FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

INTERIM RESULTS ANNOUNCEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2014

FINANCIAL SUMMARY

	For the six months ended 30 June	
In RMB million	**2014**	2013
Revenue	**24,795.9**	23,970.6
Insurance	**2,182.3**	26.0
Industrial Operations	**22,075.5**	23,814.8
Investment	**509.5**	152.6
Asset Management	**102.1**	172.2
Eliminations	**(73.5)**	(195.0)
Profit attributable to owners of the parent	**1,833.9**	1,691.6
Insurance	**114.5**	95.5
Industrial Operations	**1,133.3**	1,457.3
Investment	**999.2**	405.2
Asset Management	**68.4**	22.2
Unallocated expenses	**(431.7)**	(213.8)
Eliminations	**(49.8)**	(74.8)
Earnings per share - basic *(in RMB)*	**0.28**	0.26
Earnings per share - diluted *(in RMB)*	**0.28**	0.26

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, net assets attributable to owners of the parent of the Group reached RMB43,990.1 million, representing an increase of 11.0% from the end of 2013. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB1,833.9 million, representing an increase of 8.4% over the same period of 2013.

RESULTS HIGHLIGHTS

Significant expansion of the comprehensive financial capability of the insurance-oriented business

- Completed the Fosun Insurance Portugal transaction and commenced a total of 14 equity and debt investment projects including Bona, REN, etc., with a total investment amount of approximately Euro460 million;
- Invested in one of the Europe's largest independent private banks German BHF-BANK and became its second largest shareholder;
- Acquired a Japanese property fund management company IDERA;
- Invested in Ironshore, an insurance company, in August 2014. After the completion of the acquisition, Fosun will be its largest shareholder.

Accelerated the pace of globalization based on the Company's industrial foothold in China

- Accelerated the establishment of local investment capabilities in Europe, US, Japan, Hong Kong, Southeast Asia by investing in local platforms and recruiting local partners;
- Accelerated the pace of globalization that benefits from China's growth momentum and completed several investment projects across Asia, Europe and North America.

Focused on middle-class lifestyle to extend foothold in experience-based consumption

- High entry point in the movie entertainment industry: investing in Studio 8, Bona, and signed a strategic cooperation agreement with Shanghai Film Group Co., Ltd.;
- Mobile internet: after investing in Focus Media, Perfect World, Linekong Interactive etc., we expanded our investment scope to cover mobile gaming,

marketing, social networking, office, education, entertainment, finance and healthcare sectors. The Group has a total of 18 PE & VC projects in the internet sector, amounted to about RMB1,850 million;

- Commerce and Tourism: CITS, Club Med, Atlantis project and Yuyuan, with new investment totalling about RMB635 million during the Reporting Period.

Property businesses fully migrated to the hive city development model

- Combining Fosun's industrial advantages, fully transforming into the hive city development model;
- During the Reporting Period, the Group has a total of eight projects in five categories including Financial Services Hive, Culture & Entertainment Hive, Healthcare Hive, Logistics & Trade Hive and Travel & Leisure Hive under development as scheduled with a GFA of approximately 5.2 million sq. m..

Grasped opportunities and actively participated in mixed ownership reforms in China's state owned enterprises

- 20.45% stake in Sanyuan Foods;
- 13% stake in Zhongshan Public Utilities;
- 14.23% stake in CNFC Fishery.

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 investment portfolio benefiting from China's growth momentum.

Unit: RMB million

Segment	Total assets at 30 June 2014	Total assets at 31 December 2013	Change from the end of 2013
Insurance	116,766.7	5,448.1	2043.3%
Industrial Operations	148,856.8	136,061.8	9.4%
Including: Fosun Pharma	30,991.1	29,418.3	5.3%
Forte	70,141.8	63,816.8	9.9%
Nanjing Nangang	43,479.8	38,014.7	14.4%
Hainan Mining	4,244.1	4,812.0	-11.8%
Investment	47,194.6	44,410.9	6.3%
Asset Management	3,614.8	3,139.7	15.1%
Eliminations	-3,118.7	-5,936.6	-47.5%
Total	313,314.2	183,123.9	71.1%

INSURANCE

The Group's insurance segment mainly includes Fosun Insurance Portugal, 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. In addition to our investments in Yong'an P&C Insurance, in 2012, Pramerica Fosun Life Insurance and Peak Reinsurance invested by the Group also obtained operation approval and certificate of authorization from regulatory authorities, and commenced operations in Shanghai and Hong Kong respectively. The Group completed the acquisition of an 80% equity interest in Fosun Insurance Portugal in May 2014, with a substantial increase in insurance assets. The Group regarded the development of insurance business as a good means to connect Fosun's investment capability to high quality long-term capital. On one hand, the abovementioned four insurance companies can improve their profits from underwriting by leveraging on the Group's extensive industrial operations experience and expertise in insurance and finance, and on the other hand also realize higher investment revenue through the effective investment practices. As a result, insurance plus investment will be our business cores to focus on in the future.

Fosun Insurance Portugal

In May 2014, the Group completed the acquisition of 80% equity interests in Fosun Insurance Portugal (Fidelidade, Multicare and Cares). Fosun Insurance Portugal is a global operator in the Portuguese insurance market, selling products in all key lines of business and benefiting from the largest and most diversified insurance sales network in Portugal, including exclusive and multi-brand agents, brokers, own branches, internet and telephone channels and strong distribution partnerships with the post office and Caixa Geral de Depósitos, S.A., the leading Portuguese bank which remains as the owner of a 20% stake in Fosun Insurance Portugal.

In the first half of 2014, Fosun Insurance Portugal maintained its leading position in the domestic market, with total direct insurance premiums of Euro1,909 million. This is in line with a significant growth in the life business, total life direct insurance premiums of Euro1,397 million, representing an increase of 18% over the same period of last year and a Portuguese market share of 27%. In non-life business, premiums reached Euro512 million, representing a decrease of 3.3% over the same period of last year, representing a market share of 25.9% in the Portuguese market.

International business of Fosun Insurance Portugal continued to reveal stability in more mature markets (e.g. Spain and France), and also strong growth in Africa, reaching overall Euro90 million in direct insurance premiums, an increase of 103% when compared with the corresponding period of last year, mostly due to the strong performance of Universal Seguros S.A., a subsidiary in Angola, and the completion of the acquisition of Garantia-Companhia de Seguros de Cabo Verde, S.A., the leading insurer in Cape Verde, in the first half of 2014. Fosun Insurance Portugal is now proceeding with the setup of two new branches, both life and non-life insurance, in Mozambique.

During the Reporting Period, Fosun Insurance Portugal has achieved a consolidated net profit of Euro89.0 million based on its management accounts, benefiting from a very favorable investment performance of Portuguese Government Bonds. For the two months period ended 30 June 2014, the profit attributable to the Group of Fosun Insurance Portugal was Euro26.4 million.

During the Reporting Period, the non-life business combined ratio was 102.9%. In the first half of 2014, total returns on investment income achieved 4.3%, reflecting the above mentioned performance. Fosun Insurance Portugal is now working closely with the Group's investment management teams, in order to benefit from Fosun's strong investment expertise and obtain better returns with prudent and responsible investment strategy. As at the end of the Reporting Period, total assets of Fosun Insurance Portugal recorded an amount of Euro13,212 million and the shareholders' equity (including minority interests) achieved Euro1,338 million, its investable assets were Euro12.56 billion.

As at the end of the Reporting Period, The solvency ratio of Fosun Insurance Portugal reached 194%, demonstrating the solid capital position of Fosun Insurance Portugal and its prudent reserve policies. Fosun Insurance Portugal continues to actively prepare for the implementation of the new Solvency II Regulation in January 2016 in Europe.

The strong positioning and service standards of Fosun Insurance Portugal in Portuguese market allowed Fosun Insurance Portugal to win several distinguishing awards, such as Marca Confiança 2014 (2014 Most Trusted Brand), Marktest Reputation Index 2014 and Prémios Marketeer - Seguradora 2014 (Marketeer Award -

Insurance 2014), becoming one of the most awarded insurance companies in Portugal in 2014.

Fosun Insurance Portugal Investment Portfolio - Asset Allocation:

Asset Type	Book Value as at 30 June 2014	Book Value as at 31 December 2013	Total Returns on Investment from 1 January to 30 June 2014
Fixed maturity investments	86.9%	88.5%	4.3%
Equity investments	5.2%	4.5%	6.4%
Infrastructure investments and investment properties	5.0%	4.9%	11.9%
Cash, cash equivalents and others	2.9%	2.1%	0.2%
Total	100%	100%	4.3%

Calculation method: Total returns on investment = (Income + realized gains and losses + impairments + unrealized gains and losses)/average investable assets, from 1 January 2014 to 30 June 2014.

Since being acquired by the Group, Fosun Insurance Portugal has completed 14 investments in debt and equities, such as REN, Bona, with a total investment amount of approximately Euro460 million.

REN

The Group invested in REN, a Portugal national energy network company, in the Reporting Period. As at the end of the Reporting Period, Fosun Insurance Portugal held a 3.97% equity interest in REN.

During the Reporting Period, REN realized sales income of Euro317.3 million, representing a decrease of 6.76% over the same period of last year; realized net profit of Euro58.3 million, representing a decrease of 9% over the same period of last year.

REN has the right to operate National Electricity Transmission Network and National Natural Gas Transmission Network of Portugal on a monopoly basis. Its overall operations are stable, which enables it to effectively resist short-term economic fluctuations. REN emphasizes return on equity and has a stable dividend policy. The current dividend yield exceeds 6.2%, which is suitable for long-term holding by insurance funds.

BONA

Bona is an important strategic investment of the Group in the film and television entertainment industry. As at the end of the Reporting Period, the Group held a total of 7.5% equity interest in Bona. In July 2014, the Group has increased its equity interest in Bona to 20.8% (including 13.3% held by Fosun Insurance Portugal) by agreement, and became the second largest shareholder of Bona. The Group is optimistic about the future prospects of the Chinese film industry. Bona has a rich experience in local film production, distribution and cinema operation in China. The Group will integrate resources to complement each other's advantages so as to support the future sustained development of Bona.

Yong'an P&C Insurance

During the Reporting Period, Yong'an P&C Insurance had premium income of RMB3,650.2 million, down 6.9% on a year-on-year basis after elimination of non-performing business. Net profit was RMB316.7 million, up 32.3% on a year-on-year basis. As at 30 June 2014, Yong'an P&C Insurance had investable assets of RMB9.03 billion, total combined ratio reduced from 106.7% at the end of 2013 to 100.1%, total returns on investment was 3.55% in the first half of 2014. As the domestic property insurance industry has begun to enter into a profit decline period and there is a rapid decline in the underwriting margins, Yong'an P&C Insurance has taken the initiative to promote adjustment and transformation in 2014, eliminated certain less efficient businesses on its own initiative, share of automobile insurance in total premium income reduced from 80.1% at the end of 2013 to 77.9%; enhanced personnel adjustment to increase per capita production capacity; established the underwriter system to reinforce underwriting risk control; enhanced vertical control over the settlement of claims to improve the claim settlement quality and reduced the claim settlement cost; enhanced innovative development to actively explore internet applications.

Pramerica Fosun Life Insurance

Pramerica Fosun Life Insurance was officially opened for business in October 2012 and has maintained steady growth in the overall performance by pursuing a multi-channel sales strategy. In 2013, Pramerica Fosun Life Insurance made outstanding achievements in building the business foundation, developing the operation model and business policies, broadening investment channels and promoting the innovation of products and sales model. Pramerica Fosun Life Insurance positions itself as a "Lifelong Health Manager for Customers" in the market, provide customers with assurance and abundance in life, thus becoming a lifelong reliable insurance partner for them. In the first half of 2014, Pramerica Fosun Life Insurance continued to proceed with product and service innovation. In addition, Pramerica Fosun Life Insurance rolled out the "Happiness Guardian" annuity product to complement with Fosun Group's resources of real estate for the elderly and plan a better after-retirement life for high net worth customers. Pramerica Fosun Life Insurance has been following a multi-channel development strategy consisting agency, bancassurance, worksite marketing and alternative distribution. At present, it possesses a relatively complete product line including life insurance, accident insurance, critical illness insurance, universal life insurance and medical insurance.

During the Reporting Period, the annualized premium income and the total premium of Pramerica Fosun Life Insurance reached RMB32 million and RMB195 million respectively (both including universal insurance policyholders' deposits). As of 30 June 2014, Pramerica Fosun Life Insurance had a solvency adequacy ratio at 2,792.0% and investable assets of RMB379.5 million.

Peak Reinsurance

Peak Reinsurance obtained its certificate of authorization in respect of the property and casualty reinsurance business from the Office of the Commissioner of Insurance in Hong Kong in December 2012. During the Reporting Period, Peak Reinsurance successfully obtained the license for underwriting long-term reinsurance business issued by the Office of the Commissioner of Insurance and is one of the few locally established reinsurance companies in Asia Pacific underwriting both life & health and property & casualty reinsurance business. Peak Reinsurance is active in developing its worldwide business. Its business in Europe and North America accounted for 7% of the total premium income for the first half of 2014. As at the end of the Reporting Period, Peak Reinsurance has served over 108 customers in 26 markets around the world. As at 30 June 2014, Peak Reinsurance's investable assets were USD669 million. In the first half of 2014, the total premium income of Peak Reinsurance was USD105.52 million, and the total premium income for the same period last year was USD17.92 million, the solvency ratio was 3,347%; the technical combined ratio was 109% compared to 150% for the same period last year. The Group owns 85.1% equity interest in Peak Reinsurance, while International Finance Corporation owns the remaining 14.9% equity interest.

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

Unit: RMB million

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Change over the same period last year
Revenue	2,182.3	26.0	8293.5%
Profit attributable to owners of the parent	114.5	95.5	19.9%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of insurance sector was mainly attributable to the Group's acquisition of 80% equity of Fosun Insurance Portugal in May 2014.

INDUSTRIAL OPERATIONS

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

Fosun Pharma

In 2014, despite the challenging circumstances of an incomplete recovery from the global economic downturn and a slowdown in the growth rate of the domestic economy, reforms of the medical system in the PRC continued to deepen and brought policy opportunities to the development of medical services. During the Reporting Period, Fosun Pharma adhered to its business philosophy of "Continuous Innovation for Good Health", focused on its core pharmaceutical healthcare businesses, continued to develop product innovation and improve management, actively promoted the strategies of organic growth, external expansion and integrated development, and continued to maintain rapid growth in its major businesses. During the first half of 2014, continuous improvements were recorded in the key financial indicators of Fosun Pharma, such as revenue of its major businesses, net profit after extraordinary gains and losses and cash flow from operations. Among which, net profit after extraordinary gains and losses achieved RMB670 million, representing an increase of 34.54% when compared with the same period of last year. It demonstrated the sustainable operation and development capability of Fosun Pharma.

In the first half of 2014, the businesses of pharmaceutical manufacturing and research and development ("R&D") of Fosun Pharma experienced rapid growth, the building of professional operation teams were further reinforced, and the sales of major core products in the therapeutic areas, such as cardiovascular system, metabolism and alimentary tract, and anti-infection areas, maintained relatively faster growth. As of to date, a total of 125 projects on new drugs and vaccines were in the pipeline under research and development.

Meanwhile, Fosun Pharma further increased investments in the area of medical services, and planned to make contributions of no more than USD223.62 million to participate in privatization project of Chindex, with a view to further substantiate the operating capital for Chindex, expand its high-end medical treatment network in the PRC, enhance business scale and profitability, and strengthen Fosun Pharma's strategic layout of high-end medical treatment service network basically established in the more developed coastal cities and the business of medical services integrating specialty and general hospitals in second-tier and third-tier cities. In the first half of 2014, the Shanghai United Family ("SHU"), a company under Chindex, realized revenue from operation of USD105.34 million, representing an increase of 20.33% when compared with the same period of last year. It showed the continuous growing demand of high-end medical service in domestic market and SHU's brand influence.

Fosun Pharma's medical diagnosis business has also expanded its product cooperation with investee Saladax Biomedical, Inc., by introducing three products with proprietary technological registration, namely, "5-FU Exposure Test Kit" （Immunoturbidimetric Assays), "Paclitaxel Exposure Test Kit" (Immunoturbidimetric Assays) and "Docetaxel Exposure Testkit" (Immunoturbidimetric Assays) for further enriching the diagnostic reagent product line.

In the medical devices segment, Fosun Pharma actively drove the business development of Alma Lasers Ltd., continued to reinforce the business rationalization of Chindex Medical Limited. In 2014, Alma Lasers Ltd. further reinforces the development of new products, particularly those for use in medical treatment devices. The product line expanded towards the clinical treatment sector, its self-developed tabletop laser diode was approved by U.S. Food and Drug Administration in July 2014, the 1470 nano surgical laser system also passed the CE certification in July 2014.

In the first half of 2014, Sinopharm, an investee of Fosun Pharma, continued to accelerate the industry consolidation, expanded the construction of pharmaceutical distribution network and maintained rapid growth of its business. In the first half of 2014, Sinopharm realized revenue from operation of RMB94,836 million, net profit of RMB2,308 million, attributable net profit of RMB1,465 million, representing an increase of 18.45%, 28.50% and 27.24%, respectively, when compared with the same period of last year. As at the end of the Reporting Period, the distribution network of Sinopharm further expanded to 31 provinces, autonomous regions and municipalities in China. Its direct customers included 12,142 hospitals (only referring to hospitals with ranking and including 1,668 of the tier-three hospitals which are the largest and most highly ranked hospitals). During the Reporting Period, Sinopharm's revenue from pharmaceutical distribution business increased by 18.72% when compared with the same period of last year to RMB90,581 million. Meanwhile, the pharmaceutical retail business of Sinopharm also maintained growth, and revenue of RMB2,798 million was generated during the Reporting Period, representing an increase of 23.01% when compared with the corresponding period of 2013; and its pharmaceutical retail network was further expanded, which had 1,944 retail pharmacies as of the end of the Reporting Period.

In April 2014, Fosun Pharma completed the placing of 67,214,000 new H Shares and raised net proceeds of approximately HKD1,761 million. Continuous cooperation with International Finance Corporation was extended and preferential loans with low interest rates were obtained, providing viable conditions for Fosun Pharma to increase mergers and acquisitions of domestic and foreign pharmaceutical enterprises and medical treatment service institutions, reinforce the construction of international R&D platform and strengthen the development of major businesses.

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

Unit: RMB million

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Change over the same period last year
Revenue	5,502.2	4,473.6	23.0%
Profit attributable to owners of the parent	406.4	429.8	-5.4%

During the Reporting Period, the increase in the revenue of Fosun Pharma was mainly due to the rapid business development in aspects of drug manufacturing and R&D, medical services, investments, etc.. During the first half of 2014, in line with Chinese GAAP (Generally Accepted Accounting Principles), net profit attributable to shareholders of the listed company of Fosun Pharma after deducting extraordinary gain and loss reached RMB669.79 million, increasing by 34.54% year on year.

Forte

During the first half of 2014, austerity measures remained imposed on the real estate industry in the PRC. High growth data of the same period in 2013 and the relatively tight credit environment for housing affected the market during the first half of 2014. Market data of the current period presented a declining trend when compared with data of the same period year-on-year, market turnover in Tier 1 and Tier 2 cities had declined with a rose in market storage. During the first half of 2014, investment in property development on national basis amounted to RMB4,201.862 billion, increased by 14.1% year-on-year. Sales area of commodity housing on national basis amounted to 483,652,300 sq.m., decreased by 6% when compared with the same period of last year. Sales revenue of commodity housing on national basis were RMB3,113.281 billion, decreased by 6.7% year-on-year when compared with the same period of last year.

Forte is cautiously optimistic about the second half of 2014. Attention will be focused on market changes; marketing strategies will be strengthened to capture market opportunities; active and effective measures will be adopted to dispose of inventories with an age of 1 to 2 years, and to ensure the sales rate of new products launched in the market. Facing changes in the market, Forte will follow the Hive City concept to become an explorer in resources integration, strive to provide the best living space for customers, and consolidate the global resources of Fosun and Forte through an international perspective and internet concept to further release integration capabilities, create competitive advantages for products and services, virtually implement property projects under the Hive model and increase the land bank. With a cautiously optimistic view about the real estate industry, core cities will be further developed, with the support through the utilization of diversified financing channels including institutional funds from investment funds and insurance.

Project Development

During the Reporting Period, Forte's GFA under development was approximately 5,751,444 sq.m., and the attributable GFA amounted to approximately 3,470,719 sq.m., representing a decrease of approximately 10.97% compared with the same period of last year (Interim period of 2013: total attributable GFA was approximately 3,898,192 sq.m.).

During the Reporting Period, the GFA of newly commenced projects was approximately 880,090 sq.m., and total attributable GFA was approximately 483,272 sq.m., representing an increase of approximately 114.71% when compared with the same period of last year (Interim period of 2013: total attributable GFA was approximately 225,085 sq.m.).

During the Reporting Period, the GFA of completed projects was approximately 357,113 sq.m., and total attributable GFA was approximately 238,168 sq.m., representing a decrease of approximately 35.97% when compared with the same period of last year (Interim period of 2013: total attributable GFA was approximately 371,970 sq.m.).

Project Reserves

During the Reporting Period, Forte obtained 2 projects as additional project reserves with total planned GFA of approximately 222,500 sq.m., and total attributable GFA was approximately 222,500 sq.m., representing a decrease of approximately 15.40% compared with the same period of last year (Interim period of 2013: total attributable GFA was approximately 263,000 sq.m.).

As at 30 June 2014, Forte owned project reserves with planned GFA of approximately 16,547,590 sq.m., and attributable GFA was approximately 10,319,297 sq.m., representing a decrease of approximately 2.14% compared with the same period of last year (Interim period of 2013: the attributable GFA was approximately 10,545,000 sq.m.).

Property Sales

During the Reporting Period, Forte realized property contract sales area and contract sales revenue of approximately 514,311 sq.m. and RMB7,866.8 million respectively, and attributable contract sales area and contract sales revenue were approximately 327,389 sq.m. and RMB4,631.5 million respectively, representing a decrease of approximately 29.4% and a decrease of approximately 24.28% respectively, compared with the same period last year (Interim period of 2013: total attributable contract sales area and contract sales revenue were approximately 463,749 sq.m. and RMB6,117 million, respectively).

Property Booked

During the Reporting Period, the property area (booked area) and property amount (booked amount) by Forte were approximately 270,254 sq.m. and RMB3,014.6 million respectively. Attributable booked area and booked amount were approximately 213,605 sq.m. and RMB2,410.3 million, representing a decrease of approximately 29.94% and 32.37% respectively, compared with the same period of last year (Interim period of 2013: attributable booked area and booked amount of approximately 304,902 sq.m. and RMB3,564 million).

As at 30 June 2014, the area and amount sold but not booked were approximately 1,571,558 sq.m. and RMB21,736.7 million respectively, and the attributable area and amount sold but not booked were approximately 1,104,898 sq.m. and RMB14,314.0 million respectively, representing an increase of approximately 6.13% and an increase of approximately 6.87% respectively, compared with the same period of last year (Interim period of 2013: attributable area and amount sold but not booked were approximately 1,041,073 sq.m. and RMB13,394 million respectively)

Note: the above data includes the projects of jointly-controlled entities and associates owned by Forte but excluding the projects developed by the associate Shanghai Zendai Property Limited.

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

Unit: RMB million

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Change over the same period last year
Revenue	2,639.0	3,629.2	-27.3%
Profit attributable to owners of the parent	532.1	79.3	571.0%

During the Reporting Period, the decrease in the revenue of Forte was mainly due to the decrease in sales area of Forte's property under development as compared with the same period of last year. The increase in the profit attributable to owners of the parent of Forte was mainly attributable to the appreciation of investment property.

Nanjing Nangang

During the Reporting Period, the domestic economy experienced a slowdown in its growth rate. In particular, the real estate market entered a correction stage. While the growth rate of steel demand slowed down, steel output remained at a high level. The industry chain was faced with a shortage of funds. Ore prices dropped drastically and steel prices turned weak and declined, with the decline in ore prices greater than the decline in steel prices. As far as the entire steel industry was concerned, the core business still suffered losses.

Against this backdrop, the production level of transformation development and structural adjustment projects such as wide and heavy plate mill of Nanjing Nangang was continuously enhanced. The production and sales of steel products increased on a year-on-year basis. The product type structure was optimized and the number of orders for high added-value products such as 9% Ni steel increased substantially. The cost control capability was enhanced and the decline in prices of major raw materials was greater than the decline in steel prices. Gross profit of products increased on a year-on-year basis, turning losses in profits.

Nanjing Nangang is a large steel company controlled and operated by the Group located in the East China region of the PRC, with the current crude steel production scale of approximately 10 million tonnes. Major products include medium and heavy plates, rod and wire, strip steel and bulb steel. In the first half of 2014, the transformation development projects of Nanjing Nangang were successively put into operation, resulting in the expansion of steel output. Meanwhile, with a decline in ore prices, the price of scissors in connection with ore prices and steel prices decreased, leading to an improvement in corporate profit margins. Nanjing Nangang vigorously promoted the adjustment of its product mix, steadily advanced the commissioning of new production lines, optimized the raw fuel procurement strategy, further drove benchmarking and potential tapping, reduced process costs and increased the proportion of the production and sales of products with higher profitability. Nanjing Nangang turned losses into profits in the first half year of 2014. The development goal of Nanjing Nangang is to become a leading enterprise with competitiveness in the iron and steel industry chain and a leader in the high-end market segment.

In the first half of 2014, Nanjing Nangang produced 3,399.8 thousand tonnes of steel. Meanwhile, Nanjing Nangang also owns a controlling stake in Jin'an Mining, the main product of which is iron concentrate. During the Reporting Period, the output of iron concentrate was 518,700 tonnes, representing an increase of 7% over the same period last year.

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

Unit: RMB million

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Change over the same period last year
Revenue	13,065.6	14,333.7	-8.8%
Profit attributable to owners of the parent	22.3	623.6	-96.4%

During the Reporting Period, the declined revenue of Nanjing Nangang was primarily due to a decrease in both sales volume of products and average selling prices. Excluding the gain on disposal of available-for-sales investment in the first half of 2013, Nanjing Nangang's profit attributable to the parent actually increased by RMB62 million as compared with the same period of last year, mainly due to the increase in gross profit margin, as well as the decrease in overall operating expenses.

Hainan Mining

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

The main product of Hainan Mining is iron ore. During the Reporting Period, prices of iron ore fell sharply, affected by market fluctuation in the downstream steel industry. Leveraging on its own advantages, Hainan Mining overcame market difficulties and enhanced its sales, with its sales of iron ore reaching 1,492,993 tonnes in the first half of 2014, representing a decrease of 28.7% as compared with the same period last year. Meanwhile, Hainan Mining further promoted its listing process. On 30 June 2014, the company published the updated draft of the prospectus (application draft) for the proposed initial public offering of shares on the Shanghai Stock Exchange on the website of China Securities Regulatory Commission.

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

Unit: RMB million

	For the six months ended 30 June 2014	For the six months ended 30 June 2013	Change over the same period last year
Revenue	868.7	1,378.3	-37.0%
Profit attributable to owners of the parent	172.5	324.6	-46.9%

During the Reporting Period, the decrease in both revenue and profit attributable to owners of the parent of Hainan Mining was mainly due to a decrease in both sales volume of products and average selling prices.

INVESTMENT

The Group adheres to the philosophy of value investing and invests in a series of enterprises benefited from China’s growth momentum in the domestic and international markets based on its “combining China’s growth momentum with global resources” model. The Group’s investment business comprises of five categories, namely investments in strategic associates, private equity investments (PE investments), secondary market investments, capital contribution to the Group’s asset management business as a limited partner (LP investments) and other investments (including VC 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 wholesale and retail of gold and jewellery, and it holds certain equity interests in Zhaojin Mining. During the Reporting Period, Yuyuan recorded operating revenue of RMB10,038 million, representing a decrease of 25.3% over the same period of last year. Total net profit was RMB411 million, decreased by 42.3% year-on-year. The profit attributable to shareholders of the listed company amounted to RMB330.2 million, representing a decrease of 36.84% over the same period of last year. Yuyuan recorded lower operating revenue and net profit when compared with the same period of last year due to two reasons. Firstly, the drastic fall in gold price during the first half of 2013 had stimulated consumption, leading to a significant growth in sales of gold products in the first half of 2013 and resulted in a relatively high base figure. Secondly, as Yuyuan Gold and Jewellery Group obtained spot gold by gold leasing and through the Shanghai Gold Exchange, the extended period for gold T+D transactions and financial derivatives such as gold forward transactions and gold futures trading were also utilized for hedging to fix the costs. Since the international gold price trend in the first half of the year was in the reverse direction when compared with the same period of last year, resulting in a lower temporary gain/loss on changes arising from gold leasing and gold T+D transactions as at the end of the Reporting Period when compared with the same period of last year.

During the Reporting Period, Yuyuan continued the development of its principal businesses and expansion of sales of gold and jewellery with particular emphasis on establishing sales channels for high value products. Yuyuan established Shanghai Yuyuan Gold and Jewellery Group Co., Limited (上海豫園黃金珠寶集團有限公司) by putting its two major brands “Laomiao Gold” and “Yayi Gold” under the same management to further the integration of its principal businesses and transformation into a new operating model. As of the end of the Reporting Period, the number of chain stores of the two brands increased to 1,786 from 1,689 as at the end of last year.

In the first half of 2014, the Group acquired a total of 70,577,670 shares in Yuyuan in the secondary market, increasing its shareholding in Yuyuan to 29.91% as at 30 June 2014.

Jianlong Group

Jianlong Group is a large enterprise group which integrates resources, steel, shipping and electrical equipment. During the first half of 2014, Jianlong Group's steel output reached 6,806.8 thousand tonnes and iron concentrate output of 1,483.4 thousand tonnes.

Shanjiaowulin

Shanjiaowulin is an associate of the Group 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.

During the Reporting Period, Shanjiaowulin produced a total of 467.8 thousand tonnes of coke and 43.3 thousand tonnes of methanol, and achieved total sales of coke of 459.8 thousand tonnes and methanol of 41.0 thousand tonnes, with an accumulated sales revenue of RMB555.0 million.

PE

The Group's investments in PE include investments in Zhaojin Mining, Focus Media, St. John, Caruso, Kleinwort Benson Group, etc..

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations and focusing on the gold production business, with mine-produced gold as its main product. Zhaojin Mining is committed to maintaining strategic cooperation with local governments, large-scale geological exploration institutes and large enterprises. Through equity mergers and acquisitions as well as implementation of full-scale development, it aims to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu. It also increases its efforts in resources integration in the periphery of industrial clusters, which has further enhanced the company's resource strength. Gold production of Zhaojin Mining during the first half of 2014 was 9.69 tonnes, representing an increase of 12.3% over the same period of last year and its sales revenue amounted to RMB2,845.2 million, representing an increase of 20% over the same period of last year.

Focus Media

Focus Media is an important investment of the Group in the culture and media industry. At the end of December 2012, the Group joined a privatization consortium for a leveraged buyout of Focus Media, and jointly issued a formal offer. Privatization and delisting of Focus Media were successfully completed at the end of May 2013. In addition to recovering cash of USD210.9 million, the Group exchanged the remaining 14,545,455 American Depositary Shares of Focus Media, valued at USD400.0 million, for 174,084 shares in the new holding company which represents 17.41% of the equity interest in the new holding company, and is entitled to a board seat. The fact that the Group participated in the privatization of Focus Media and remains one of the significant shareholders of Focus Media reflects its support to Focus Media and its management team. During this mobile internet era, Focus Media capitalizes on its in-depth understanding of advertising and its insights into the consumer landscape and uses its mobile internet technology that integrates offline with online information to target the 2 hundred million most commercially valuable customers as its driver of brand sales. Focus Media strives to build an O2O portal with an offline big data, aiming to be an important player of mobile internet portal.

St. John

St. John, a renowned US luxury womenswear brand, was the first investment project made by the Group in the US in 2013. As at the end of the Reporting Period, the Company indirectly held 6.7% interests in St. John while Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, held 27.2% interests.

Established in 1962, St. John is a famous US high-end womenswear brand renowned for its elegant design, excellent cutting and superior value. St. John recorded sales of USD254 million for 2012 and it had over 40 directly-owned stores and nearly 200 outlets in department stores in the US as well as over 160 outlets in overseas markets, such as Asia, Europe and the Middle East. US accounts for approximately 85% of St. John's overall sales while the international markets accounts for the remaining 15%. It also has its own apparel manufacturing facilities in the US and Mexico. On 4 April 2013, Fosun and Pramerica-Fosun China Opportunity Fund invested in total USD55 million in St. John, representing a total shareholding of 33.9%.

St. John recruited its new global executive chairman and chief executive officer with the assistance of Fosun after its investment in St. John. Such recruitments helped strengthen the management team and operating standards of St. John. In the meantime, Fosun helped further promote St. John's brand philosophy and brand value among its high-end customers through its consumer networks and media resources. In the PRC market, Fosun also helped set up a Chinese team for St. John and it will continue to provide assistance to St. John in respect of store opening and brand promotions in the future.

While St. John's 2013 sales revenue decreased by 2% comparing with the previous year, its EBITDA increased by 4.2% year on year and by 22% if excluding one-off expenses. During the first half of the 2014 fiscal year (From 1 November 2013 to 30 April 2014), due to the weak US wholesale market, adverse weather conditions and the colours of St. John's winter and spring collections did not fully appeal to the customers, St. John's revenue decreased by 13% comparing to the same period of last year. New designers have joined the company and new management staff have been recruited for purchasing, wholesaling and retailing departments to particularly strengthen product design, wholesale and retail network . It is expected to regain its growth next year. The investment in St. John highly aligns with Fosun's investment philosophy. Fosun will assist St. John's operations at the global level and particularly help it expand its market in China, and aims at enhancing its global brand value by developing China's market.

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 in Caruso while Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, holds 29.05% of its equity interest.

As a leading luxury menswear manufacturer in Italy, Caruso has over 600 employees with an annual production of over 100,000 pieces of premium clothes, 10% of which are tailor-made suits for private clients. Caruso's self-owned branded products are sold worldwide through over 300 points of sale in multi-brand boutiques and department stores. Apart from sale of self-owned branded products, Caruso also provides quality OEM apparel services for various major international luxury brands. Caruso is the only company in the Italian fashion and luxury goods industry which has obtained ISO9001 certification. During the Reporting Period, Caruso identified locations for its two flagship stores in New York and Milan. It is expected that the New York store will open in the second half of 2014 while the Milan store in the first half of 2015. Caruso also plans to open its flagship store in China at The Bund Finance Center (BFC).

Kleinwort Benson Group

Kleinwort Benson Group ("KBG") was an overseas investment made by the Group in March 2014. The Group and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, contributed in aggregate of Euro98.5 million in the investment and jointly hold 19.2% in KBG upon the completion of settlement. Through its shareholding in KBG, the Group and Pramerica-Fosun China Opportunity Fund hold effective equity interests of 17.5% and 19.2% in a German private bank BHF-BANK and an UK private bank Kleinwort Benson respectively, both under KBG.

Founded in 1854, BHF-BANK is one of the largest independent private banks in Germany and its headquarters are located in Frankfurt, Germany. It provides private banking and asset management services to its clients. In addition, it has 12 affiliates in Abu Dhabi, Geneva, Luxembourg and Zurich with 1,072 employees. The major clients of BHF-BANK are high net worth and ultra high net worth individuals in Germany, especially active German family-run enterprises. The bank holds approximately Euro38.5 billion funds entrusted by its clients and can make investments around the world.

Founded in 1961, Kleinwort Benson is an independently owned private bank providing advisory, wealth management and administration services to private clients and institutions from its offices in the UK, Channel Islands and Isle of Man. As a firm with a heritage established in merchant banking, Kleinwort Benson has been helping clients create, conserve and grow their wealth for over 200 years.

The Group is optimistic about the long term development of the financial services industry. The participation in the acquisition is another good example of the Group's globalization strategy and implementation of its investment strategy of "combining China's growth momentum with global resources" which allows the Group's participation in offering personalized financial products and services and thereby strengthening the Group's integrated financial capabilities and for better responding to other business opportunities in Europe.

Secondary Market Investments

The Group's investments in the secondary market include Club Med, Folli Follie, Minsheng Bank, Industrial Bank, CITS, Perfect World, Changyuan Group Ltd.("Changyuan Group"), Sanyuan Foods, Ping An Insurance, Datang Power, 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 tender offer made by the Group with Ardian (formerly known as Axa Private Equity) and the top managers of Club Med proceeded after the objections from minority shareholders were overruled. However, on 13 August 2014, following Autorité des marchés financiers (French securities regulatory authority)’s issuance of statement of compliance for a competing bid filed by Global Resorts SAS, an amendment agreement No. 3 to the investment agreement has been entered into among Fosun, Ardian and top managers, pursuant to which the parties to the investment agreement have decided to withdraw the tender offer launched by Gaillon Invest. Fosun will explore any potential options which would serve Fosun’s and Club Med’s best interests, and Ardian stated that it would also be associated with such considerations, thus the parties to the investment agreement will continue acting in concert for such purposes. As for its results, despite the continuous decline in Club Med’s major European markets, Club Med recorded a net profit of Euro16.0 million during the first half of 2014 fiscal year, which stayed flat as compared to that of the same period of 2013, relying on the growth of the emerging markets such as America, China and Russia. After the Group’s equity participation in Club Med and forming a strategic alliance with Club Med, the development strategy of Club Med in China has achieved significant progress with stronger ties between the two cooperating parties and increasing synergies from both parties’ resources. During the Reporting Period, the third Club Med resort in China opened in Zhuhai. According to Club Med’s development plan, China will become the second largest market after France for Club Med 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 June 2014, the Group held 9.96% equity interest and Pramerica-Fosun China Opportunity Fund, a 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 of Folli Follie for the first quarter of 2014 amounted to Euro228.0 million, representing an increase of 11.2% over the same period of last year. Its profit before tax was Euro49.3 million, representing an increase of 56.0% over the same period of last year. The net profit attributable to owners of the listed company amounted to Euro38.3 million, representing an increase of 43.4% over the same period of last year. The sales of its core brand business increased by 10.4%, EBITDA increased by 25% and operating profit increased by 27%. As of the end of the first quarter of 2014, Folli Follie had 609 point of sales all over the world, of which nearly 220 were in China. The other two business segments of Folli Follie – wholesale/retail and department stores achieved growth of 18.7% and 7.5% respectively in sales revenue over the same period of last years.

On 24 June 2014, Folli Follie announced that it successfully issued a 5-year term convertible bond for Euro249.5 million with coupon rate 1.75%. The conversion price was Euro40.763 per share. The majority of the proceeds from the convertible bond will be used to repay bank loans so as to significantly reduce the finance costs of Folli Follie. Stimulated by its outstanding performance, Folli Follie's share price in secondary market continued to soar in 2014, recording a growth of 24.4% from the beginning of the year to the end of June, significantly outperformed the overall 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 respect of shop opening and brand building. Folli Follie achieved a continuous strong growth in the sales results from China and significant acceleration of shop opening.

Minsheng Bank

Minsheng Bank is an important investment of the Group in the financial services industry. According to the 2014 first quarterly report of Minsheng Bank, in the first quarter of 2014, the operating revenue of Minsheng Bank was RMB31,231.0 million, representing a growth of 8.15% over the same period in 2013, and the net profit attributable to owners of the parent was RMB12,676.0 million, representing a growth of 15.08% over the same period in 2013. The annualized weighted average return on equity for the first quarter of 2014 was 24.80%, representing a decrease of 1.20 percentage points over the same period of 2013. The non-performing loan ratio as at the end of the first quarter of 2014 was 0.87%, representing a growth of 0.02 percentage point over the end of 2013. The balance of loans for small enterprises amounted to RMB405,025.0 million as at the end of the first quarter of 2014, representing a growth of RMB303.0 million or 0.07% over the end of 2013.

Industrial Bank

Industrial Bank (a company listed on the Shanghai Stock Exchange, stock code: 601166) is an important investment of the Group in the financial services industry. According to the 2014 first quarterly report of Industrial Bank, the operating revenue of Industrial Bank in the first quarter of 2014 amounted to RMB28,602 million, representing an increase of 13.97% over the first quarter of 2013. The net profit attributable to the owners of the parent amounted to RMB13,363 million, representing an increase of 21.74% over the first quarter of 2013. The annualized weighted average return on equity for the first quarter of 2014 was 25.80%, representing a growth of 0.76 percentage point over the first quarter of 2013. The non-performing loan ratio as at the end of the first quarter of 2014 was 0.84%, representing a growth of 0.08 percentage point over the end of 2013.

CITS

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

During the Reporting Period, CITS recorded revenue of RMB4,403 million for the first quarter of 2014, representing an increase of 11.8% over the same period of last year, and the net profit attributable to owners of the parent amounted to RMB533 million, representing a growth of 7.4% 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 National Tourism Administration, CITS ranked first in China for both outbound and inbound travel markets. China Duty Free Group Co., Ltd. under CITS is a nationwide qualified duty-free retailer, and its duty-free shop with an area of 119,000 square meters in Haitang Bay, Sanya, Hainan, the largest one in the world, will open on 1 September 2014.

Perfect World

The Group has invested in Perfect World since 2012. As at the end of the Reporting Period, the Group held 10.8% equity interest in Perfect World. Perfect World recorded net operating revenue of USD292.9 million in the first half of 2014, representing an increase of 38.03% over the same period of last year, with a net profit attributable to the shareholders of the listed company of USD58.5 million, representing an increase of 71.42% over the same period of last year.

Changyuan Group

The Group acquired 5% shares of Changyuan Group (a company listed on the Shanghai Stock Exchange, stock code: 600525) during the Reporting Period, as a strategic layout of the Group aimed at entering the smart grid and new materials sector. Changyuan Group is mainly engaged in the R&D, manufacturing and sales sectors such as smart grid equipment and radiation functional materials and holds a leading position in the industry. Changyuan Group is one of the few power companies which possess State Grid qualifications and masters of smart grid core technology and ranked first in a number of sub-segments of China's smart grid such as substation busbar protection and power cable accessories, and ranked first in China and second in the world in radiation functional materials.

In the first half of 2014, Changyuan Group recorded sales revenue of RMB1,385 million, representing an increase of 19.17% comparing with RMB1,162 million of the same period of last year. Changyuan Group realized a net profit of RMB127 million for the first half of 2014, representing an increase of 28.04% over RMB99.17 million of the same period of last year.

Sanyuan Foods

In February 2014, the Company's subsidiary Pingrun Investment and Fosun Chuanghong entered into a share subscription agreement with Sanyuan Foods regarding a private placement by Sanyuan Foods of A shares. Sanyuan Foods issued 306,278,713 ordinary A shares of Sanyuan Foods (the "A Shares") to Pingrun Investment and Fosun Chuanghong at a subscription price of RMB6.53 per A Share through a private placement. Pingrun Investment subscribed for 249,617,151 A Shares at a consideration of approximately RMB1.63 billion and Fosun Chuanghong subscribed for 56,661,562 A Shares at a consideration of approximately RMB370 million. Upon completion of the subscriptions, Pingrun Investment and Fosun Chuanghong will hold approximately 16.67% and 3.78%, respectively, of the enlarged number of issued shares of Sanyuan Foods. Sanyuan Foods is a renowned dairy product brand in China famous for the quality and safety of its products and enjoys significant market advantage in Beijing and the peripheral areas. Fosun is optimistic about the prospects of dairy consumer goods in China.

Ping An Insurance

Ping An Insurance is an important investment of the Group in the financial services industry. According to the 2014 interim report of Ping An Insurance, Ping An Insurance recorded operating revenue of RMB236,336 million for the first half of

2014, representing an increase of 24.7% over the same period of last year. The net profit attributable to shareholders of the parent amounted to RMB21,362 million, representing an increase of 19.3% over the same period of last year. The annualized weighted average return on equity for the first half of 2014 was 10.9%, representing an increase of 1.2 percentage points over the same period of last year. As of the end of the second quarter of 2014, the total assets of Ping An Insurance amounted to RMB3,801,225 million, representing an increase of RMB440,913 million and 13.1% over that as at the end of 2013.

Datang Power

During the Reporting Period, the Company held 198,284,000 H shares in Datang Power and Peak Reinsurance under the Group held 62,750,000 H shares in Datang Power, totalling an aggregate shareholding of 261,034,000 H shares, representing 7.87% of Datang Power's total H share capital and 1.96% of its total share capital.

Datang Power realized sales revenue of RMB17,350.0 million for the first quarter of 2014, representing a decrease of 4.97% over the same period of last year, and the net profit for the first quarter of 2014 amounted to RMB943 million, representing an increase of 0.49% over the same period of last year. Datang Power recently announced its proposed restructuring of its coal chemical business to strategically refocus on its principal business of power generation.

LP Investments

The Group made investment through capital contribution as a limited partner while proactively developing its asset management business. As of 30 June 2014, the Group committed to contribute a total of RMB4,183.1 million (RMB382.8 million to be contributed by Forte), of which RMB3,023.4 million was actually contributed (RMB382.8 million was contributed by Forte to the real estate series funds of Forte).

Other Investments

The Group's other investments included The Bund Finance Center, Dalian Donggang, Atlantis, Hong Kong Clear Water Bay Land, Resource Property, Starcastle Senior Living, Cainiao, Lloyds Chambers of London, One Chase Manhattan Plaza of New York, Chuangfu Finance Leasing, Secret Recipe, Linekong Interactive, Studio 8, Osborne and VC investments, etc.

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core location of the Bund in Shanghai and its construction made good progress in the first half of 2014 and is expected to be completed in 2015. The Bund Finance Center is an experienced-based finance complex in the Bund financial zone and this project will cater to five major business formats including corporate clubs, corporate headquarters, shopping centre, art gallery and boutique hotel to bring together under one roof a variety of functions of finance, commerce, tourism, culture and arts.

Name of project	Floor	Area (sq. m.)
GFA		428,332
Corporate clubs	S1	81,740
Corporate headquarters	S2	79,045
	N1	10,945
	N2	12,920
	N4	5,350
Commerce		80,742
Hotel		37,671
Art and cultural center		3,937

Dalian Donggang

The project is located in the Donggang District, which will be the CBD of Dalian in the future and is a district of the highest development and appreciation potential in Dalian. It is the home to a number of world-class landmark buildings and functional buildings such as Dalian International Conference Center (the venue for the Summer Davos), Dalian Arts Gallery, Seaview Area, Israeli Kardan Shopping Center, International Cruise Terminal, etc. Upon the appreciation, Donggang will become the window to the world and a hub of Dalian. The project is comprised of five parcels of land with a total site area of approximately 141,600 sq. m. and a GFA of approximately of 584,000 sq. m.

The project was launched for sale at the end of 2012 and had achieved contracted sales of approximately RMB1,121.74 million in the end of June 2014. It is estimated that the construction of first phase will be completed in 2014 with overall project completion in 2016.

Atlantis

The Atlantis project is located in Haitang Bay, Sanya, Hainan, PRC, and is a large-scale high-end theme resort hotel project with a water park and aquarium as its signature jointly developed by the Group and Kerzner Group. The scale of the project amounts to nearly RMB10 billion and it is designated as one of the key construction projects of Hainan Province. The project commenced construction in 2013 and will be completed by the end of 2016. As of 30 June 2014, the first phase of this project had obtained the Fixed Assets Investment Project Certified Report and Construction Land Planning Permit and RMB1,205.4 million was invested.

Name of project	**Usage**	**Land area** (sq.m.)	**GFA** (sq. m.)	**Owner-ship of interests**	**Land costs** (in RMB million)	**Develop-ment progress**	**Expected completion time**	**Construction and installation costs** (in RMB million)
The Bund Finance Center	Office, commerce and hotels	45,472	428,332	50%	9,550	Under develop-ment	2015	2,034
Dalian Donggang	Residential, office and hotels	141,600	761,003	64%	3,824	Under develop-ment	2016	1,000
Atlantis*	Accommodation, food and beverage, cultural, sports and entertainment	537,655	512,653	100%	1,095	Under develop-ment	2016	111

* The total land costs were RMB2.09 billion, of which RMB1,094.8 million was paid as of 30 June 2014 and the remaining land premium of RMB996.5 million was paid on 1 July 2014.

Hong Kong Clear Water Bay Land

During the Reporting Period, the Company has entered into a share sale agreement with Young Lion Acquisition Co. Limited via its indirectly owned subsidiary, Sunhill Global Limited (currently owned as to 60%), for the acquisition of all the issued shares capital of Clear Water Bay Land Company Limited. The only asset of Clear Water Bay Land Company Limited comprises three pieces of land in Saikung District, Hong Kong, namely The Remaining Portion of Lot No. 220 in Demarcation District No. 229， Lot No. 219 in Demarcation District No. 229 and Lot No. 224 in Demarcation District No. 229.

Resource Property

Resource Property is an integrated service provider in the property circulation sector of the Group. In the first half of 2014, it overcame the adverse effects brought by the policy of austerity measures in major 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, each holding 50.0% interests, for the purpose of developing properties for senior citizens in China. The company's first high-end healthcare project customized for Chinese senior citizens has successfully commenced operation in May 2013.

Cainiao

In May 2013, Shanghai Xinghong Investment Co., Ltd., a subsidiary of the Company, invested RMB500 million to subscribe for shares in Cainiao, representing 10% of Cainiao's total shares. Cainiao's vision is to develop a China Smart Logistics Network that can help deliver online shopping in all cities across China within 24 hours to enhance merchant's logistics service capabilities and service quality in order to reduce total logistics costs and eliminate the logistics bottleneck.

As of 30 June 2014, Cainiao had commenced construction for eight projects with a total area of approximately 800,000 sq. m. and completed one project in Tianjin with a total area of approximately 100,000 sq. m. In addition, 16 projects were signed and launched in Beijing, Shanghai, Chongqing, Guangdong, Jiangsu, Fujian, Sichuan, Zhejiang and Henan .

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. The project located at 1 Portsoken Street E1 in the financial district of London and is approximately 300 meters to the historic scenic attraction Tower Bridge. The building is located on a site of 0.68 acre and is comprised of a 9-storey office building and a 1-storey underground structure with a total floor area of 193,450 sq.ft.. During the Reporting Period, the building recorded rental revenue of GBP3.55 million and a profit of GBP1.6 million.

One Chase Manhattan Plaza of New York

In December 2013, the Group completed the acquisition of One Chase Manhattan Plaza of New York, freehold for titles purposes at a purchase price of USD725 million. One Chase Manhattan Plaza, located in the Financial District of Lower Manhattan of New York, is a 60-storey Grade A office building landmark with a leasable area of 2,215,000 sq.ft. As of 30 June 2014, the half-yearly rental revenue of the project amounted to USD48.7 million.

Chuangfu Finance Leasing

Chuangfu Finance Leasing is engaged in automobile finance leasing for corporate and individual customers who need mid-high end automobile related financial services. As 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 Benz. In August 2013, Fosun Great China Finance Company Limited, a subsidiary of the Company, acquired an equity stake in Chuangfu Finance Leasing. After completion of the capital increase in February 2014, Fosun Great China Finance Company Limited has a shareholding of 59.4% in Chuangfu Finance Leasing. As of 30 June 2014, the scale of leasing assets of Chuangfu Finance Leasing amounted to RMB355 million, representing an increase of 35.6% over the end of 2013.

Secret Recipe

Fosun invested in Secret Recipe, a Malaysian food and beverage chain store group, in December 2013 through one of the funds under its management and became the second largest shareholder of Secret Recipe. Established in 1997, Secret Recipe is the largest leisure fast food chain store group in Southeast Asia with its headquarters in Kuala Lumpur, Malaysia. As of 31 December 2013, Secret Recipe operated 365 outlets in 9 Asia countries. Secret Recipe provides Southeast Asian style cooked food, cake and beverage for dine-in and takeaway businesses. Brands under Secret Recipe include Secret Recipe and Beyond Veggie.

This project will further facilitate the Secret Recipe's outlet expansion plan in China leveraging on the resources of Fosun in retailing and commercial property, and assisting in its brand building and marketing expansion with Fosun's media resources.

Linekong Interactive

Fosun completed its investment in Linekong Interactive, a leading mobile game developer and publisher in China, through a fund under its management on 27 January 2014, thereby holding 17.68% equity interest in Linekong Interactive with a total investment amount of USD50 million.

Linekong Interactive was established in 2007 with its headquarters in Beijing and is one of the largest and fastest growing mobile game developers in China. Linekong Interactive focuses on the R&D and publishing of mobile games and equipped R&D capabilities and experience in developing three major sectors such as terminal-based, web-based and mobile-based games. As of the end of June 2014, the company had commercialized a total of nine games, of which three mobile games were well accepted by the market. In 2014, Linekong Interactive accumulates and plans to launch a number of mobile game products.

Investing in Linekong Interactive is another important project of Fosun in quality internet content business and also a strategic move in its investment in internet gaming business, particularly the mobile gaming business. Through such collaboration, Linekong Interactive will enjoy appreciation in respect of a number of areas such as project development, brand enhancement and strategic resource sharing leveraging on Fosun's resources in media and movie and TV IPs. In addition, Linekong Interactive can be assisted in implementation of its strategic resources investment and M&A plans by fully utilizing Fosun's globalization and advantages in the internet gaming industry resources.

Studio 8

Studio 8 is an important investment made by the Group in the film industry. In June 2014, the Company entered into an investment agreement (the "Agreement") with Studio 8. Pursuant to the Agreement, the Group will exercise significant influence over the distribution arrangement of movies produced by Studio 8 in the mainland China, Hong Kong, Macau and Taiwan.

Through such investment, the Group wishes to introduce Hollywood's advanced and sophisticated film making expertise and technique, movie concept and technology and completed production and publication systems into the China market, in order to drive the development of China's film industry, whereby the Group also plans to build a global media entertainment investment and financing as well as operating platform with its base in China's culture consumer market and focusing on the global movie and TV and entertainment industry. As at the end of the Reporting Period, Studio 8 had officially commenced its operations but no financial report had been prepared.

Osborne

In June 2014, Fosun completed its investment in Osborne Group, a renowned Spanish ham and liquor producer, through a fund under its management, thereby owning 20% equity interests in Osborne Group.

Founded in 1772, Osborne Group is the oldest food and beverage ("F&B") enterprise in Spain and is mainly engaged in the production and sale of high-end Spanish Iberico ham, wine and liquors. It is the number one brand of Spain sherry and some liquors and is also the leading premium Iberico ham producer. Osborne's products are sold in over 50 countries in the world and in over 300 duty free shops and its own chain restaurants. Osborne's logo, a silhouette of a black bull, the Toro, is a national emblem in Spain and is the only advertisement logo permitted on highway billboards in Spain. It also appears in many tourist souvenir items.

Through such cooperation, Osborne Group would capitalize Fosun's resources in F&B, retailing and commercial property to further develop its shop and supermarket-based channels to fully explore China's market.

VC Investments

The Group has further enhanced the VC investments and strengthened the deployment of Fosun Kinzon VC team in this year. Such team invests in the startup projects with focus on Mobile-internet and O2O (including mobile social network, e-commerce, internet education and O2O combination solutions)and wishes to assist in the rapid development of investees by leveraging the Group's industry background and resources. As at the end of the Reporting Period, the Fosun Kinzon VC team has totally invested in 10 projects with total amount approximates RMB230 million.

ASSET MANAGEMENT

During the Reporting Period, the global economic recovery remained weak and 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.

The funds currently managed by the Group mainly include various RMB funds and USD funds, covering various types of assets portfolio, such as growth funds and property development funds, i.e. Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.), Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.), Fosun Chuanghong, Shanghai Star Equity Investment L.P., Pramerica-Fosun China Opportunity Fund, Fosun-Carlye (Shanghai) Equity Investment Fund L.P., real estate series funds of Forte and others. Meanwhile, the Group also actively expanded the size of its managed assets through acquisitions; the Group had acquired IDERA, a Japanese real estate capital management company in May 2014. 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, large enterprises and family capital to become limited partners of the Group for long term cooperation.

As at the end of the Reporting Period, the scale of the asset management business of the Group reached RMB33,946.5 million, of which RMB401.1 million was contributed by the Group through its commitment as a general partner and RMB4,183.1 million was contributed by the Group through its commitment as a limited partner. The management fee derived from the asset management business amounted to RMB102.1 million. In addition, during the Reporting Period, the asset management business of the Group invested in seven new projects, and increased investments in one existing project, with an accumulated investment of RMB1,604.1 million.

IDERA

In May 2014, the Group completed its acquisition of 98% equity interests in IDERA, a Japanese real estate capital management company, for a consideration of JPY6.81 billion. Such investment is an important step of Fosun's pursuit of "insurance plus investment" strategy to build its global investment capability. IDERA is a leading Japanese independent real estate capital management and fund platform and as of the end of the Reporting Period, its assets under management (AUM) was over JPY145 billion (approximately RMB8.84 billion). IDERA will become the real estate investment platform for Fosun in the Japanese market and will continue to provide outstanding real estate fund and asset management services for investors in Europe, the US and Japan.

The balance sheet date of the fiscal year of IDERA is 31 March. IDERA recorded an audited operating revenue of JPY2,144.7 million, net profit of JPY717.4 million and net asset book value of JPY7,279.3 million for fiscal year 2013 (1 April 2013 to 31 March 2014) accordingly to the Japanese accounting standards.

Top 10 Secondary Market Holdings Held by the Group and its Subsidiaries

<table>
<tr><th>No.</th><th>Stock code</th><th>Stock name</th><th>Treasury stock</th><th>Percentage of total share capital</th><th>Currency</th><th>Closing Price as at 30 June 2014</th><th>Market Value as at 30 June 2014 (RMB)</th><th>Accounting Treatment</th></tr>
<tr><td rowspan="2">1</td><td>01988.HK</td><td>Minsheng Bank (H)</td><td>634,405,800</td><td>1.86%</td><td>HKD</td><td>7.02</td><td rowspan="2">5,232,247,686</td><td rowspan="6">Fair Value Through Profit and Loss</td></tr>
<tr><td>600016.SH</td><td>Minsheng Bank (A)</td><td>276,000,000</td><td>0.81%</td><td>RMB</td><td>6.21</td></tr>
<tr><td>2</td><td>FFGRP.GA</td><td>Folli Follie</td><td>6,669,828</td><td>9.96%</td><td>Euro</td><td>29.1</td><td>1,628,431,836</td></tr>
<tr><td>3</td><td>601166.SH</td><td>Industrial Bank</td><td>108,637,124</td><td>0.57%</td><td>RMB</td><td>10.03</td><td>1,089,630,354</td></tr>
<tr><td>4</td><td>601888.SH</td><td>CITS</td><td>19,250,000</td><td>1.97%</td><td>RMB</td><td>33.04</td><td>636,020,000</td></tr>
<tr><td>5</td><td>01336.HK</td><td>New China Insurance (H)</td><td>31,009,800</td><td>0.99%</td><td>HKD</td><td>25.7</td><td>648,560,244</td></tr>
</table>

	601336.SH	New China Insurance (A)	897,694	0.03%	RMB	21.13		Available for Sale
6	PWRD.NASDAQ	Perfect World	5,348,292	10.8%	USD	19.63	645,669,878	Fair Value Through Profit and Loss
7	00991.HK	Datang Power (H)	261,034,000	1.96%	HKD	3.03	624,837,086	
8	CU.FP	Club Med	3,170,579	9.35%	Euro	19.51	584,010,684	
		Club Med CB	366,636	-	Euro	21.14		
9	002412.SZ	Hansen pharmaceutical	35,268,594	11.92%	RMB	14.87	524,443,993	Associate
10	600525.SH	Changyuan Group	43,175,500	5.00%	RMB	11.04	476,657,520	Available for Sale
11	-	Others	-	-	-	-	8,735,659,312	-
Total							**20,826,168,592**	-

Note: Calculation base: The interests and quasi-equity assets held by the Group, the subsidiaries under industrial operations segment, Peak Reinsurance and Fosun Insurance Portugal (excluding the strategic associates).

RECENT DEVELOPMENT

Tom Tailor

On 30 July 2014, Fidelidade, an 80% indirectly owned subsidiary of the Company, and FCM Beteiligungs GmbH, a 51% directly owned subsidiary of Fidelidade (the "JV"), acquired 4,036,681 and 1,991,369 shares, respectively, of TOM TAILOR Holding AG ("Tom Tailor"), accounting for approximately 15.51% and 7.65% of the share capital of Tom Tailor, respectively. Accordingly, the Group will hold an equity interest of approximately 23.16% in Tom Tailor in the aggregate via Fidelidade and the JV. Tom Tailor is an international fashion and lifestyle company. With its two brands TOM TAILOR and BONITA, Tom Tailor is at present offering stylish casual wear and accessories in the medium price range in more than 35 countries. Consumption upgrade is one of the major investment themes that the Group focuses on. The Group will leverage its own resources and competitive advantages to support Tom Tailor by bringing its brands to more Chinese consumers as well as expansion in the China market. The investment in Tom Tailor thus represents another step for the Group to further implement its investment strategy of "Combining China's Growth Momentum with Global Resources", as well as applying the Group's investment capabilities with insurance float.

In the first half of 2014 , sales revenue of Tom Tailor recorded an increase by 4.5% to Euro 425.2 million, driven particularly by the TOM TAILOR brand, whose sales increased by 11.0% to Euro271.4 million. Tom Tailor’s gross profit margin was up 2.4 percentage points to 58.6%.

ROC

On 4 August 2014, the Company and Roc Oil Company Limited (“ROC”)entered into a bid implementation agreement to implement the proposed transaction. The proposed transaction shall involve the Company, or a subsidiary of the Company, making a conditional cash takeover offer for all the ROC shares in issue as at the record date. The offer price is AUD0.69 per ROC share. ROC, a company listed on the Australian Securities Exchange (stock code: ROC), is the holding company for an upstream oil and gas group of companies that principally carry on oil and gas exploration, development and production activities. The reason for the proposed transaction, is to enable the Group to enter the upstream oil & gas industry and acquire oil & gas assets.

Zhongshan Public Utilities

On 11 August 2014, Fosun Group, a wholly-owned subsidiary of the Company, acquired 13% of the total outstanding ordinary shares of Zhongshan Public Utilities at the price of RMB10.52 per share for a total consideration approximately of RMB1.06 billion. Zhonshan Public Utilities, being an industry-leading professional environmental protection enterprise, has extensive investment and operation experience and specialized skill in environmental protection water related assets. This acquisition will further expand the Group’s environmental protection water business, the Group hopes to accelerate its development in the environmental protection industry while assisting in the expansion and strengthening of Zhongshan Public Utilities. This transaction is still pending for approval by the State-owned Assets Supervision and Administration Commission of the State Council.

CNFC Fishery

On 12 August 2014, Shanghai Fosun Industrial Investment Co., Ltd. (“Fosun Industrial Investment”, an indirectly wholly-owned subsidiary of the Company) and several investment funds managed by the Group entered into a share subscription contract with CNFC Fishery to subscribe for approximately 105 million shares at the price of RMB6.46 per share, after the completion of share issuance, approximately 14.23% of the shares of CNFC Fishery will be held by Fosun Industrial Investment and several investment funds managed by the Group. The oceanic aquatic products produced by CNFC Fishery are high-end healthy food products and the investment in CNFC Fishery is consistent with the Group's investment strategy.

Ironshore

On 17 August 2014, Mettlesome Investments Limited, an indirectly wholly-owned subsidiary of the Company, acquired 20% of the total outstanding ordinary shares of Ironshore (on a fully diluted basis), at the price of USD16.50 per share for a total consideration of USD463,831,645 (subject to adjustment). Ironshore is specialized in specialty insurance, on a global basis with Bermuda, US, Lloyd's and international presence. It has a highly regarded management team with depth of insurance industry experience, broad industry network, and outstanding ability to operate a large enterprise as well as highly-recognized by the peers. The acquisition will further expand the Group's insurance business and strengthen the Group's capability to access long-term high-quality capital.

FUTURE DEVELOPMENT

In the future, the global economy will remain structurally imbalanced. The US economy will recover steadily while the Europe economy will linger at an economic trough. China economy will be in a phase of transformation towards medium-high economic growth based on a large scale. The Group will adhere to the philosophy of value investment, taking advantage of the systematic opportunities to combine China's growth momentum with global resources, and capture the new economic drivers in China. We will endeavour to build our insurance-based comprehensive financial capabilities and global investment capabilities with deep industrial foundations, aiming to achieve our goal as becoming a world-class investment group.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures net of capitalized amounts of the Group increased from RMB1,251.0 million for the six months ended 30 June 2013 to RMB1,562.7 million for the six months ended 30 June 2014. This was mainly attributable to the growth in scale of total borrowings. For the six months ended 30 June 2014, the interest rates of borrowings were approximately between 0.9% and 11% while the interest rates of borrowings were approximately between 1.1% and 15.0% for the same period of last year.

TAX

Tax of the Group decreased from RMB821.4 million for the six months ended 30 June 2013 to RMB759.0 million for the six months ended 30 June 2014. The decrease in tax was mainly due to the decrease of profit before tax in industrial operations segment as compared with the same period last year.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 30 June 2014, the total debt of the Group increased to RMB87,532.6 million from RMB69,084.4 million as at 31 December 2013. As at 30 June 2014, cash and bank balances increased to RMB33,033.3 million from RMB16,387.2 million as at 31 December 2013. With the expanding development scale and the increasing investment needs, the Group raised funds from various channels to meet our operation and investments needs, and maintained the liquidity of the Group.

TOTAL DEBT TO TOTAL CAPITALISATION RATIO

As at 30 June 2014, the ratio of total debt to total capitalization was 56.5% as compared with 53.0% as at 31 December 2013. This ratio has increased slightly as a result of the increase of the borrowing scale. Healthy debt ratios and abundant funds can reinforce the Group’s ability to defend against risk exposure, and provide support to the Group in capturing investment opportunities.

PLEDGED ASSETS

As at 30 June 2014, the Group had pledged assets of RMB27,618.6 million (31 December 2013: RMB25,738.5 million) for bank borrowings.

CONTINGENT LIABILITIES

The Group’s contingent liabilities of RMB3,092.0 million as at 30 June 2014 (31 December 2013: RMB3,166.4 million), were primarily applied to guarantee the mortgage loans of qualified property buyers.

INTEREST COVERAGE

For the six months ended 30 June 2014, EBITDA divided by net interest expenditures was 3.9 times as compared with 4.8 times for the same period in 2013, mainly due to the net interest expenditures increased 24.9% as the result of the growth in scale of total borrowings compared with the same period of last year. In addition, the EBITDA increased 0.8% during the Reporting Period compared with the same period of last year.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 June 2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
REVENUE		24,795,877	23,970,590
Cost of sales		(19,024,154)	(19,187,625)
Gross profit		5,771,723	4,782,965
Other income and gains	4	2,913,860	3,598,968
Selling and distribution costs		(1,402,764)	(1,271,363)
Administrative expenses		(2,950,425)	(1,735,029)
Other expenses		(1,113,694)	(750,744)
Finance costs	5	(1,760,225)	(1,318,340)
Share of profits and losses of:			
Joint ventures		1,159,680	(53,546)
Associates		865,025	594,966
PROFIT BEFORE TAX	6	3,483,180	3,847,877
Tax	7	(759,040)	(821,350)
PROFIT FOR THE PERIOD		2,724,140	3,026,527
Attributable to:			
Owners of the parent		1,833,873	1,691,550
Non-controlling interests		890,267	1,334,977
		2,724,140	3,026,527
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
- For profit for the Period (RMB)	8	0.28	0.26
Diluted			
- For profit for the Period (RMB)	8	0.28	0.26

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2014	**2013**
	RMB'000	**RMB'000**
	(Unaudited)	**(Unaudited)**
PROFIT FOR THE PERIOD	2,724,140	3,026,527
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	757,422	(247,545)
Reclassification adjustments for gains included in consolidated income statement - gain on disposal	(845,788)	(189,474)
Income tax effect	(32,722)	174,032
	(121,088)	(262,987)
Share of other comprehensive income of associates	2,519	931
Share of other comprehensive income / (loss) of joint ventures	(2,642)	4,979
Exchange differences on translation of foreign operations	(22,881)	21,313
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(144,092)	(235,764)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	-	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(144,092)	(235,764)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,580,048	2,790,763
Attributable to:		
Owners of the parent	1,713,990	1,382,125
Non-controlling interests	866,058	1,408,638
	2,580,048	2,790,763

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		33,461,131	30,215,747
Investment properties		14,757,231	9,896,252
Prepaid land lease payments		2,019,114	1,993,975
Exploration and evaluation assets		16,136	5,189
Mining rights		770,689	794,636
Intangible assets		2,094,546	1,871,056
Goodwill		3,605,737	3,050,328
Investments in joint ventures		7,165,666	6,470,034
Investments in associates		21,837,657	20,369,716
Available-for-sale investments		18,919,629	10,050,291
Properties under development		12,343,364	10,528,713
Loan receivable		2,076,519	3,161,103
Prepayments, deposits and other receivables		949,940	853,654
Inventories		125,997	207,541
Deferred tax assets		4,335,786	2,645,312
Policyholder account assets in respect of unit-linked contracts		621,497	-
Insurance and reinsurance debtors		72,654	-
Reinsurers' share of insurance contract provisions		594,907	-
Term deposit		811,688	-
Total non-current assets		126,579,888	102,113,547
CURRENT ASSETS			
Cash and bank balances		33,033,308	16,387,191
Equity investments at fair value through profit or loss		14,186,071	13,465,979
Trade and notes receivables	9	4,977,613	4,684,199
Prepayments, deposits and other receivables		8,869,617	7,049,612
Inventories		6,529,773	6,313,952
Completed properties for sale		7,116,988	8,949,037
Properties under development		27,177,518	20,331,229
Loans receivable		412,600	100,000
Due from related companies		2,829,637	3,175,550
Available-for-sale investments		72,087,365	-
Policyholder account assets in respect of unit-linked contracts		6,710,696	-
Insurance and reinsurance debtors		1,854,990	341,333
Reinsurers' share of insurance contract provisions		938,382	-
		186,724,558	80,798,082
Non-current assets held for sale		9,793	212,293
Total current assets		186,734,351	81,010,375

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION（CONTINUED）

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		42,491,548	31,539,941
Loans from related companies		199,745	196,477
Trade and notes payables	10	20,194,394	14,928,283
Accrued liabilities and other payables		25,205,707	19,445,737
Tax payable		2,855,286	2,834,905
Finance lease payables		46,193	46,587
Deposit from customers		1,150,542	1,636,739
Due to the holding company		688,622	3,144,864
Due to related companies		2,238,170	2,392,109
Derivative financial instruments		65,663	-
Unearned premium provisions		2,999,860	207,427
Provision for outstanding claims		7,390,135	318,667
Provision for unexpired risks		370,792	-
Financial liabilities for Unit-Linked contracts		2,164,631	-
Investment contract liabilities		8,599,670	-
Other life insurance contract liabilities		1,262,962	-
Insurance and reinsurance creditors		1,704,080	67,895
Total current liabilities		119,628,000	76,759,631
NET CURRENT ASSETS		67,106,351	4,250,744
TOTAL ASSETS LESS CURRENT LIABILITIES		193,686,239	106,364,291
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		42,422,995	35,028,323
Convertible bonds		2,418,267	2,319,675
Finance lease payables		22,265	43,085
Deferred income		227,481	526,864
Due to related companies		166,072	157,851
Other long term payables		3,523,551	3,220,349
Deferred tax liabilities		5,321,199	3,768,315
Provision for outstanding claims		8,522,596	-
Financial liabilities for Unit-Linked contracts		5,983,039	-
Investment contract liabilities		43,159,895	-
Other life insurance contract liabilities		14,546,357	-
Total non-current liabilities		126,313,717	45,064,462
Net assets		67,372,522	61,299,829

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION（CONTINUED）

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the parent			
Issued capital		16,303,189	621,497
Reserves		27,686,906	38,249,408
Proposed final dividend	11	-	757,328
		43,990,095	39,628,233
Non-controlling interests		23,382,427	21,671,596
Total equity		67,372,522	61,299,829

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2014 and the related interim condensed consolidated income statements, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2014 (the "Period"), have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations), as of 1 January 2014 noted below:

Several new standards and amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.2 New standards, interpretations and amendments adopted by the Group (continued)

The nature and the impact of each new standard or amendment are described below:

Investment Entities (Amendments to HKFRS 10, HKFRS 12 and HKAS 27)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under HKFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under HKFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to HKAS 32
These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to HKAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

HKFRIC 21 *Levies*
HKFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., HKAS 12 *Income Taxes*) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. These amendments have no impact on the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. SEASONALITY OF OPERATIONS

The Group's operations are not subject to seasonality.

3. 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 Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("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 Shanghai Forte Land Co., Ltd. ("Forte") and its subsidiaries. Forte and its subsidiaries mainly engage in the development and sale of properties in the Mainland China;

(iii) Steel segment comprises the business of Nanjing Nangang Iron & Steel United Co., Ltd. ("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 Co., Ltd. ("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.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. 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.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2014 (unaudited)

	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	5,502,224	2,638,997	13,065,596	849,449	59,143	2,182,313	498,155	-	24,795,877
Inter-segment sales	-	-	-	19,227	42,963	-	11,377	(73,567)	-
Other income and gains	492,081	579,953	120,141	22,139	6,899	320,502	288,286	(17,680)	1,812,321
Total	5,994,305	3,218,950	13,185,737	890,815	109,005	2,502,815	797,818	(91,247)	26,608,198
Segment results	**962,871**	**820,588**	**467,688**	**399,399**	**42,414**	**(444,086)**	**264,269**	**35,742**	**2,548,885**
Interest and dividend income	73,565	56,505	77,985	3,648	11,729	652,785	316,048	(90,726)	1,101,539
Unallocated expenses									(431,724)
Finance costs	(186,906)	(210,765)	(513,311)	(23,670)	-	-	(885,722)	60,149	(1,760,225)
Share of profits and losses of									
- Joint ventures	(9,616)	74,515	5,998	-	(329)	(26,750)	1,115,862	-	1,159,680
- Associates	498,253	85,561	1,877	-	-	60,425	218,909	-	865,025
Profit before tax	1,338,167	826,404	40,237	379,377	53,814	242,374	1,029,366	5,165	3,483,180
Tax	(201,408)	(309,718)	9,213	(91,865)	(3,858)	(91,475)	(43,306)	(26,623)	(759,040)
Profit for the Period	1,136,759	516,686	49,450	287,512	49,956	150,899	986,060	(21,458)	2,724,140

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2013 (unaudited)

	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	4,473,638	3,627,034	14,333,732	1,283,236	92,206	26,001	134,743	-	23,970,590
Inter-segment sales	-	2,145	-	95,032	79,998	-	17,830	(195,005)	-
Other income and gains	746,268	68,290	1,570,393	28,205	4,640	122,670	513,611	-	3,054,077
Total	5,219,906	3,697,469	15,904,125	1,406,473	176,844	148,671	666,184	(195,005)	27,024,667
Segment results	**1,182,144**	**433,566**	**1,409,382**	**755,846**	**1,248**	**77,751**	**411,064**	**22,702**	**4,293,703**
Interest and dividend income	63,359	66,456	128,058	4,085	14,088	-	464,273	(195,428)	544,891
Unallocated expenses									(213,797)
Finance costs	(180,942)	(205,416)	(486,182)	(22,674)	(12,840)	-	(502,181)	91,895	(1,318,340)
Share of profits and losses of									
- Joint ventures	(5,085)	17,576	3,548	-	(42,109)	(18,245)	(9,231)	-	(53,546)
- Associates	391,614	28,415	1,277	-	-	47,692	125,968	-	594,966
Profit/(loss) before tax	1,451,090	340,597	1,056,083	737,257	(39,613)	107,198	489,893	(80,831)	3,847,877
Tax	(248,939)	(266,295)	(45,845)	(196,326)	6,197	-	(91,937)	21,795	(821,350)
Profit/(loss) for the Period	1,202,151	74,302	1,010,238	540,931	(33,416)	107,198	397,956	(59,036)	3,026,527

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Total segment assets and liabilities as at 30 June 2014 and 31 December 2013 are as follows:

Segment assets:

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Pharmaceuticals and healthcare	30,991,067	29,418,303
Property	70,141,831	63,816,789
Steel	43,479,839	38,014,673
Mining	4,244,104	4,811,954
Asset management	3,614,797	3,139,708
Insurance	116,766,662	5,448,117
Investment	47,194,608	44,410,908
Eliminations*	(3,118,669)	(5,936,530)
Total consolidated assets	313,314,239	183,123,922

Segment liabilities:

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Pharmaceuticals and healthcare	13,491,966	11,810,676
Property	54,527,232	48,018,431
Steel	34,220,321	28,783,882
Mining	1,540,226	1,445,587
Asset management	56,671	38,336
Insurance	100,857,063	628,732
Investment	48,866,724	36,669,513
Eliminations*	(7,618,486)	(5,571,064)
Total consolidated liabilities	245,941,717	121,824,093

* Inter-segment loans and other balances are eliminated on consolidation.

4. OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	251,240	250,809
Dividends and interests from available-for-sale investments	701,898	172,834
Dividends from equity investments at fair value through profit or loss	148,401	121,248
Rental income	46,475	20,287
Sale of scrap materials	5,605	2,947
Government grants	107,287	181,044
Others	119,322	70,832
	1,380,228	820,001
Gains		
Gain on disposal of subsidiaries	70,900	-
Gain on disposal of associates	33,877	-
Gain on disposal of partial interests in an associate	125,141	-
Gain on deemed disposal of interests in an associate	-	586,960
Gain on disposal of available-for-sale investments	709,604	1,417,242
Gain on disposal of equity investments at fair value through profit or loss	50,136	374,686
Gain on fair value adjustment of investment properties	501,742	47,000
Gain on fair value adjustment of equity investments at fair value through profit or loss	-	350,066
Gain on disposal of non-current assets held for sale	41,178	-
Gain on bargain purchase	1,054	-
Exchange gains, net	-	3,013
	1,533,632	2,778,967
Other income and gains	2,913,860	3,598,968

5. FINANCE COSTS

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses	2,239,385	1,734,322
Less: Interest capitalised	(676,723)	(483,348)
Interest expenses, net	1,562,662	1,250,974
Bank charges and other finance costs	197,563	67,366
Total finance costs	1,760,225	1,318,340

6. Profit before tax

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	19,024,154	19,187,625
Depreciation of items of property, plant and equipment	893,413	809,645
Amortisation of:		
Prepaid land lease payments	23,724	22,578
Mining rights	25,385	23,636
Intangible assets	44,163	31,116
Provisions for impairment of:		
Trade and other receivables	36,502	15,872
Inventories	40,854	78,906
Property, plant and equipment	2,614	391,417
Available-for-sale investments	24,145	-
Loss on fair value adjustment of equity investments at fair value through profit or loss	53,774	-
Loss on settlement of derivative financial instruments	8,578	-
Loss on disposal of items of property, plant and equipment	4,153	3,131
Exchange losses, net	140,884	-

7. TAX

The major components of tax expenses for the six months ended 30 June 2014 and 2013 are as follows:

	Notes	For the six months ended 30 June 2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Current – Hong Kong and others	(1)	204,124	10,809
Current – Mainland China			
- Income tax in Mainland China for the Period	(2)	529,036	666,177
- LAT in Mainland China for the Period	(3)	113,162	82,730
Deferred		(87,282)	61,634
Tax expenses for the Period		759,040	821,350

Notes:

(1) Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period.

The provision of current income tax of Alma Lasers Ltd. ("Alma lasers"), a subsidiary of Fosun Pharma incorporated in lsrael, is based on a preferential rate of 16% (six months ended 30 June 2013:12.5%).

The provision of income tax of Fidelidade-Companhia de Seguros, S.A., Multicare-Seguros de Saúde, S.A. and Cares-Companhia de Seguros, S.A. (collectively referred to as "Portuguese Insurance Group"), subsidiaries incorporated in Portugal acquired by the Group during the Period, is based on a rate of 31.5%.

(2) The provision for Mainland China current income tax is based on a statutory rate of 25% (six months ended 30 June 2013: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which are exempted from income tax or taxed at preferential rates of 0% to 20%.

7. TAX (CONTINUED)

Notes (continued):

(3) 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 this amount paid to the local tax authorities, no further provision for LAT had been made. The directors considered that the relevant tax authorities would be unlikely to impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the Period, the prepaid LAT of the Group amounted to RMB117,751,000 (six months ended 30 June 2013: RMB31,347,000). In addition, based on the latest understanding of the LAT regulations from the tax authorities, the Group made an additional LAT provision in the amount of RMB28,572,000 (six months ended 30 June 2013: RMB94,805,000) in respect of the sales of properties up to 30 June 2014 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

During the Period, unpaid LAT provision in the amount of RMB33,161,000 (six months ended 30 June 2013: RMB43,422,000) was reversed to the interim condensed consolidated income statement upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

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

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,527,337,178 (six months ended 30 June 2013: 6,421,595,000 ordinary shares) in issue during the Period.

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

The calculation of the diluted earnings per share amounts is based on the profit for the Period attributable to ordinary equity holders of the parent, 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 Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed 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:

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	1,833,873	1,691,550
Interest on convertible bonds	102,033	-
Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds	1,935,906	1,691,550

	Number of shares For the six months ended 30 June	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings per share calculation	6,527,337,178	6,421,595,000
Effect of dilution – weighted average number of convertible bonds	387,500,000	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	6,914,837,178	6,421,595,000
Basic earnings per share (RMB)	0.28	0.26
Diluted earnings per share (RMB)	0.28	0.26

9. TRADE AND NOTES RECEIVABLES

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Trade receivables	2,983,052	2,839,919
Notes receivable	1,994,561	1,844,280
	4,977,613	4,684,199

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

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	1,901,512	2,436,446
91 - 180 days	741,934	234,822
181 - 365 days	246,177	191,460
1 - 2 years	135,060	19,656
2 - 3 years	10,975	7,501
Over 3 years	26,353	26,169
	3,062,011	2,916,054
Less: Provision for impairment of trade receivables	(78,959)	(76,135)
	2,983,052	2,839,919

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

At 30 June 2014, the Group's trade and notes receivables with a carrying amount of approximately RMB1,460,301,000 (31 December 2013: RMB610,243,000) were pledged to secure bank loans.

At 30 June 2014, the Group's trade and notes receivables with a carrying amount of approximately RMB141,000,000 (31 December 2013: Nil) were pledged for securing the issuance of bank acceptance notes.

10. TRADE AND NOTES PAYABLES

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Trade payables	12,388,648	11,309,513
Notes payable	7,805,746	3,618,770
	20,194,394	14,928,283

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

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	6,372,363	6,460,949
91 - 180 days	2,390,650	1,952,566
181 - 365 days	1,749,242	1,712,907
1 - 2 years	1,495,901	748,380
2 - 3 years	198,522	213,014
Over 3 years	181,970	221,697
	12,388,648	11,309,513

11. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2013: Nil).

The proposed final dividend of HKD0.15 per ordinary share for the year ended 31 December 2013 was declared payable and approved by the shareholders at the annual general meeting of the Company on 28 May 2014.

12. EVENTS AFTER THE REPORTING PERIOD

On 17 August 2014, the Company and Mettlesome Investments Limited (the "Purchaser", an indirect wholly-owned subsidiary of the Company) entered into an Equity Purchase Agreement with Ironshore Inc. ("Ironshore"), pursuant to which Ironshore agreed to issue to the Purchaser its class A ordinary shares, which representing 20% of the total outstanding ordinary shares of Ironshore (on a fully diluted basis, as of the closing of the transaction and after giving effect to the capital return transaction) for a total consideration of USD463,831,645 (subject to adjustment). The acquisition of equity interests in Ironshore is subject to the fulfilment of certain conditions, including the approval of relevant regulatory bodies which has not been completed by the date of the approval of interim condensed consolidated financial statements.

INTERIM DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

RIGHTS ISSUE

On 9 April 2014, the Company proposed to raise not less than approximately HKD4,888,631,461, before expenses, and not more than approximately HKD5,183,627,461, before expenses, by way of the rights issue of not less than 500,884,371 rights shares and not more than 531,109,371 rights shares on the basis of 39 rights shares for every 500 Shares held by each qualifying shareholder on the record date at the subscription price of HKD9.76 per rights share payable in full on acceptance.

After the completion of the rights issue, on 22 May 2014, the number of total issued shares of Company was enlarged from 6,421,594,500 to 6,922,478,871.

The shareholding structure of the Company immediately before and after completion of the rights issue was as follows:

	Immediately before completion of the rights issue		**Immediately after completion of the rights issue**	
Shareholder	**No. of Shares**	**Approximate %**	**No. of Shares**	**Approximate %**
Fosun Holdings	5,074,698,000	79.03	5,510,793,609	79.61
Directors and their associates (other than Fosun Holdings)	24,580,000	0.38	26,497,240	0.38
Public	1,322,316,500	20.59	1,385,188,022	20.01
Total	**6,421,594,500**	**100.00**	**6,922,478,871**	**100.00**

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.

REVIEW OF INTERIM RESULTS

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

COMPLIANCE WITH THE CG CODE

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except Mr. Guo Guangchang, the Executive Director and Chairman of the Company, had not attended the annual general meeting of the Company held on 28 May 2014 as required under code provision E.1.2 of the CG Code due to important business engagement. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

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

PUBLICATION OF INTERIM REPORT

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

GLOSSARY

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

Formulae

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

Abbreviations

the Board	the board of Directors
Bona	Bona Film Group Limited
Cainiao	Cainiao Network Technology Co., Ltd.
Cares	Cares-Companhia de Seguros, S.A.
Caruso	Raffaele Caruso S.p.A
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chindex	Chindex International, Inc.
Chuangfu Finance Leasing	GCFL Great China Finance Leasing Co., Ltd.
CITS	China International Travel Service Corporation Limited
Club Med	Club Méditerranée SA
CNFC Fishery	CNFC Overseas Fishery Co., Ltd. , a company whose A shares are listed on the Shenzhen Stock Exchange, stock code:000798
the Company	Fosun International Limited

Datang Power	Datang International Power Generation Co., Ltd.
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Group	Shanghai Fosun High Technology (Group) Co., Ltd
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Cares
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GBP	Pound Sterling, the official currency of United Kingdom
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
IDERA	IDERA Capital Management Ltd.
Industrial Bank	Industrial Bank Co., Ltd.
Ironshore	Ironshore Inc.
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Jin’an Mining	Anhui Jin’an Mining Co., Ltd.
JPY	Japanese yen, the lawful currency of Japan
Linekong Interactive	Linekong Interactive Entertainment 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
Multicare	Multicare-Seguros de Saúde, S.A.
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd.
Peak Reinsurance	Peak Reinsurance Company Limited
Perfect World	Perfect World Co., Ltd.
Ping An Insurance	Ping An Insurance (Group) Company of China, 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
REN	Redes Energéticas Nacionais, SGPS, S.A.
Reporting Period	the six months ended 30 June 2014
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange, stock code: 600429
Shanjiaowulin	Shanxi Coking Coal Group Wulin Coal Coke Development Co., Ltd.
Sinopharm	Sinopharm Group Co. Ltd.
Starcastle Senior Living	Starcastle Senior Living Corporation
St. John	St. John Knits International, Incorporated
Studio 8	Studio 8, LLC

USD	United States dollars, the lawful currency of the United States
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd.
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd. , a company whose A shares are listed on the Shenzhen Stock Exchange, stock code: 000685

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 26 August 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.