FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED
(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL SUMMARY

	For the year ended 31 December	
In RMB million	**2013**	2012
Revenue	**51,016.9**	51,764.7
Insurance	**276.8**	–
Industrial Operations	**50,362.8**	51,625.0
Investment	**399.8**	242.1
Asset Management	**443.5**	310.8
Eliminations	**(466.0)**	(413.2)
Profit attributable to owners of the parent	**5,518.9**	3,707.2
Insurance	**523.6**	(54.9)
Industrial Operations	**3,836.0**	2,419.0
Investment	**1,781.6**	2,005.8
Asset Management	**51.0**	61.0
Unallocated expenses	**(525.4)**	(468.2)
Eliminations	**(147.9)**	(255.5)
Earnings per share – basic *(in RMB)*	**0.86**	0.58
Earnings per share – diluted *(in RMB)*	**0.86**	0.58
Dividend per share *(in HKD)*	**0.15**	0.17

CHAIRMAN'S STATEMENT

Dear shareholders,

As at the end of the Reporting Period, net assets attributable to owners of the parent of the Group reached RMB39,628.2 million, representing an increase of 12.6% from the end of 2012. Of which, equity interests totaling RMB12,875.7 million represented net assets attributable to the Group by listed subsidiaries and associates of the Group. The total market capitalization of these equity interests amounted to RMB24,747.3 million. The Board has resolved to recommend payment of a final dividend of HKD0.15 per ordinary share for the year ended 31 December 2013.

This report aims to review the businesses of the Group in 2013 and to share my projections for Fosun's development in 2014.

REVIEW OF BUSINESSES IN 2013

2013 was a year of changes, opportunities and challenges in the macroeconomic landscape. Led by a spiritual courage of "reinitiating two decades of entrepreneurship", all business segments and key member enterprises persevered and progressed against a backdrop of generally unfavorable market conditions and managed to accomplish encouraging results amidst the volatile economic landscape, helping Fosun move closer towards its goal of becoming a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "profound industrial foothold based investment capability" .

Industrial Operations

In 2013, our industrial operations as a whole performed satisfactorily, profit attributable to owners of the parent reached RMB3,836.0 million. **Fosun Pharma** accelerated its consolidation pace within the pharmaceutical industry in China, while proactively expanding its presence in the international markets. Despite the austerity measures remained imposed on China's property market, **Forte** delivered excellent results for the year by reorienting its business strategies timely in response to changes in the market, speeding up its asset turnover cycles and developing sales strategies customized to the needs of different cities. In light of the unfavorable environment surrounding the steel industry, **Nanjing Nangang** actively explored market potentials and accomplished achievements in improving its own operation capabilities and internal efficiency with significant reductions in costs, while making some inroads in setting up production plants in overseas markets. **Hainan Mining** managed to weather the downturn in the domestic steel industry and the volatile downtrend of iron ore prices by leveraging its own advantages, intensifying efforts in marketing and proactively adjusting its sales strategy. Hainan Mining achieved record high levels of production and sales of iron ore.

Investment

In 2013, Fosun made achievements in focusing on large-scale projects, actively implementing the investment model of "Combining China's Growth Momentum with Global Resources", embracing the internet and covering entire stages of investments.

• Focusing on large-scale projects

In December 2013, we acquired One Chase Manhattan Plaza which is located on Liberty Street, New York, for a consideration of USD725 million from JPMorgan Chase Bank, N. A.. In January 2014, we won a tender to acquire an 80% equity interest in Fosun Insurance Portugal for a consideration of Euro1 billion.

• "Combining China's Growth Momentum with Global Resources"

Fosun Pharma invested in Saladax Biomedical, Inc., a US-based provider of state-of-the-art diagnostic products. Fosun Pharma joined forces with Pramerica-Fosun China Opportunity Fund to acquire Alma Lasers Ltd. in Israel, a world-leading high-end manufacturer of medical and aesthetic devices. The Group and Pramerica-Fosun China Opportunity Fund invested in St. John, a high-end female apparel brand in the US, and Caruso, a high-end Italian brand of men's tailored clothing.

We established our Japan Investment Department and India Investment Department in 2013 and our Southeastern Asia Department in February 2014. Taking roots in China, Fosun possesses the capabilities of integrating global resources and is advancing towards its goal of establishing comprehensive footholds in key areas around the world.

• Embracing the internet

During the Reporting Period, Fosun achieved remarkable results in "Embrace the Internet Strategy", including successful investments in internet enterprises such as Perfect World, etc., participating in the completion of privatization of Focus Media; in high growth industry associated with the internet, we successfully invested in China Smart Logistics Network - Cainiao; In Online To Offline and internet finance industries, Fosun successfully invested and participated in the growth of Ali-Small Loan, etc. In addition, Fosun established Kinzon Capital (昆仲資本) a professional venture capital investment platform, thus further enhanced Fosun's capability of investing in both the internet and the mobile internet areas.

• Covering entire stages of investments

In 2013, we attracted several excellent teams to join the Fosun family, including the Kinzon Capital team, which is responsible for venture capital investments; the Xingjing Capital (星景資本) team, an investment fund focusing on the landscape industry; the Xinghong (星泓) team, which focuses on logistics, commerce and trade businesses and the Chuangfu Shenzhen M&A Fund (創富深圳併購基金) team. As such, Fosun has covered the entire stages of investments from venture capital investments to buy-out investment.

In addition, in 2013, we established a Financial Innovation Institute, a Real Estate Institute and an Innovation Investment Institute, conducted in-depth studies in areas including internet finance services and wealth management, "Hive City (Community)" products and cross-border investments, built an unique model of Fosun combining various industries and owned the investment capabilities operating and combining experience, in order to identify the next major investment opportunity. Furthermore, we set up an Internet Development Department and a Major Project Investment Development Department to focus on strategic opportunities brought about by the mobile internet and state-owned enterprise reforms, respectively.

Financing

Our financing and fund management function covers the whole investment business cycle, providing vital support to our major projects. Meanwhile, we also made remarkable progresses in asset management business.

• Innovations in major project-specific financing

In 2013, we completed a loan for the One Chase Manhattan Plaza project in New York, a Euro bridging loan for the privatization of Club Med, a US dollar bridging loan for the acquisition of Alma Lasers Ltd.; a pound-sterling overseas insurance institutional loan for the Lloyds Chambers of London project, rendering tremendous support to the Group's investments in major projects.

• Increased direct financing in the open market

In 2013, we raised additional funds from the open market aggregating RMB8 billion. The Company's wholly-owned subsidiary Sparkle Assets Limited completed a USD400 million senior note issue in January; Fosun Group announced the issuance of a RMB2 billion bonds via private placing in the inter-bank market in June and the Company's wholly-owned subsidiary Logo Star Limited completed a HKD3,875 million guaranteed convertible bond issue in Hong Kong in November.

• Explored innovations in indirect financing to reduce funding costs

The Group worked actively with insurance institutions such as banks for financial innovation, explored the fund raising channels such as enterprise annuities and insurance funds. Meanwhile, the cost of capital has been reduced.

• Took the scale of fund-raising for asset management and restructuring of limited partnerships ("LPs") to the next level

In 2013, we newly raised management fund of approximately RMB8 billion for our asset management business. Meanwhile, an initial restructuring of the LP constituents of our asset management has been made towards large-scale institutions and insurance companies as our major clients.

Insurance

Insurance is one of the core businesses of Fosun to focus . The Group has been regarding the development of insurance business as a good means to connect its investment capabilities with long-term high quality capital. Excluding the investment in Fosun Insurance Portugal, the insurance segment of Fosun currently includes three companies, namely Yong'an P&C Insurance, Pramerica Fosun Life Insurance and Peak Reinsurance, which constitute an insurance platform of Fosun driven by three growth drivers consisting of property and casualty insurance (P&C), life insurance and reinsurance. On the basis of taking the advantage of the investment capabilities of Fosun, the insurance segment has realized profit in an overall manner for the first year and has achieved results that beat projections. Peak Reinsurance, which was established at the end of 2012, achieved outstanding investment results. Yong'an P&C Insurance ranked 11th among China's P&C companies in terms of original premium income. Pramerica Fosun Life Insurance spent greater efforts in product innovation and has obtained licences for discretionary investment in financial products and bonds, equities, and approval for offshore US investments from China Securities Regulatory Commission.

In January 2014, Fosun acquired by tender an 80% equity interest in Fosun Insurance Portugal for a consideration of Euro1 billion, and entered into a formal agreement in February 2014.

DEVELOPMENT PROSPECTS FOR 2014

Development Opportunities for Fosun

With a strong rebound of the US economy and recovery of the economies in Europe, the global economy is recovering from the downturn seen in the past three years, progressing towards a new stage of weak recovery and growth. Taking into account all these factors, various research institutions raised their growth forecasts for the global economy in 2014 slightly, but their outlooks are still on the conservative end.

With a good macroeconomic environment in China, fixed asset investments resumed growth and consumption will grow steadily. Imports and exports will exhibit a steady trend. In 2014, with a better external environment, inauguration of comprehensive reforms, implementation of the new model of urbanization and the recovery growth in consumption, the economy in China will continue to "perform well while maintaining stability". The macroeconomic policies will remain stable. The fiscal policies will focus on ensuring and improving people's livelihood, increasing the cost-effectiveness in deployment of financial resources, improving tax reductions on a structural scale, and speeding up the financial and tax system reforms. The monetary policy will transform towards a more market-oriented model. The deposit-reserve ratio might be lowered. The risks that require vigilance and precautions include "economic fluctuation" that may be brought about by the US withdrawal of its quantitative easing policy, the adjustments in the real estate market, the severe indebtedness issue among local governments, the increasingly stringent regulatory policies, shadow banking and etc.

The middle class will play an increasingly important role in China's economic development. Personal finance is experiencing rapid growth. The internet helps to reduce information asymmetry and introduces earthbreaking changes to the models of production in traditional industries. The aging population, the new model of urbanization and the state-owned enterprise reforms will bring about new investment opportunities in China. The long-term inflation worldwide and the rapid development of China's economy will bring about new investment opportunities to the world.

Accordingly, while accelerating development in key areas including financing, real estates, health, culture and tourism, logistics and commerce, Fosun also attaches importance to new opportunities arising from changes in the mode of China's economic development and pays close attention to investment opportunities arising from the global economic landscape, and in particular, focuses on growth of personal experience-driven consumption and investment opportunities brought about by the slow growth of the branded luxury industry worldwide. More importantly, the society put more emphasis on the environmental protection and pay more attention on the food safety issues. From 2014, Fosun will start investing in the broad environmental protection sector.

The Development Direction of Fosun

For insurance business, based on the foundation of rapid growth in this segment in 2013, on one hand, supported by the investment capability of Fosun, Yong'an P&C Insurance, Pramerica Fosun Life Insurance and Peak Reinsurance will endeavor in ongoing product innovation through resources sharing with all business segments of Fosun and introducing the concept of mobile internet in 2014 and will strengthen and expand their existing insurance business; on the other hand, leveraging on Fosun Insurance Portugal, Fosun will spend extra efforts to explore the investment opportunities in overseas insurance companies.

For industrial operations, Fosun Pharma, as the core platform for pharmaceuticals and healthcare development of the Group, will strive to becoming a leading local enterprise with international visions, with bio-pharmaceutical innovation capabilities and an advantageous position in the healthcare sector in China through persistent deepening of business restructuring efforts. Forte will adhere strictly to a rapid asset turnover model, enhancing its systemic development capabilities, and further enhancing its capacity as a full-licensed real estate developer, so as to maximize shareholder returns. In the area of product strategies, an innovation by Fosun, integrating industrial and property assets, drawing on global resources, Hive City (Community), aims to provide core urban functions. We will acquire development projects that feature the "Hive City (Community)" concept in future, through introduction of core industries, derived industries and related supporting services of Fosun as core of the development, providing one-stop solution for upgrading of city and industry, achieving the urban space for work, living and consumption. For city strategies, it will deepen its foothold in first and second-tier cities and strives to replenish its land bank. It will also strengthen its cost management and enhance its marketing efforts. Taking "innovation and reforms" as the driving force, Nanjing Nangang will fully implement the internationalization strategy, persistently deepen the internal reform and proactively grasp the opportunities arisen from the rebound of the iron and steel industry while strengthening the reform of technology and importance of operation management upgrade to meet annual production and operation targets and bring itself on a fast track of transformation and upgrading. In addition to continuously optimizing production and operations at its headquarters, Hainan Mining will continue to enhance its operation, management and investment capabilities to groom itself into a leading domestic large-scale mining enterprise that enjoys a worldwide reputation, and will further improve its production and sales capabilities, strive for steady growth in iron ore output, sales volume, sales revenue and net profit. Hainan Mining will also further proceed with its listing plan, and will strive to complete its initial public offering of shares in 2014.

For investments, in light of the major economic trends outlined above, we will adhere to our value investing philosophy and stay concentrated on the major projects, actively implement our investment model of "Combining China's Growth Momentum with Global Resources", identify and capture better and more precise investment opportunities in China and other markets with international perspectives and the mobile internet concept. In particular, after the completion of the tender for an 80% equity interest in Fosun Insurance Portugal, Fosun will strengthen its investments, especially its fixed income investments, in EU and OECD member states. Meanwhile, Fosun will continue to take root in China, and accelerate investments with a focus on China's growth momentum, promote overseas investment with our investment model of "Combining China's Growth Momentum with Global Resources". We will also introduce more outstanding partners into China and share the growth momentum arising from economic transformation and development in China.

For asset management, we will put more emphasis on facilitating establishment of an integrated financing platform for LPs based on our existing foundation. Leveraging improvements in our investment capabilities, we will enhance product innovation. Meanwhile, we will have access to high quality capital such as insurance capital through various channels and will vigorously promote rapid growth in scale of our asset management operations.

Therefore, Fosun will make a major stride towards becoming a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "profound industrial foothold based investment capability".

MISSION, VISION AND OBJECTIVES OF FOSUN

Our mission: to drive the healthy development of the natural and commercial environments, and actively support the two "rejuvenation" of the Chinese economy and culture.

Our vision: to become a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "profound industrial foothold based investment capability". Our visionary objectives include two parts: firstly, we hope that with the help from Fosun, each enterprise in which Fosun invested will grow into a domestic or global top-notch enterprise in their respective industries. Secondly, the Group through serving high-caliber global investors and entrepreneurial teams, will become a premium investment group. We shall establish investment platforms through various methods (such as by attracting talents and teams, through investments, mergers and acquisitions, etc.) on a global basis, across different industries, throughout the whole industry chain and all business models, so as to deliver more high-return investments and accelerate the pursuit of our strategic development objective of becoming a premium investment group.

Our performance in the past depended largely on the support and help from all sectors of the society and positive efforts made by all staff of Fosun. I would like to take this opportunity to express my heartfelt gratitude to members of the Board, all staff of the Group, the teams of entrepreneurs the Group invested in and cooperation partners for your confidence in and support for Fosun.

Looking ahead, we should remember by heart our missions, visions and responsibilities. We will continue to adhere to our development principle of "Together We Make a Difference", insist on our core values of "self-improvement, teamwork, performance and contribution to society", conform to our corporate culture of frank exchange of views, staying legally compliant and highly transparent, embracing openness and harmony, learning and innovation and gratitude, adhering to entrepreneurial mindsets, focusing on entrepreneurs and unrelenting pursuit of excellence and perfection.

In 2014, we continue to move on.

Guo Guangchang
25 March 2014

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, net asset attributable to owners of the parent of the Group reached RMB39,628.2 million, representing an increase of 12.6% from the end of 2012. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB5,518.9 million, representing an increase of 48.9% over the same period of 2012, primarily due to the sound operating results of the Group's insurance and industrial operations segments.

ASSET ALLOCATION OF THE GROUP

During the Reporting Period, the Group stuck to the philosophy of value investment, actively optimized its asset allocation and continued to implement the investment mode of "combining China's growth momentum with global resources" to build an portfolio benefiting from China's growth momentum.

Unit: RMB million

	Total assets in 2013 (As at 31 December 2013)	Total assets in 2012 (As at 31 December 2012)	Change over the same period last year
Insurance	5,448.1	4,336.4	+25.6%
Industrial Operations	135,894.1	121,388.4	+11.9%
Including:			
- Fosun Pharma	29,250.6	25,420.8	+15.1%
- Forte	63,816.8	53,965.0	+18.3%
- Nanjing Nangang	38,014.7	37,288.8	+1.9%
- Hainan Mining	4,812.0	4,713.8	+2.1%
Investment	44,578.6	41,297.9	+7.9%
Asset Management	3,139.7	13,987.7	-77.6%
Eliminations	(5,936.6)	(18,812.0)	-68.4%
Total	183,123.9	162,198.4	+12.9%

INSURANCE

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

Since 2007, the Group has been putting great efforts in the development of insurance business. Further to the investment in Yong'an P&C Insurance, in 2012, Pramerica Fosun Life Insurance and Peak Reinsurance invested by the Group also obtained operation approval and business authorization from regulatory authorities respectively, and commenced operation in Shanghai and Hong Kong respectively. The Group regarded the development of insurance business as a good means to connect Fosun's investment capability to long-term high quality capital. In this way, the above three insurance companies can improve their profits from underwriting by leveraging on the Group's extensive industrial operation experience and expertise in insurance and finance, and also realize their investment revenue through the Group's excellent investment capabilities. As a result, insurance business will be one of our core businesses to focus on in the future.

Yong'an P&C Insurance

During the Reporting Period, the marine insurance operation center in Shanghai of Yong'an P&C Insurance was officially opened in July 2013 which greatly enhanced its operational strengths in marine insurance business; meanwhile the qualifications for sale of automobile insurance by telephone was duly approved which facilitated the steady launch of the sale-by-telephone business; Yong'an P&C Insurance's own insurance sales company also set up 15 branches at the provincial level through which production capacities were gradually formed. In July 2013, Yong'an P&C Insurance was qualified to invest in real estate which enhanced its investment capabilities. As of the end of 2013, Yong'an P&C Insurance had an investable assets of RMB8.9 billion and an investment yield rate of 6.44% which was among the forefront in the property insurance industry; the annual premium income of RMB7,478.9 million, representing an increase of 6.5% as compared with the same period of 2012; and net profit of RMB87 million, representing a decrease of 52% as compared with the same period of 2012. Due to a sharp increase in compensation costs, price competition for domestic insurance is intensifying with high expense ratio, leading to underwriting loss.

Pramerica Fosun Life Insurance

In 2013, as a newly established life insurance joint venture, Pramerica Fosun Life Insurance made outstanding achievements in building its business base, developing operational model and business policies, broadening investment channels and promoting the innovation of products and sales model. In 2013, it had annualized premium income from underwriting new insurance policies of RMB16.7 million and total premium income of RMB16.5 million. Investment yield rate for 2013 was 2.29% (including working capital), and investable assets was RMB328 million as of the end of 2013.

Pramerica Fosun Life Insurance adhered to a multi-channel development strategy. Apart from the traditional channels through agents and banks, workplace marketing channel benefiting from its shareholders resources provided enterprises with solutions in respect of staff welfares; diversified sales channels by developing innovative model of sales through part-time agents; and sales cooperation successfully established with securities institutions.

In 2013, Pramerica Fosun Life Insurance launched the trilogy "Aviation Safety (藍天守護)", "Car-owner's Partner (車主伴侶)" and "Health Manager (健康管家)" to attract customers and developed lump-sum universal bank insurance in the fourth quarter. At present, Pramerica Fosun Life Insurance possessed a relatively complete set of product line including life insurance, accident insurance, serious disease insurance, universal insurance and medical insurance. For investment, Pramerica Fosun Life Insurance was qualified to invest in bonds, stocks and other financial products in an entrusted manner and obtained the approvals from China Insurance Regulatory Commission for overseas investment.

In 2013, Pramerica Fosun Life Insurance won "The Best Channel Innovative Life Insurance Company (最佳渠道創新人壽保險公司獎)" issued by CBN (第一財經), "The Innovative Insurance Company (創新服務保險公司獎)" by Jiefang Daily, "Warming Finance 'Annual Potential' (溫暖金融"年度潛力獎")" by CBN for teenager community volunteer award projects, and "The Most Popular Product (最受歡迎產品獎)" by Jiefang Daily for Baodefu (保得福) product.

Peak Reinsurance

Peak Reinsurance obtained its certificate of authorization in respect of the reinsurance business from the Office of the Commissioner of Insurance in Hong Kong in December 2012. During the Reporting Period, Peak Reinsurance has served over 90 customers in 19 Asian Pacific markets. In 2013, Peak Reinsurance had an annual non-life premium income of USD103.2 million with an investment yield rate of approximately 27% and a net profit before tax of USD104.4 million. The Group owns 85.1% interest in Peak Reinsurance, while International Finance Corporation owns the remaining 14.9% interest. As of the end of 2013, Peak Reinsurance's investable assets were USD679 million. The total investment returns for bonds, equities and bank time deposit were 6.8%, 67.3% and 0.2% respectively. Peak Reinsurance would continue to establish prudent and responsible investment strategies for its investable assets to maintain its financial soundness.

INDUSTRIAL OPERATIONS

The industrial operations of the Group include Fosun Pharma, Forte, Nanjing Nangang and Hainan Mining.

Fosun Pharma

In 2013, Fosun Pharma adhered to its business philosophy of "Innovation for Good Health", focused on its core pharmaceutical and healthcare businesses, continued to develop product innovation and improve management, and promoted the strategies of organic growth, external expansion and integrated development. It continued to enhance its core drug manufacturing business with on-going improvement in key business indicators such as operating income, net profit and operating cash flow. In therapeutic areas such as cardiovascular system, central nervous system, blood system, metabolic and gastrointestinal diseases and anti-infective, all core products of Fosun Pharma maintained good momentum of development with a number of products staying ahead in their respective market segments. During the Reporting Period, 15 formulation items and series of Fosun Pharma have recorded sales revenue of over RMB100 million. Fosun Pharma continued to increase its investment in research and development. During the Reporting Period, the new product You Li Tong 優立通 (febuxostat tablets) was approved for launch to the market, which is expected to become a new business growth point.

In 2013, Fosun Pharma continued to increase investment in the area of medical services, and has successively invested in Guangzhou Nanyang Tumor Hospital, a hospital for treating cancers with a combination of Chinese and Western medicines, and Foshan Chancheng Central Hospital Company Limited, a 3A class hospital, basically forming the strategic layout of medical services business combining high-end medical services in coastal developed cities with specialist and general hospitals in second and third tier cities. As of the end of 2013, Anhui Jimin Cancer Hospital, Yueyang Guangji Hospital, Suqian Zhongwu Hospital and Central Hospital of Foshan Chancheng Central Hospital controlled by Fosun Pharma had a total of 2,090 approved beds.

During the Reporting Period, Sinopharm, in which Fosun Pharma having interests, completed placing of 165,668,190 H shares, raising net proceeds of approximately HKD4 billion.

Continuous efforts were also made in accelerating industry consolidation, expanding distribution network of pharmaceutical products and maintaining rapid growth in business. In 2013, Sinopharm realized revenue of RMB166.866 billion, net profit of RMB3.58 billion and net profits attributable to owners of the parent of RMB2.25 billion, representing an increase of 22.24%, 16.01 % and 13.67% respectively compared with the same period of 2012.

Fosun Pharma followed a path towards global development, and actively sought opportunities for overseas business expansion and international mergers and acquisitions. During the Reporting Period, Fosun Pharma invested in Alma Lasers Ltd., a world-leading supplier of medical and aesthetic laser equipment, and continued to maintain its leadership position in the global market segments.

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

Unit: RMB million

	2013	2012	Change over the same period last year
Revenue	**9,921.5**	7,278.3	+36.3%
Profit attributable to owners of the parent	**828.8**	723.4	+14.6%

During the Reporting Period, the increase of the revenue and profit attributable to owners of the parent of Fosun Pharma was mainly due to the rapid development of businesses in the aspect of drug manufacturing and development and research, pharmaceutical business, investment, etc..

Forte

In 2013, austerity measures remained imposed on China's property market, but the main regulatory priority was changing gradually from sweeping control to long term mechanism and differentiation of control direction in various cities. In 2013, the property market recovered substantially and transaction volume in the first and second-tier cities rose significantly to a record high for the corresponding period in recent four years. Throughout the year, a total of RMB8.6 trillion was invested in property development across the country, representing an increase of approximately 19.8% as compared to 2012, while the total sales of commercial housing in China reached RMB8.1 trillion, representing an increase of approximately 26.3% over 2012.

In 2013, Forte adhered to the policy of "coordinated development of residential and commercial property, fast turnaround, deep presence in selected regions, quality branding", and under the concept of "regaining entrepreneurial spirit", continued to deepen its nationwide strategies by keeping up with the pace of a new round of urbanization and strengthened its business expansion capabilities in established cities by penetrating into the first and second-tier cities. Against the backdrop of control, Forte responded promptly to changes in the market to reorient operation strategy and speeded up its turnaround, and drew up specific sales plans according to the actual conditions in different cities. Forte finally reaped satisfactory results in the whole year.

Looking ahead, Forte would build "Hive City (Community)" centered on the integration of industries and cities by inheriting the Group's development direction of "finance, real estate, health, culture and tourism, logistics and commerce", with a focus on broader international development platform. In 2014, Forte will actively carry out reforms together with its parent company Fosun Group , through consistent innovations and combining more global resources and various product lines to become a solution provider for a new round of urbanization and deliver a colorful and convenient life style for more customers.

Project Development

During the Reporting Period, Forte's GFA under development was approximately 7,935,282 sq.m., and attributable GFA amounted to approximately 4,873,054 sq.m., representing a decrease of approximately 6.6% compared with the same period of last year (2012: attributable GFA of approximately 5,216,618 sq.m.).

During the Reporting Period, the GFA of newly commenced projects was approximately 2,428,336 sq.m., and attributable GFA amounted to approximately 1,255,549 sq.m., representing a decrease of approximately 48.1% compared with the same period of last year (2012: attributable GFA of approximately 2,417,522 sq.m.).

During the Reporting Period, the GFA of completed projects was approximately 2,181,685 sq.m., and attributable GFA amounted to approximately 1,727,468 sq.m., representing an increase of approximately 11.9% compared with the same period of last year (2012: attributable GFA of approximately 1,543,510 sq.m.).

Project Reserves

During the Reporting Period, Forte obtained 10 projects as additional project reserves with planned GFA of approximately 2,357,300 sq.m. and attributable GFA was approximately 1,439,252 sq.m., representing an increase of approximately 0.7% compared with the same period of last year (2012: attributable GFA of approximately 1,428,882 sq.m.).

As at the end of the Reporting Period, Forte owned project reserves with planned GFA of approximately 16,674,460 sq.m. in aggregate, and attributable GFA was approximately 10,161,074 sq.m., representing a decrease of approximately 6.1% compared with the same period of last year (2012: attributable GFA of approximately 10,823,475 sq.m.).

Property Sales

During the Reporting Period, Forte realized property sales area and sales revenue of approximately 1,473,915 sq.m. and RMB19,976.1 million, and attributable sales area and sales revenue amounted to approximately 997,974 sq.m. and RMB12,837.6 million, representing a decrease of approximately 9.4% and an increase of approximately 5.7% respectively, compared with the same period of last year (2012: attributable sales area and sales revenue of approximately 1,100,954 sq.m. and RMB12,144.0 million).

Property Booked

During the Reporting Period, the property area (booked area) and property amount (booked amount) booked by Forte were approximately 1,541,230 sq.m. and RMB18,032.8 million (including the projects of jointly-controlled entities and associates owned by Forte but excluding the projects developed by the associate Zendai) respectively. Attributable area and amount booked amounted to approximately 1,137,754 sq.m. and RMB12,554.5 million, representing an increase of approximately 16.9% and 26.3% respectively, compared with the same period of last year (2012: attributable area and amount booked of approximately 973,412 sq.m. and RMB9,939.9 million).

As at the end of the Reporting Period, the area and amount sold but not booked were approximately 1,218,435 sq.m. and RMB17,758.1 million respectively, and attributable area and amount sold but not booked amounted to approximately 751,310 sq.m. and RMB11,217.1 million, representing a decrease of approximately 15.7% and an increase of 2.6% respectively, compared with the same period of last year (2012: attributable area and amount sold but not booked of approximately 891,090 sq.m. and RMB10,934.0 million) (including the projects of jointly-controlled entities and associates owned by Forte but excluding the projects developed by the associate Zendai).

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

Unit: RMB million

	2013	2012	Change over the same period last year
Revenue	**11,361.6**	10,478.0	+8.4%
Profit attributable to owners of the parent	**2,035.9**	1,522.2	+33.7%

During the Reporting Period, the increase in the revenue of Forte was mainly attributable to the increase in booked area of completed properties as compared with last year, while the increase in profit attributable to owners of the parent was due to the growth of revenue and the increased appreciation in investment property.

Nanjing Nangang

In 2013, the operational environment in steel industry further deteriorated which put a number of enterprises in unprecedented crisis of survival. Against such severe situation, Nanjing Nangang further promoted “great marketing strategy”, deepened “refined management” and made overall arrangement of various work related to enterprise transformation and upgrade through in-depth activities of “exploring potential and increasing gains”, particularly by systematic planning and overall promotion in construction of key projects, promotion of great marketing, international positioning, deepening internal reform, diversified industrial development and other aspects. In the second half of 2013, transformation and upgrading projects were completed and put into operation in succession which set a solid foundation for future development. At present, eight major segments have been initially formed such as informationization, extended processing, trade, comprehensive utilization of resources and operation of finance and investment, which have revealed good prospects with accelerated growth.

In the major economic indicator rankings of large iron and steel enterprises with more than 5.0 million tonnes of annual steel production published by the China Iron and Steel Association, net asset return of Nanjing Nangang ranked second, profit per tonne of steel ranked third, profit per capita, profits tax per capita and sales profit margin ranked fourth, and the most important overall economic efficiency index ranked third in 2013.

Main products of Nanjing Iron & Steel:

	Output in 2013(' 000 tonnes)
Medium and heavy plates	3,309.6
High strength ship plates	391.1
Boiler and pressure vessel plates	341.6
Pipeline steel plates (straight seam)	266.3
Bearing steel	188.8

Meanwhile, Nanjing Nangang also owns a controlling stake in Jin'an Mining, the main product of which is iron concentrate. Its major production data was as follows:

	Output of iron concentrate ('000 tonnes)	Reserve volume Note
2013	958.0	73.6 million tonnes iron ore
2012	909.9	78.4 million tonnes iron ore
Change over the same period last year	5.3%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2013 was an estimated value.

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

Unit: RMB million

	2013	2012	Change over the same period last year
Revenue	**26,425.3**	31,717.2	-16.7%
Profit/(loss) attributable to owners of the parent	**368.9**	(289.4)	Not applicable

During the Reporting Period, the declined revenue of Nanjing Nangang was primarily due to a decrease in both average selling prices and sales volume of products. The substantial increase of the profit attributable to owners of the parent was mainly due to the gain on the disposal of an available-for-sale investment of Huatai Securities Co., Ltd..

Hainan Mining

During the Reporting Period, price of iron ore experienced a sharp decline due to a depression in the domestic steel industry. Leveraging on its advantages, Hainan Mining strengthened the expansion of marketing channels and actively adjusted its sales strategy. Its annual output of iron ore reached 4,077.0 thousand tonnes, representing an increase of 5.1% as compared with the same period of last year. Meanwhile, Hainan Mining actively pursued its listing process.

The main product of Hainan Mining is iron ore. Its major production data was as follows:

	Output of iron ore ('000 tonnes)	Reserve volume[Note]
2013	4,077.0	275 million tonnes iron ore
2012	3,878.3	252 million tonnes iron ore
Change over the same period last year	5.1%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2013 was an estimated value.

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

Unit: RMB million

	2013	2012	Change over the same period last year
Revenue	**2,654.4**	2,151.5	+23.4%
Profit attributable to owners of the parent	**602.4**	462.8	+30.2%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of Hainan Mining was mainly attributable to an increase in production, sales and price of iron ore.

INVESTMENT

The Group adheres to the philosophy of value investment, and makes investment in a series of enterprises benefiting from China's growth momentum in the domestic and international markets, based on its model of "combining China's growth momentum with global resources". The Group's investment business comprised of five segments: investments in strategic associates, private equity investments ("PE"), secondary market investments, capital contribution to the Group's asset management business as a limited partner ("LP investment") and other investments.

Investments in strategic associates

The Group's investments in strategic associates include Yuyuan, Jianlong Group and Shanjiaowulin.

Yuyuan

Yuyuan is mainly engaged in commercial retail and gold and jewellery wholesale and retail, and it holds shares in Zhaojin Mining. During the Reporting Period, the principal operations of Yuyuan maintained rapid development, continued to expand and strengthen the sales of gold and jewellery. In 2013, Yuyuan established Shanghai Yuyuan Gold and Jewellery Group Co., Limited (上海豫園黃金珠寶集團有限公司) ("Yuyuan Gold and Jewellery Group") by merging two gold and jewellery brands, namely "Laomiao Gold" and "Yayi Gold" and implemented a model of operating two brands in parallel under the same group to streamline its main businesses and realize the transformation and development. During the Reporting Period, Yuyuan Gold and Jewellery Group utilized its integrated advantages and accumulative effects in concentrated resources, unified allocation, specialization of work and intensive operation and better capitalized on the opportunities arising from the decline in gold price during the year. These efforts contributed to a relatively large rise in sale results and profitability. Meanwhile, Yuyuan also increased its investments in commercial properties.

During the Reporting Period, Yuyuan's operating revenue reached RMB22,522.8 million, representing a growth of 10.96% over the same period of last year, with net profit attributable to shareholders of the listed company of RMB980.8 million, representing a growth of 1.3% over the same period of last year. Regarding the gold and jewellery sector, Yuyuan re-classified and established the differentiated positions, regional market and objectives under "Laomiao Gold" and "Yayi Gold", two well-known trademarks in China. During the Reporting Period, Yuyuan made full use of brand advantages and increased its efforts in the construction of retail chain channels of gold and jewellery. While expanding the retail chain, it emphasized not only on quantities but to a greater extent on operational quality of outlets. As at the end of the Reporting Period, the total network reached 1,689 through selective process.

Jianlong Group

Jianlong Group is a steel manufacturer in North China and Northeast China, with its major steel production facilities located in Tangshan and Chengde of Hebei Province, Fushun of

Liaoning Province, Shuangyashan of Heilongjiang Province and Panshi of Jilin Province. The crude steel production scale of Jianlong Group exceeded 14.0 million tonnes in 2013. Its principal products include hot rolling medium wide strips, cold rolling medium wide strips, hot rolling narrow strips, cold rolling narrow strips, hot rolling coils, reinforcing bars and wire rods and sectional material.

In 2013, Jianlong Group achieved a steel output of 14.37 million tonnes and iron concentrate output of 3.73 million tonnes. Revenue from its principal business activities reached RMB73 billion, and total profit amounted to RMB597 million. Tax contribution accounted for RMB2,045 million.

All subsidiaries of Jianlong Group engaged in iron & steel business made steady progress in category structure and quality of product to form some new profit growth points. Meanwhile, Jianlong Group also owns a controlling stake in Huaxia Mining, whose main product is iron concentrate. Huaxia Mining has been maintaining a sound profitability by actively responding to the changes in the market, with iron concentrate output of 2.72 million tonnes, representing an increase of 8.92% as compared to the same period of last year, phosphor concentrate output of 62.8 thousand tonnes, sulfur concentrate output of 129.1 thousand tonnes and total profit of RMB367.0 million during the Reporting Period.

The main product of Huaxia Mining is iron concentrate. Its principal production data was as follows:

	Output of iron concentrate ('000 tonnes)	Reserve volume[Note]
2013	2,719.1	4.18 billion tonnes iron ore
2012	2,496.4	4.20 billion tonnes iron ore
Change over the same period last year	8.92%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2013 was an estimated value.

Shanjiaowulin

Shanjiaowulin is an associate between the Group and Xishan Coal Electricity Group Co., Ltd.. with coal and charcoal resources such as prime coking coal. After years of construction, Shanjiaowulin has initially formed a complete industrial chain covering from coal production and special rails to coke processing and manufacture of methanol with coking gas and other deep processing.

The main product of Shanjiaowulin is coke. Its principal production data was as follows:

	Output of coke ('000 tonnes)	Reserve volume[Note]
2013	892.1	722.3 million tonnes of prime coking coal, fat coal
2012	835.4	767.6 million tonnes of prime coking coal, fat coal
Change over the same period last year	6.8%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2013 was an estimated value.

PE

The Group's investments in the PE include enterprises such as Zhaojin Mining, St. John and Caruso.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations focusing on the gold production business. In 2013, Zhaojin Mining was committed to getting across negative circumstances of substantial decline in international gold price and taking advantage of its resources and management to achieve a year-on-year growth of 11.05% in mine-produced gold output.

The main product of Zhaojin Mining is mine-produced gold. Its principal production data was as follows:

	Output of mine-produces gold (tonnes)	Gold ore resources reserve[Note] (tonnes)
2013	20.1	687.7
2012	18.1	690.2
Change over the same period last year	11.05%	

Note: Measured according to the Code of the Joint Ore Reserves Committee in Australia (JORC)

St. John

St. John, a renowned US luxury womenswear brand, was the first investment project in the US by the Group in 2013. As of 30 October 2013 (the financial year of St. John), the Company held 6.7% equity interest in St. John indirectly, together with 27.2% equity interest held by Pramerica-Fosun China Opportunity Fund managed by the Group.

As of 30 October 2013, the sales revenue of St. John was USD249 million, representing a decrease of 2% over the same period of last year, and the EBITDA was USD29 million, representing a growth of 4.2% over the same period of last year. The adjusted EBITDA, net of investment transaction cost and one-off management recruitment cost of the Group, was USD33 million, representing a growth of 16% over the same period of last year.

In August 2013, the Group helped to introduce Bernd Beetz as the Global Executive Chairman and Geoffroy van Raemdonck as the Chief Executive Office of St. John. Led by the new management, St. John is expecting a significant growth in brand construction, product design and retail operations in future.

Caruso

Caruso, an Italian luxury menswear manufacturer, was an overseas investment by the Group in September 2013 and also an important investment of the Group in the European luxury goods industry. The Company indirectly holds 5.95% equity interest of Caruso, while Pramerica-Fosun China Opportunity Fund managed by the Group holds 29.05% of its equity interest.

As a leading luxury menswear manufacturer in Italy, Caruso has over 600 staffs with an annual production of over 100,000 pieces of premium clothes, 10% of which are customized apparels for private client. Caruso self-owned branded products are sold worldwide through over 300 points of sale in multi-brand boutiques and department stores. Apart from selling self-owned branded products, Caruso also provides quality apparel original equipment manufacturer services for various international luxury brands. Caruso is the only company in the Italian fashion and luxury goods industry which obtained ISO9001 certification.

Secondary Market Investments

The Group's investments in the secondary market include Club Med, Folli Follie, Minsheng Bank, CITS and Perfect World, etc.

Club Med

Club Med was an important investment of the Group in "combining China's growth momentum with global resources" investment model in 2010. During the Reporting Period, the Group worked with La présidente d'Ardian (formerly named Axa Private Equity) in

France and top managers of Club Med to initiate an offer to buy all Club Med shares and OCEANEs (bond convertible in or exchangeable for new or existing shares of Club Med) in the open market by way of tender, with intention to acquire at least 50% of Club Med shares. L'association de défense des actionnaires minoritaires (ADAM) has brought a law suit against the offer, and the French regulatory authority suspend this offer accordingly. The hearing for the lawsuit was held on 27 February 2014 and the court will pronounce a judgment on 29 April 2014. If the judgment is made in favor of the offeror, the offer is expected to be completed in the middle of 2014. As for financial results, despite the political volatility in North Africa during the summer of 2013 and the sharp fall of travel market of France, Club Med recorded an operating profit of Euro55 million, and its business indicators (including income per bed and visitors' duration of stay) increased. Especially after the Group invested in Club Med and entered into strategic cooperation, Club Med's development strategy in China has achieved remarkable results. The mutual cooperative relationship was reinforced and the synergies of the resources of both parties have emerged gradually. According to Club Med's development plan, China will be its second largest market after France in the world by 2015.

Folli Follie

Folli Follie, a globally renowned fashion retail group, was an overseas strategic investment of the Group in 2011. As at the end of 2013, the Group held 9.96% equity interest, and Pramerica-Fosun China Opportunity Fund managed by the Group held 3.89% equity interest in Folli Follie, amounting to 13.85% equity interest in total.

During the Reporting Period, the sales revenue in the first three quarters of 2013 of Folli Follie was Euro638.1 million (exclusive of sales revenue from tourism retail operations, which ceased to be consolidated to financial statements of Folli Follie since 11 April 2013), representing a growth of 6.2% over the same period of last year, with profit before tax of Euro285.8 million (inclusive of cash of Euro200.5 million received from disposal of 51% equity interest in tourism retail operations in Greece to Dufry AG of Switzerland) and net profit attributable to shareholders of the listed company of Euro280.0 million.

On 12 December 2013, Folli Follie announced that it has disposed the remaining 49% equity interest of its tourism retail operations in Greece to Dufry AG in Switzerland. Dufry AG have paid a total consideration of Euro328 million, of which Euro175 million was paid in cash, the remaining Euro153 million was paid by way of issuing additional shares. After the completion of the transaction, Folli Follie will hold 1,231,233 Dufry AG shares, representing

4% of Dufry AG's total shares on a diluted basis, and will become its significant shareholder. Meanwhile, Folli Follie will gain a board seat in Dufry AG.

Due to the double positive stimuli of the outstanding performance of the company and the entering into of the above-mentioned agreement, the share price of Folli Follie in the secondary market performed strongly soaring 81% throughout 2013, which was much better than the overall performance of the Athens stock market.

Since its investment in 2011, the Group has leveraged on its solid industrial foundation and extensive channel resources in China to assist Folli Follie's development in Greater China in areas such as shop opening and brand building. Folli Follie achieved a continuous strong growth in the sales results from China and a significant enhancement of the speed of shop opening.

Minsheng Bank

Minsheng Bank is an important investment of the Group in the financial service sector. According to the 2013 third quarter financial report of Minsheng Bank, the operating revenue of Minsheng Bank for the first three quarters of 2013 was RMB85,975 million, representing a growth of 10.70% over the first three quarters of 2012. The net profit attributable to owners of the parent was RMB33,314 million, representing a growth of 15.63% over the first three quarters of 2012. The annualized weighted average return on equity for the first three quarters of 2013 was 24.75%, representing a decrease of 1.57 percentage points over the annualized weighted average return on equity for the first three quarters of 2012. The non-performing loan ratio as at the end of the third quarter of 2013 was 0.78%, representing a growth of 0.02 percentage point over the end of 2012. The balance of loans for small enterprises amounted to RMB404,912 million as at the end of the third quarter of 2013, representing a growth of RMB87,961 million and 27.75% over the end of 2012.

CITS

In July 2013, the Group subscribed 19,250,000 shares in the private placing of CITS. The total subscription amount was RMB512 million. Upon the completion of the subscription, the Group held 1.97% equity interest and became the third largest shareholder of CITS.

During the Reporting Period, the revenue in the first three quarters of 2013 of CITS was RMB12,649 million, representing a growth of 10.2% over the same period of last year, and the net profit attributable to owners of the parent was RMB1,125 million, representing a growth of 44.49% over the same period of last year. As for the third quarter, the revenue of CITS was RMB4,800 million , representing a growth of 5.0% over the same period of last year, and the net profit attributable to owners of the parent was RMB321 million, representing a growth of 52.5% over the same period of last year.

China International Travel Service Limited, Head Office under CITS is the largest travel agency in China. According to the statistics of the National Tourism Administration, CITS ranked first in China for both outbound and inbound travel market. China Duty Free Group Co., Ltd. under CITS is a nationwide qualified duty-free retailer, and its duty-free shop of 119,000 square meters in Haitang Bay, Sanya, Hainan, the largest one in the world, will open in August 2014.

Perfect World

The Group has invested in Perfect World since 2012. As at the end of the Reporting Period, the Group totally held 12.02% equity interest in Perfect World. According to the US Generally Accepted Accounting Principles, Perfect World recorded the net operating revenue of USD504.3 million for 2013, representing an increase of 10.2% over the same period of last year, with a net profit of USD89.6 million, representing an increase of 0.3% over the same period of last year.

LP Investments

The Group made investment through capital contribution as a limited partner, while proactively developing its asset management business. As of 31 December 2013, the Group committed to contribute a total of RMB4,035.4 million (RMB249.0 million was committed to contribute by Forte), of which RMB2,713.6 million was actually contributed (RMB249.0 million was contributed by Forte to real estate series funds of Forte).

Other Investments

The Group’s other investments included The Bund Finance Center, Dalian Donggang, Resource Property, Starcastle Senior Living, Atlantis, Cainiao, One Chase Manhattan Plaza of New York and Lloyds Chambers of London, etc.. The equity interest of Shanghai Zhenru and Chongqing Jinling owned by the Group has been transferred to Forte in October 2013.

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core zone of the Bund in Shanghai, which made good progress in 2013 and is expected to be completed in 2015.

Dalian Donggang

Dalian Donggang is a high-end urban complex project located in the central business district of Donggang district of Dalian, which was launched for sale at the end of 2012, achieving contracted sales of RMB994 million in 2013, and the first phase of which is expected to be completed in 2014 and the whole project is expected to be completed in 2015.

The land reserve of project:

Name of project	Usage	Land area (sq.m.)	GFA (sq.m.)	Ownership of interests	Land costs (in RMB million)	Development progress	Expected completion time
The Bund Finance Center	Office, Business, Hotel	45,472	426,073	50%	9,450	Under development	2015
Dalian Donggang	Residence, Office, Hotel	141,600	763,003	64%	4,021	Under development	2015
Total		187,072	1,189,076		13,471		

Resource Property

Resource Property is an integrated service provider of property circulation industry of the Group. In 2013, it overcame the adverse effects brought by the policy of restricting housing purchases in main cities, and maintained a continuous rising trend in its new business development.

Starcastle Senior Living

Starcastle Senior Living is a joint venture jointly established by the Group and Fortress Investment Group LLC, accounting for 50.0% interests respectively, for the purpose of developing the property market for senior citizens in China. The company’s first high-end healthcare project customized for Chinese senior citizens has commenced operations in early 2013.

Atlantis

The Group has entered into management agreement and technology service agreement with Kerzner Group to jointly develop Atlantis hotel project in Haitang Bay, Sanya. The project is expected to be completed in the end of 2016.

Cainiao

Shanghai Xinghong Investment Co., Ltd., a subsidiary of the Company, contributed RMB500 million in Cainiao for its 10% equity interest in May 2013.

In September 2013, the logistics business unit of Alibaba Group has formally merged into Cainiao. Cainiao is expected to promote the development of the whole logistics industry by digital platform, to accelerate the construction of "China Smart Logistics Network". Cainiao has outlined its preliminary business plan: ground network operation plus air network operation. Ground network operation includes the construction of national physical storage network and reduction of warehouse renting and sorting costs. Air network operation, based on information and platform systems, is to build up an information sharing channel between business and logistics operators, so as to improve customer experience and logistics efficiency while reducing logistics costs. The ground network operation and air network operation support each other by way of information exchanging, in order to help e-commerce operators to improve efficiency and reduce costs, and pull down the entry barrier for traditional business to enter into e-commerce.

Lloyds Chambers of London

In October 2013, the Group purchased Lloyds Chambers of London with its partner at a purchase price of GBP64.5 million. Lloyds Chambers of London, located at the core financial district of London, is a 9-storey building with a floor area of 193,450 square feet.

One Chase Manhattan Plaza of New York

In December 2013, the Group completed to purchase One Chase Manhattan Plaza of Now York at a purchase price of USD725 million. One Chase Manhattan Plaza, located at downtown Manhattan financial district of North New York, is a 60-storey Grade A office building landmark with a leasable area of 2,215,000 square feet.

Chuangfu Finance Leasing

Fosun Great China Finance Company Limited, a subsidiary of the Company, acquired a stake in Chuangfu Finance Leasing, in August 2013.

Chuangfu Finance Leasing is engaged in automobile finance leasing for corporate and individuals clients who need mid-high end automobile related financial service. A market leader in its field, the company maintains strategic collaborations with a number of high end automobile manufacturers and dealers such as BMW Automobile Finance, Audi and Mercedes.

ASSET MANAGEMENT

During the Reporting Period, despite strong recovery of the US economy, and the external economic environment challenges were still severe. The Group continuously expanded the asset management business by upholding the investment philosophy of value investment and "combining China's growth momentum with global resources" and consistently generated long term and stable returns for limited partners. During the Reporting Period, the PE industry was faced with general reshuffling and it was very difficult to raise funds. As at the end of December 2013, the Weishi Fund launched by the Group completed first closing with RMB2.41 billion.

The funds currently managed by the Group mainly include various RMB funds and USD funds, covering various types of assets portfolio, such as growth fund and property development fund, i.e. Weishi Fund, Fosun Capital, Fosun Chuanghong, Star Capital, Pramerica-Fosun China Opportunity Fund, Carlyle-Fosun, real estate series funds of Forte and others. The asset management business of the Group mainly targeted domestic and international high-end large institutional clients and high net worth individual clients and continued to actively seek institutional investors and large enterprises to become limited partners of the Group for long term cooperation.

As at the end of the Reporting Period, the scale of the asset management business of the Group reached RMB24,655.6 million [note1], of which RMB339.8 million was contributed by the Group through its commitment as a general partner and RMB4,035.4 million was contributed by the Group through its commitment as a limited partner [note2]. The management fee derived from the asset management business amounted to RMB475.2 million [note3]. In addition, during the Reporting Period, the asset management business of the Group invested 16 new projects, and increased investments in 7 existing projects, with an accumulated investment of RMB4,087.4 million.

Note 1: The size of real estate series funds of Forte was RMB3,931.0 million.

Note 2: Forte committed to contribute RMB177.9 million as a general partner and RMB249.0 million as a limited partner.

Note 3: The management fee generated from real estate series funds of Forte was RMB31.76 million which was accounted for in Forte's financial statements.

RECENT DEVELOPMENT

Acquisition of Portuguese Insurance Companies

During the Reporting Period, the Company submitted a legally binding bid proposal to acquire 80% of the equity interest of Fosun Insurance Portugal. In January 2014, the Company won the bid and signed the formal agreement in February. Fosun Insurance Portugal forms the largest insurance group in Portugal, with the largest market shares in both life and non-life insurance, and across most individual products. Fosun Insurance Portugal also has a portfolio of highly recognizable brands and a diversified distribution platform. As of 31 December 2013, Fosun Insurance Portugal had approximately Euro12 billion investable assets. The acquisition strengthens the Group's capability to access long-term high-quality capital, and also enables the Group to increase investment returns of Fosun Insurance Portugal by leveraging on its unique investment capacity. The acquisition is another milestone of the Company in its course of globalization, and will provide a good platform for the Group to expand insurance and other businesses in the EU countries and Portuguese-speaking countries. The project is pending for completion.

Subscription of Sanyuan Shares

In February 2014, the Company's subsidiary Pingrun Investment and Fosun Chuanghong, a fund managed by the Group, entered into a share subscription agreement with Sanyuan (whose A shares are listed on the Shanghai Stock Exchange, stock code: 600429) regarding a private placement by Sanyuan of A shares. Sanyuan has offered 306,278,713 ordinary A shares of Sanyuan (the "**A Shares**") to Pingrun Investment and Fosun Chuanghong at a subscription price of RMB6.53 per A share. Pingrun Investment subscribed for 249,617,151 A Shares at a consideration of RMB1.63 billion and Fosun Chuanghong subscribed for 56,661,562 A Shares at a consideration of RMB0.37 billion. Upon the completion of the subscription, Pingrun Investment and Fosun Chuanghong will hold a total of approximately 16.67% and 3.78% respectively of the enlarged number of issued shares of Sanyuan.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, decreased to RMB2,661.0 million in 2013 from RMB2,727.8 million in 2012. The decrease in net interest expenditures was mainly attributable to the declining average interest rates of borrowings in 2013. The interest rates of borrowings in 2013 were approximately between 0.96% and 11%, as compared with approximately between 1.44% and 15% in 2012.

TAX

Tax increased to RMB1,908.5 million in 2013 from RMB1,334.1 million in 2012. The increase in tax was mainly resulted from the increase in taxable profit from the industrial operations.

CAPITAL EXPENDITURES

The capital expenditures of the Group mainly include the amounts spent on construction of plant, upgrade and addition of machineries and equipment, and increase in intangible assets and rights. We have been increasing our investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. We continued our commitment in property development, but will adjust our strategy according to market conditions. In order to enhance the optimization of product mix, we have properly increased the investment in the steel segment. With an aim to continuously strengthen our leading role in the industry, we have made extra efforts in the mining segment. The amount of capital expenditures of the Group during the Reporting Period were RMB7,371.6 million.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 31 December 2013, the total debt of the Group was RMB69,084.4 million, representing a relatively large increase over RMB56,902.6 million as at 31 December 2012, which was mainly due to the increase in borrowings as a result of business expansion of all segments of the Group. As at 31 December 2013, mid-to-long-term debt of the Group accounted for 54.1% of total debt, as opposed to 52.5% as at 31 December 2012. As at 31 December 2013, cash and bank balances decreased by 25.8% to RMB16,387.2 million as compared with RMB22,088.5 million as at 31 December 2012.

PLEDGED ASSETS

As at 31 December 2013, the Group had pledged assets of RMB26,106.6 million (31 December 2012: RMB23,939.2 million) for bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2013, contingent liabilities of the Group were RMB2,996.4 million (31 December 2012: RMB4,265.0 million) which were primarily applied to guarantee the mortgage loans of qualified buyers.

INTEREST COVERAGE

In 2013, EBITDA divided by net interest expenditures was 5.3 times as compared with 3.9 times in 2012. The increase of interest coverage was mainly attributed to the increase of EBITDA by 31.8% resulted from the substantial increase in operating results of the Group in 2013 compared with that in 2012.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
REVENUE	3	51,016,883	51,764,746
Cost of sales		(40,658,491)	(42,439,678)
Gross profit		10,358,392	9,325,068
Other income and gains	3	8,853,449	5,295,763
Selling and distribution expenses		(2,747,372)	(2,449,870)
Administrative expenses		(3,860,339)	(3,328,291)
Other expenses		(1,365,895)	(1,034,870)
Finance costs	4	(2,765,899)	(2,773,661)
Share of profits and losses of:			
Joint ventures		(118,653)	69,077
Associates		1,407,597	1,174,777
PROFIT BEFORE TAX	5	9,761,280	6,277,993
Tax	6	(1,908,511)	(1,334,085)
PROFIT FOR THE YEAR		7,852,769	4,943,908
Attributable to:			
Owners of the parent		5,518,930	3,707,201
Non-controlling interests		2,333,839	1,236,707
		7,852,769	4,943,908
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
- For profit for the year (RMB)	8	0.86	0.58
Diluted			
- For profit for the year (RMB)	8	0.86	0.58

Details of the dividends payable and proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2013

	2013 RMB'000	2012 RMB'000
PROFIT FOR THE YEAR	**7,852,769**	**4,943,908**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent years:		
Available-for-sale investments:		
Changes in fair value	19,015	(49,321)
Reclassification adjustments for gains included in the consolidated statement of profit or loss		
- gain on disposal	(455,892)	(543,799)
Income tax effect	118,608	44,476
	(318,269)	(548,644)
Share of other comprehensive income of joint ventures	4,978	10,794
Share of other comprehensive income/(loss) of associates	93,723	(78,166)
Exchange differences on translation of foreign operations	35,722	30,180
Net other comprehensive loss to be reclassified to profit or loss in subsequent years	(183,846)	(585,836)
Net other comprehensive income not being reclassified to profit or loss in subsequent years	-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(183,846)	(585,836)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**7,668,923**	**4,358,072**
Attributable to:		
Owners of the parent	5,041,187	3,519,105
Non-controlling interests	2,627,736	838,967
	7,668,923	**4,358,072**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2013

	Note	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		30,215,747	24,295,887
Investment properties		9,896,252	3,985,000
Prepaid land lease payments		1,993,975	1,801,237
Exploration and evaluation assets		5,189	1,620
Mining rights		794,636	821,565
Intangible assets		1,871,056	1,244,004
Goodwill		3,050,328	1,736,060
Investments in joint ventures		6,470,034	6,760,773
Investments in associates		20,369,716	15,258,677
Available-for-sale investments		10,050,291	7,382,891
Properties under development		10,528,713	7,966,996
Loans receivable		3,161,103	1,944,236
Prepayments		853,654	670,723
Deferred tax assets		2,645,312	2,212,578
Inventories		207,541	372,222
Total non-current assets		102,113,547	76,454,469
CURRENT ASSETS			
Cash and bank balances		16,387,191	22,088,468
Equity investments at fair value through profit or loss		13,465,979	10,656,075
Trade and notes receivables	9	4,684,199	5,600,118
Prepayments, deposits and other receivables		7,390,945	4,975,712
Inventories		6,313,952	6,371,599
Completed properties for sale		8,949,037	4,580,194
Properties under development		20,331,229	27,333,872
Loans receivable		100,000	807,102
Due from related companies		3,175,550	3,118,450
		80,798,082	85,531,590
Non-current assets held for sale		212,293	212,293
Total current assets		81,010,375	85,743,883

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2013

	Note	2013 RMB'000	2012 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		31,539,941	26,917,695
Loans from related companies		196,477	115,000
Trade and notes payables	10	14,928,283	15,626,765
Accrued liabilities and other payables		20,039,726	18,818,620
Tax payable		2,834,905	2,727,170
Finance lease payables		46,587	41,981
Deposit from customers		1,636,739	939,214
Due to the holding company		3,144,864	2,440,986
Due to related companies		2,392,109	2,354,620
Total current liabilities		76,759,631	69,982,051
NET CURRENT ASSETS		4,250,744	15,761,832
TOTAL ASSETS LESS CURRENT LIABILITIES		106,364,291	92,216,301
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		35,028,323	29,779,651
Convertible bonds		2,319,675	-
Loans from a related company		-	90,250
Finance lease payables		43,085	83,441
Deferred income		526,864	193,592
Due to related companies		157,851	1,013,120
Other long term payables		3,220,349	652,102
Deferred tax liabilities		3,768,315	3,185,749
Total non-current liabilities		45,064,462	34,997,905
Net assets		61,299,829	57,218,396

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2013

	Note	2013 RMB'000	2012 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Issued capital		621,497	621,497
Reserves		38,249,408	33,690,623
Proposed final dividend	7	757,328	885,181
		39,628,233	35,197,301
Non-controlling interests		21,671,596	22,021,095
Total equity		61,299,829	57,218,396

1.1 BASIS OF PRESENTATION

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *– Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, HKAS 19 (2011), amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers.* It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that the adoption of HKFRS 11 has had no impact on the Group's financial position or performance.

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 Interests in *Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(g) HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The management concluded that the adoption of the revised standard has had no effect on the financial position or performance of the Group.

(h) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(i) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

1.3 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 these financial statements.

HKFRS 9	*Financial Instruments* [3]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39* [3]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities* [1]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions* [2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting* [1]
HK(IFRIC)-Int 21	*Levies* [1]
Annual Improvements *2010-2012 Cycle*	Amendments to a number of HKFRSs issued in January 2014 [2]
Annual Improvements *2011-2013 Cycle*	Amendments to a number of HKFRSs issued in January 2014 [2]
HKFRS 14 Amendments	*Regulatory Deferral Accounts* [4]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 No mandatory effective date yet determined but is available for adoption
4 Effective for annual periods beginning on or after 1 January 2016

2. OPERATING SEGMENT INFORMATION

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

(i) Pharmaceuticals and healthcare segment comprises the business of Fosun Pharma and its subsidiaries. Fosun Pharma and its subsidiaries mainly engage in the research and development, manufacture, sale and trading of pharmaceutical and healthcare products;

(ii) Property segment comprises the business of Forte and its subsidiaries, excluding its investment in the insurance business. Forte and its subsidiaries mainly engage in the development and sale of properties in the PRC;

(iii) Steel segment comprises the business of Nanjing Nangang and its subsidiaries. Nanjing Nangang and its subsidiaries mainly engage in the manufacture, sale and trading of iron and steel products;

(iv) Mining segment comprises the business of Hainan Mining and its subsidiaries. Hainan Mining and its subsidiaries mainly engages in the mining and ore processing of various metals;

Pharmaceuticals and healthcare segment, property segment, steel segment and mining segment listed above all belong to one industrial operation sector of the Group.

(v) Asset management segment engages in the asset management business through the platform such as corporation funds, partnership funds and trusts;

(vi) Insurance segment engages in the operation of and investment in the insurance business; and

(vii) Investment segment comprises, principally, the investments in strategic associates, private equity investments, secondary market investments, limited partner investments and other investments.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group’s profit or loss after tax except that head office and corporate expenses are excluded from such measurement.

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

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2013

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	9,921,487	11,356,949	26,425,290	2,499,117	218,802	276,798	318,440	-	51,016,883
Inter-segment sales	-	4,608	-	155,279	224,655	-	81,387	(465,929)	-
Other income and gains	1,414,908	1,691,424	1,711,588	61,761	21,630	701,843	2,307,349	(135,322)	7,775,181
Total	11,336,395	13,052,981	28,136,878	2,716,157	465,087	978,641	2,707,176	(601,251)	58,792,064
Segment results	2,395,481	3,185,628	1,043,497	1,376,564	20,432	585,204	2,124,613	(46,073)	10,685,346
Interest and dividend income	89,545	125,757	227,499	5,204	44,812	64,693	702,239	(181,481)	1,078,268
Unallocated expenses									(525,379)
Finance costs	(350,451)	(326,907)	(930,192)	(42,153)	(13,327)	-	(1,236,824)	133,955	(2,765,899)
Share of profits and losses of									
- Joint ventures	(10,765)	13,158	12,124	-	(70,141)	(44,540)	(18,489)	-	(118,653)
- Associates	782,462	197,724	4,647	-	-	22,663	400,101	-	1,407,597
Profit/(loss) before tax	2,906,272	3,195,360	357,575	1,339,615	(18,224)	628,020	1,971,640	(93,599)	9,761,280
Tax	(506,324)	(1,015,003)	149,030	(335,698)	(18,647)	(8,967)	(187,833)	14,931	(1,908,511)
Profit/(loss) for the year	2,399,948	2,180,357	506,605	1,003,917	(36,871)	619,053	1,783,807	(78,668)	7,852,769
Segment and total assets	29,250,580	63,816,789	38,014,673	4,811,954	3,139,708	5,448,117	44,578,631	(5,936,530)	183,123,922
Segment and total liabilities	11,808,676	48,018,431	28,783,882	1,445,587	38,336	628,732	36,671,513	(5,571,064)	121,824,093

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2013 (continued)

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Other segment information:									
Depreciation and amortisation	418,498	30,629	1,102,256	136,986	6,194	1,374	44,932	-	1,740,869
Impairment loss for non-current assets	46,000	-	444,905	2,029	-	-	-	-	492,934
Provision for impairment of current assets	36,695	-	49,928	11,053	-	-	-	-	97,676
Research and development costs	401,243	-	100,772	-	-	-	-	-	502,015
Fair value gains on fair value adjustments of investment properties	-	(1,131,002)	-	-	-	-	-	-	(1,131,002)
Fair value (gains)/loss on equity investments at fair value through profit or loss	(13,913)	-	12,637	-	-	(463,798)	(1,076,761)	-	(1,541,835)
Investments in joint ventures	118,177	2,899,944	112,134	-	-	171,638	3,168,141	-	6,470,034
Investments in associates	8,774,446	3,169,588	244,358	-	92,401	784,036	7,304,887	-	20,369,716
Capital expenditure*	1,073,299	36,494	5,774,491	445,282	2,584	2,455	37,041		7,371,646

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2012

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	7,278,287	10,476,151	31,717,201	1,949,962	159,742	-	183,403	-	51,764,746
Inter-segment sales	-	1,840	-	201,579	151,083	-	58,685	(413,187)	-
Other income and gains	1,120,827	258,262	531,484	17,578	33,740	-	2,443,753	(38,799)	4,366,845
Total	8,399,114	10,736,253	32,248,685	2,169,119	344,565	-	2,685,841	(451,986)	56,131,591
Segment results	1,622,702	2,522,960	(77,870)	1,119,669	(35,894)	(24,898)	2,117,368	103,007	7,347,044
Interest and dividend income	63,142	55,181	384,068	8,525	24,159	-	813,816	(419,973)	928,918
Unallocated expenses									(468,162)
Finance income/(costs)	(370,457)	(286,474)	(1,182,096)	(41,906)	(13,177)	63	(881,454)	1,840	(2,773,661)
Share of profits and losses of									
- Joint ventures	(1,514)	138,761	11,408	-	(42,167)	(33,822)	(3,589)	-	69,077
- Associates	811,495	179,219	2,099	-	-	-	181,964	-	1,174,777
Profit/(loss) before tax	2,125,368	2,609,647	(862,391)	1,086,288	(67,079)	(58,657)	2,228,105	(315,126)	6,277,993
Tax	(283,764)	(842,334)	275,452	(314,963)	16,023	-	(245,005)	60,506	(1,334,085)
Profit/(loss) for the year	1,841,604	1,767,313	(586,939)	771,325	(51,056)	(58,657)	1,983,100	(254,620)	4,943,908
Segment and total assets	25,420,826	53,964,988	37,288,750	4,713,834	13,987,668	4,336,446	41,297,850	(18,812,010)	162,198,352
Segment and total liabilities	10,202,664	42,698,311	28,657,225	1,695,385	9,229,838	29,933	30,828,121	(18,361,521)	104,979,956

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2012 (continued)

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Other segment information:									
Depreciation and amortisation	292,657	33,470	1,181,342	173,833	4,719	-	57,084	-	1,743,105
Impairment loss for non-current assets	-	-	25,867	59,972	-	-	102,359	-	188,198
Provision for impairment of current assets	16,977	17,935	224,759	7,190	-	-	-	-	266,861
Research and development costs	252,555	-	110,889	-	-	-	-	-	363,444
Fair value gains on fair value adjustments of investment properties	-	(140,484)	-	-	-	-	-	-	(140,484)
Fair value losses/(gains) on equity investments at fair value through profit or loss	35,894	(944)	(378,023)	-	-	-	(2,106,633)	-	(2,449,706)
Investments in joint ventures	17,281	1,964,444	105,046	-	857,486	216,178	3,600,338	-	6,760,773
Investments in associates	7,900,594	1,961,708	240,153	-	97,147	774,090	4,284,985	-	15,258,677
Capital expenditure*	1,163,155	39,094	2,992,456	529,700	8,687	-	98,871	-	4,831,963

2. OPERATING SEGMENT INFORMATION (continued)

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

Geographical information

(a) Revenue from external customers

	2013 RMB'000	2012 RMB'000
Mainland China	49,869,731	51,060,708
Overseas countries and regions	1,147,152	704,038
	51,016,883	51,764,746

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

(b) Non-current assets

	2013 RMB'000	2012 RMB'000
Mainland China	76,424,192	64,173,479
Hong Kong	720,939	741,285
Overseas countries and regions	5,959,592	-
	83,104,723	64,914,764

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2013 and 2012.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods or properties sold after allowances for returns, trade discounts and various types of government surcharges, where applicable during the year. In addition, it includes gross rental income received and receivable from investment properties during the year.

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

	2013 RMB'000	2012 RMB'000
Revenue		
Sale of goods:		
Pharmaceutical and healthcare products	9,973,294	7,323,073
Properties	11,672,053	10,790,553
Iron and steel products	26,516,829	31,857,159
Ore products	2,627,054	2,025,313
	50,789,230	51,996,098
Rendering of services:		
Insurance Income	276,798	-
Property agency	338,745	236,424
Property management	107,405	108,547
Rental	255,642	220,862
Asset management fee	218,802	159,742
Others	48,328	38,722
	1,245,720	764,297
Subtotal	52,034,950	52,760,395
Less: Government surcharges	(1,018,067)	(995,649)
	51,016,883	51,764,746

3. REVENUE, OTHER INCOME AND GAINS (continued)

	2013 RMB'000	2012 RMB'000
Other income		
Interest income	570,366	473,102
Dividends from available-for-sale investments	221,107	112,354
Dividends from equity investments at fair value through profit or loss	286,795	343,462
Rental income	55,794	35,447
Sale of scrap materials	11,992	9,053
Government grants	273,860	227,140
Consultancy and other service income	62,783	20,822
Exchange gains, net	148,643	-
Others	177,158	126,747
	1,808,498	1,348,127
Gains		
Gain on disposal of subsidiaries	-	85,041
Gain on bargain purchase	-	3,645
Gain on acquisition of an associate	441,643	-
Gain on disposal of associates	666,092	315,347
Gain on disposal of partial interests in associates	15,456	10,859
Gain on deemed disposal of interests in associates	473,111	-
Gain on disposal of items of property, plant and equipment	3,804	66
Gain on disposal of available-for-sale investments	1,822,810	747,843
Gain on disposal of equity investments at fair value through profit or loss	949,198	194,645
Gain on fair value adjustment of investment properties	1,131,002	140,484
Gain on fair value adjustment of equity investments at fair value through profit or loss	1,541,835	2,449,706
	7,044,951	3,947,636
Other income and gains	8,853,449	5,295,763
Total revenue, other income and gains	59,870,332	57,060,509

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2013 RMB'000	2012 RMB'000
Interest on bank and other borrowings wholly repayable within five years	3,588,844	3,091,522
Interest on bank and other borrowings not wholly repayable within five years	164,392	270,568
Interest on convertible bonds	21,864	-
Incremental interest on other long term payables	31,407	27,416
	3,806,507	3,389,506
Less: Interest capitalised, in respect of bank and other borrowings	(1,232,304)	(736,598)
Interest expenses, net	2,574,203	2,652,908
Interest on discounted bills	74,345	62,499
Interest on finance leases	12,408	12,408
Bank charges and other financial costs	104,943	45,846
Total finance costs	2,765,899	2,773,661

5. PROFIT BEFORE TAX

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

	2013 RMB'000	2012 RMB'000
Cost of sales	40,658,491	42,439,678
Staff costs (including directors' and senior management's remuneration):		
Wages and salaries	3,621,513	2,690,599
Accommodation benefits:		
Defined contribution fund	152,127	150,819
Retirement costs:		
Defined contribution fund	384,399	406,866
Equity-settled share-based payments	9,707	6,065
Total staff costs	4,167,746	3,254,349

5. PROFIT BEFORE TAX (continued)

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

	2013 RMB'000	2012 RMB'000
Research and development costs	502,015	363,444
Auditors' remuneration	8,850	8,500
Depreciation of items of property, plant and equipment	1,588,489	1,567,161
Amortisation of prepaid land lease payments	36,397	33,688
Amortisation of mining rights	42,683	91,403
Amortisation of intangible assets	73,300	50,853
(Reversal)/provision for impairment of receivables	(4,481)	66,653
Provision for inventories	102,157	182,273
Provision for impairment of completed properties for sale	-	17,935
Provision for impairment of items of property, plant and equipment	446,934	65,839
Provision for impairment of investments in associates	34,600	102,359
Provision for impairment of available-for-sale investments	11,400	20,000
Operating lease rentals	135,334	140,259
Exchange (gains)/loss, net	(148,643)	32,844

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The provision for Mainland China current income tax was based on a statutory rate of 25% (2012: 25%) of the assessable profit of the Group as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which were taxed at preferential rates of 0% to 20%.

The major components of tax expenses for the years ended 31 December 2013 and 2012 are as follows:

	2013 RMB'000	2012 RMB'000
Group:		
Current – Hong Kong and others	150,412	92,032
Current – Mainland China		
- Income tax in Mainland China for the year	1,521,308	1,589,877
- LAT in Mainland China for the year	254,230	285,857
Deferred tax	(17,439)	(633,681)
Tax expenses for the year	1,908,511	1,334,085

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

During the year, the prepaid LAT of the Group amounted to RMB317,537,000 (2012: RMB432,600,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB79,942,000 (2012: RMB338,000,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, unpaid LAT provision in the amount of RMB143,249,000 (2012: RMB484,743,000) was reversed to the consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group. The net reversal of LAT provision for the year is RMB63,307,000 (2012: net reversal of RMB146,743,000).

7. DIVIDENDS

	2013 RMB'000	2012 RMB'000
Proposed final – HKD0.15 (2012: HKD0.17) per ordinary share	757,328	885,181

The proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2012 was declared payable and approved by the shareholders at the annual general meeting of the Company on 22 May 2013.

On 25 March 2014, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2013 of HKD0.15 per ordinary share, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,421,594,500 (2012: 6,421,594,500) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

8. EARNINGS PER SHARE (continued)

	Year ended 31 December 2013 RMB'000	2012 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	5,518,930	3,707,201
Interest on convertible bonds	21,864	-
Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds	5,540,794	3,707,201

	Number of shares 2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	6,421,594,500	6,421,594,500
Effect of dilution – weighted average number of Convertible bonds	41,404,110	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	6,462,998,610	6,421,594,500
Basic earnings per share (RMB)	0.86	0.58
Diluted earnings per share (RMB)	0.86	0.58

The diluted earnings per share amount equals to the basic earnings per share amount for the year end 31 December 2012 as there were no diluting events existed during the year of 2012.

9. TRADE AND NOTES RECEIVABLES

	2013 RMB'000	2012 RMB'000
Trade receivables	2,839,919	2,517,820
Notes receivable	1,844,280	3,082,298
	4,684,199	5,600,118

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

	2013 RMB'000	2012 RMB'000
Outstanding balances with ages:		
Within 90 days	2,436,446	2,092,631
91 to 180 days	234,822	287,190
181 to 365 days	191,460	102,365
1 to 2 years	19,656	72,839
2 to 3 years	7,501	9,419
Over 3 years	26,169	30,390
	2,916,054	2,594,834
Less: Provision for impairment of trade receivables	(76,135)	(77,014)
	2,839,919	2,517,820

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 and healthcare segment	90 to 180 days
Property segment	30 to 360 days

10. TRADE AND NOTES PAYABLES

	2013 RMB'000	2012 RMB'000
Trade payables	11,309,513	11,358,235
Notes payable	3,618,770	4,268,530
	14,928,283	15,626,765

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

	2013 RMB'000	2012 RMB'000
Outstanding balances with ages:		
Within 90 days	6,460,949	8,020,451
91 to 180 days	1,952,566	363,423
181 to 365 days	1,712,907	535,122
1 to 2 years	748,380	2,186,239
2 to 3 years	213,014	238,837
Over 3 years	221,697	14,163
	11,309,513	11,358,235

11. EVENTS AFTER THE REPORTING PERIOD

(1) On 7 February 2014, Millennium Gain Limited (an indirect wholly owned subsidiary of the Company) and the Company entered into the Direct Reference Sale Agreement with Caixa Geral de Depósitos S.A. ("CGD", an state-owned bank in Portugal) and Caixa Seguros e Saúde, SGPS, S.A. ("CSS", an direct wholly owned subsidiary of CGD), to acquire each of the 80% of the share capital and voting rights of Fidelidade – Companhia de Seguros, S.A., Multicare - Seguros de Saúde, S.A., and Cares - Companhia de Seguros, S.A. (collectively referred as the "Insurance Companies"), all of which are wholly-owned subsidiaries of CSS for an aggregate consideration of Euro 1 billion (the "Acquisition") in order to expand the global insurance business of the Group. The consideration is subject to further adjustment based on the Insurance Companies' asset variations between 30 June 2013 and the end of the month prior to the completion of the Acquisition. The Acquisition is subject to the approval of the regulatory body of Portugal, which has not been completed by the date of this announcement.

(2) On 28 February 2014, Shanghai Pingrun Investment Management Co., Ltd. ("Pingrun Investment"), an indirect subsidiary of the Company and Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) ("Fosun Chuanghong", a fund managed by the Group) entered into a share subscription agreement with Beijing Sanyuan Foods Co., Ltd. ("Sanyuan", whose A shares are listed on the Shanghai Stock Exchange) regarding a private placement by Sanyuan of A shares (the "Subscription Agreement").

Pursuant to the Subscription Agreement, Pinrun Investment and Fosun Chuanghong will subscribe 249,617,151 and 56,661,562 ordinary A Shares (the "A share") of Sanyuan at a subscription price of RMB6.53 per A Share. The total consideration will be RMB1,630,000,000 and RMB370,000,000 for Pinrun Investment and Chuanghong Fund respectively. Upon the completion of the subscription, Pingrun Investment and Fosun Chuanghong will hold approximately 16.67% and 3.78% of the enlarged number of issued shares of Sanyuan respectively.

The completion of the subscription is subject to the fulfilment of certain condition precedents, including, among others, the approval by the shareholders at the general meeting of Sanyuan.

CORPORATE GOVERNANCE

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

MODEL CODE

The Company has adopted the Model Code.

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

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

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Andrew Y. Yan, Mr. Zhang Huaqiao and Mr. David T. Zhang. The main duties of the Audit Committee are to review and monitor the financial reporting procedures and internal control system of the Company and to provide recommendations and advice to the Board. The Audit Committee has reviewed the 2013 annual results of the Group.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("**AGM**") will be held on Wednesday, 28 May 2014. The notice of AGM will be published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and despatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.15 per ordinary share for the year ended 31 December 2013 to the shareholders of the Company whose names appear on the register of members of the Company on 6 June 2014. Subject to approval by the shareholders of the Company at the AGM to be held on 28 May 2014, the proposed final dividend is expected to be paid on or around 16 July 2014 to the shareholders of the Company.

The register of members of the Company will be closed from Saturday, 24 May 2014 to Wednesday, 28 May 2014, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM to be held on 28 May 2014, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company (the "**Share Registrar**"), at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "**Registrar Address**"), for registration no later than 4:30 p.m. on Friday, 23 May 2014.

The register of members of the Company will also be closed from Wednesday, 4 June 2014 to Friday, 6 June 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be proposed at the AGM, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar at the Registrar Address for registration no later than 4:30 p.m. on Tuesday, 3 June 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

FORWARD-LOOKING STATEMENTS

This announcement includes certain forward-looking statements which involve the 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 differences may even exist under certain circumstances.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be despatched to the shareholders of the Company and published on both websites on or before 30 April 2014.

GLOSSARY

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

Formulae

EBITDA	=	profit for the year + tax + interest expenses + depreciation and amortisation
Total debt	=	current and non-current interest-bearing borrowings + current and non-current loans from related parties
Total capitalization	=	equity attributable to owners of the parent + non-controlling interests + total debt
Interest coverage	=	EBITDA/interest expenses

Abbreviations

the Board	the board of Directors
Cainiao	Cainiao Network Technology Co., Ltd.
Carlyle-Fosun	Fosun-Carlyle (Shanghai) Equity Investment Fund L.P.
Caruso	Raffaele Caruso S.p.A
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chuangfu Finance Leasing	Chuangfu Finance Leasing Shanghai Co., Ltd.
CITS	China International Travel Service Corporation Limited
Club Med	Club Méditerranée SA

the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
EU	European Union
Euro	Euro, the official currency of the Eurozone
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.)
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Group	Shanghai Fosun High Technology (Group) Co., Ltd
Fosun Insurance Portugal	Fidelidade-Companhia de Seguros, S.A., Multicare-Seguros de Saúde, S.A. and Cares-Companhia de Seguros, S.A.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd.
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huaxia Mining	Beijing Huaxia Jianlong Mining Technology Co., Ltd.
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Jin’an Mining	Anhui Jin’an Mining Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Minsheng Bank	China Minsheng Banking Corp., Ltd.
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd.
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd.
Peak Reinsurance	Peak Reinsurance Company Limited
Perfect World	Perfect World Co., Ltd.
Pingrun Investment	Shanghai Pingrun Investment Management Co., Ltd.

Pramerica - Fosun China Opportunity Fund	Pramerica – Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.
PRC	the People's Republic of China
Reporting Period	the year ended 31 December 2013
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
Sanyuan	Beijing Sanyuan Foods Co., Ltd.
Shanjiaowulin	Shanxi Coking Coal Group Wulin Coal Coke Development Co., Ltd.
Sinopharm	Sinopharm Group Co. Ltd.
Star Capital	Shanghai Star Equity Investment L.P.
Starcastle Senior Living	Starcastle Senior Living Corporation
St. John	St. John Knits International, Incorporated
USD	United States dollars, the lawful currency of the United States
Weishi Fund	Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zendai	Shanghai Zendai Property Limited
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 25 March 2014

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