co., Ltd. and Jiangsu Zhengyang Property Management Co., Ltd. to acquire their 51% and 49% equity interest, respectively, in Nanjing Runchang Property Development Co., Ltd. ("Nanjing Runchang") for the purpose of acquiring and developing one piece of land located in Nanjing, the PRC for a total consideration of RMB1,044,500,000.

This is a parcel of land of an aggregate area of approximately 176,751.70 square meters and an aggregate gross floor area of approximately 300,417square meters located in Nanjing, the PRC, for residential and commercial uses. Nanjing Runchang will make instalment payments of the land premium in an aggregate amount of RMB1,750,000,000 and apply for the land use rights certificate under its name.

12. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE (Continued)

(b) On 17 August 2009, Forte obtained the "Approval for the Public Issue of Domestic Corporate Bonds by Shanghai Forte Land Co., Ltd." (Zheng Jian Xu Ke「2009」No.786) from the China Securities Regulatory Commission whereby Forte is permitted to issue domestic corporate bonds with an aggregate principal amount of not more than RMB1,900,000,000.

(c) As at 30 June 2009, Forte Group advanced RMB565,070,000 (31 December 2008: RMB540,070,000) to acquire 37% equity interest of Beijing Hehua Real Estate Development Co. Ltd.("Beijing Hehua") for the joint development of JW Marriott Centre in Beijing.

Subsequent to the business re-registration of Beijing Hehua and the completion of the equity transfer effective on 18 August 2009, Forte Group's proposed acquisition of the 37% equity interest in Beijing Hehua was completed.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of 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 of the Company.

The duties of the Audit Committee of the Company primarily include the review and supervision of the financial reporting procedures and internal control system of the Group, as well as advising the Board.

The interim results of the Company for the Reporting Period are unaudited but have been reviewed by the Audit Committee of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions of The Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**), except for the deviation from code A.2.1. This deviation was rectified on 16 January 2009, and details 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. During the Reporting Period, up until 16 January 2009, Mr. Guo Guangchang held the offices of Chairman and Chief Executive Officer of the Company. In order to further enhance the administrative and management responsibilities of members of the senior management of the Company, Mr. Liang Xinjun was appointed Chief Executive Officer of the Company in place of Mr. Guo Guangchang with effect from 16 January 2009 and Mr. Wang Qunbin was appointed President of the Company in place of Mr. Liang Xinjun with effect from 16 January 2009. Mr. Guo Guangchang remains Chairman and executive director of the Company.

PUBLICATION OF THE INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (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

Shanghai, the PRC, 24 August 2009

As at the date of this announcement, the executive directors of the Company 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.