FOSUN 复星

Fosun International Limited

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

Stock Code: 00656

2010

INTERIM REPORT

Contents

FINANCIAL SUMMARY

In RMB million	For the six months ended 30 June 2010	2009
Revenue	**20,667.7**	15,972.0
Pharmaceuticals	**2,158.1**	1,740.2
Property development	**3,500.1**	2,003.6
Steel	**13,947.5**	11,674.3
Mining	**1,640.2**	889.2
Elimination	**(578.2)**	(335.3)
Profit attributable to owners of the parent	**1,611.9**	1,316.3
Pharmaceuticals	**163.5**	159.4
Property development	**995.2**	186.8
Steel	**233.0**	769.9
Mining	**507.4**	117.2
Retail, services and others	**(198.2)**	162.5
Unallocated expenses	**(81.6)**	(76.6)
Elimination	**(7.4)**	(2.9)
Earnings per share (in RMB)	**0.25**	0.20

With main operations domiciled in China, the Group is specialised in capturing investment opportunities that benefit from China's growth momentum, leveraging its excellent insight into the domestic market. After 18 years of operation, the Group has now grown into one of the largest privately-owned conglomerates in China.

PHARMACEUTICALS

The Group operates its pharmaceutical business through its subsidiary Fosun Pharma. With respect to pharmaceutical research, development and manufacturing, products developed by Fosun Pharma for the treatment of illnesses such as hepatic diseases, diabetes and malaria remain leaders in their respective niche markets. With respect to pharmaceutical distribution, Fosun Pharma has equity interests in Sinopharm, China's largest pharmaceutical distributor. With respect to pharmaceutical retail, Fosun Pharma's branded chain pharmacies are leading in terms of geographical coverage and market positions in major cities in China, such as Shanghai and Beijing. With respect to the premium healthcare industry, Fosun Pharma has equity interests in Chindex International Inc. ("**Chindex**"), which established the "United Family" hospitals in China.

PROPERTY DEVELOPMENT

The Group operates its property development business mainly through its subsidiary Forte. Apart from Shanghai, Forte, as a large nationwide property developer, also has property development operations in other major cities across China including Beijing, Tianjin, Nanjing, Chongqing, Wuhan, Wuxi, Hangzhou, Xi'an, Changchun, Chengdu and Taiyuan.

STEEL

The Group operates its steel business mainly through its subsidiary Nanjing Steel United. Nanjing Steel United has an annual crude steel production capacity of approximately 6.5 million tonnes. Its main products are medium and heavy plates with certain established branding advantages in various segments such as plates for shipbuilding, plates for oil pipelines and structural steel for wind power generators. It remains competitive in the industry measured by various economic efficiency indicators. The Group's other important investments in the steel segment include its equity interests in Tangshan Jianlong Industrial Co., Ltd., one of the leading privately-owned steel enterprises in China.

MINING

Through its subsidiary Hainan Mining, the Group owns China's largest iron-rich ore mine and operates businesses such as iron ore mining and trading. Using Hainan Mining as the principal platform, the Group invested in additional iron ore companies to increase business scale, to improve ranking, as well as to generate and enhance integration and synergy with the Group's steel segment by increasing iron ore self-sufficiency. The Group also invested in other iron ore companies such as Anhui Jin'an Mining Co., Ltd. and Beijing Huaxia Jianlong Mining Technology Co., Ltd., and in other resources such as coking coal, molybdenum and gold.

RETAIL, SERVICES AND STRATEGIC INVESTMENTS

The equity interests in Yuyuan and Club Méditerranée SA ("**ClubMed**") held by the Group represent a significant investment for its retail and services businesses. Strategic investments with high return also constitute one of the Group's principal businesses. The Group invested in a series of unlisted and listed companies including Focus Media, China's largest outdoor advertisement media.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to announce that during the first half of 2010, against the background of the restructuring of China's economy, the Group achieved satisfactory business results through continuous optimisation of the three core capabilities. During the Reporting Period, revenue attributable to owners of the parent of the Group was RMB20,667.7 million while profit attributable to owners of the parent of the Group was RMB1,611.9 million, representing an increase of 29.4% and 22.5% respectively from the same period in 2009. As at the end of the Reporting Period, net assets attributable to owners of the parent of the Group was RMB4.07 per share, representing a growth of 6.8% as compared with that of the end of 2009. With the Group's great efforts, during the Reporting Period, a platform, built to integrate both domestic and overseas resources, has started taking shape. Moreover, our strategy of capturing global investment opportunities benefiting from China's growth has been executed effectively.

MANAGEMENT OPTIMISATION

As I mentioned, benefiting from the rapid growth in China's domestic market and the moderate liberal monetary polices, the Group continued to optimise and enhance its core business operations.

The Group's pharmaceuticals segment proactively collaborated with leading international firms to enhance its product research and development capabilities, to further integrate into both upstream and downstream industry chains, and to exploit other emerging markets while at the same time, maintained a steady growth of its current businesses. For instance, Fosun Pharma and Chindex, a leader in the niche market of China's premium healthcare sector, entered into a co-operation agreement to integrate their medical appliances business. At the same time, the two parties have also entered into a stock purchase agreement so that Fosun Pharma could become Chindex's single largest shareholder. This would allow Fosun Pharma to enjoy the benefits of the rapid growth in the premium healthcare industry. Fosun Pharma also collaborated with the Chemo Group, the largest pharmaceutical company in Argentina, to jointly establish a monoclonal antibody project and to develop domestic and overseas markets together. Through these partnerships, Fosun Pharma will speed up its progress in constructing a complete industry chain, ranging from pharmaceutical research, development and manufacturing, pharmaceutical distribution and retail to healthcare service industry. This, at the same time, will allow Fosun Pharma to tap into emerging markets.

The Group's property development segment adopted flexible sales strategy. As a result, Forte was able to deliver great sales results, even in the second quarter during which the property market had been gradually cooling down. Indeed, the GFA sold attributable to Forte in the second quarter accounted for over 60% of that in the first half of the year. Certain projects were sold in time such as the disposal of 75% equity interests in Tianjin Forte Puhe Development Co., Ltd. ("**Tianjin Forte**"), which not only generated sound financial returns but also accelerated cash inflows. During the Reporting Period, Forte achieved attributable contract sales GFA of approximately 429,239 sq. m., representing a decrease of 0.17% as compared with the same period in 2009 and sales revenue of attributable contracts amounted to RMB5,968.6 million, representing an increase of 72% as compared with the same period in 2009. In addition, during the Reporting Period, Forte acquired a total of four projects, adding approximately 1.24 million sq. m. additional project reserve GFA that were attributable to Forte. This laid a solid foundation for Forte's sustainable future growth. Furthermore, in order to improve Forte's capital structure and cash flow status, and to increase its market share and profitability, the Group entered into a capital injection agreement with Forte by subscribing for Forte's new domestic shares.

Facing a new market with highly volatile raw material prices and new iron ore pricing mechanisms, the Group's steel segment achieved sound economic performance by carrying out its strategy of cost control, product structure adjustment and increase in raw material self-sufficiency. During the Reporting Period, average gross margin of steel products sold by Nanjing Steel United, a subsidiary of the Company, increased slightly over the same period in 2009, mainly benefiting from a significant increase in sales of products with high gross margins such as plates for boiler containers. In addition, Nanjing Steel United acquired 49% of equity interests in Anhui Jinhuangzhuang Mining Co., Ltd. (安徽金黃莊礦業有限公司), which further secured Nanjing Steel United's raw material supply. In August, the proposal to list Nanjing Steel United's all core steel-related assets was conditionally approved by the Review Sub-Committee for Mergers, Acquisitions and Restructurings of the China Securities Regulatory Commission. Upon completion of the restructuring, Nanjing Steel United's funding ability will be enhanced, which will help improve its overall competitive strength. Meanwhile, the liquidity of the Group's assets will also be improved.

Capitalising on the soaring iron ore price, the Group's mining segment strengthened management and steadily expanded production scale and sales volume while maintained a low cost. The outputs and sales of our subsidiary Hainan Mining increased by 2.1% and 9.3% respectively as compared with the same period in 2009, resulting a year-on-year increase of over 190% in net profit. The monthly spot price model helps to maximise Hainan Mining's economic performance as it allowed Hainan Mining to adjust its production and sales schedule regularly based upon price changes in the market. Besides, Hainan Mining has maintained a leading position amid intense industrial competition with great cost competitive advantage.

The Group's retail and services businesses directly benefited from the rapid growth in domestic demand as a result of the economic restructuring. During the Reporting Period, thanks to the significant increase in the number of visitors brought by the Expo 2010 Shanghai China ("**World Expo**"), sales of Yuyuan increased by 26.1% as compared with the same period last year. In addition, other companies invested by the Group in consumption or service related industries also benefited directly from the growth in domestic demand.

INVESTMENTS AND RETURNS

During the Reporting Period, the professional investment teams of the Group were further improved with the introduction of various international talents and professionals. Moreover, Mr. John Snow, the former Treasury Secretary of the United States, was invited and retained as an advisor to the Board. Adhering to the principle of value investment, each professional team has made continuous efforts in capturing global investment opportunities benefiting from China's growth. During the Reporting Period, the Group completed a total of 27 investment projects with a total amount of RMB4,735.6 million. For instance, capitalising on the reduced asset prices in Europe due to its debt crisis, the Group acquired shares in ClubMed, a world-famous tourist resort group, and established with them a win-win strategic partnership. The Group will actively promote the development of ClubMed's China strategy in the future.

During the Reporting Period, the Group well performed in terms of listing its Pre-IPO investments, with four companies invested in 2007 successfully listed on China's capital market and one additional listing proposal being approved by the Issuance Review Committee of China Securities Regulatory Commission. The Group will continue to expand the scale of investments in both strategic investments and Pre-IPO investments.

FINANCING

The Group continued to explore new fund raising options. It has been actively establishing overseas financing channels and trying various new financing tools. It is because of these efforts that the Group's debt structure has been continuously optimised, with the percentage of mid-to-long-term debt increased for three consecutive years and the overall interest rate trended lower. During the Reporting Period, the Group has raised an amount equivalent to RMB10,751.3 million, of which RMB635.4 million were raised by equity financing such as the refinancing of Fosun Pharma. Amount equivalent to a total of RMB9,684.3 million were raised through debt financing, including a three-year term loan of USD140.0 million raised from the overseas syndicated loan market. This well represented the recognition of the Group's development potential and management capabilities by international capital. Meanwhile, the Group also tried to collaborate with both domestic and international institutions on developing alternative fund raising vehicles, such as fund and trust, which has brought funds equivalent to RMB431.6 million during the Reporting Period. The comprehensive strategic collaboration with Carlyle Group, one of the largest private equity investment firms in the world, is part of these initiatives.

FUTURE PROSPECTS

During the first half of 2010, China's GDP surpassed Japan for the first time to take the second place in the world. Against the backdrop of the rapid growth of China's economy, in the last 18 years, the Group has successfully seized investment opportunities arising from China's growth and achieved rapid development. Looking forward, the Group believes that driven by urbanisation, industrialisation and changes in consumption patterns, China's economy will maintain its rapid growth. Being a value investor based in China, the Group will continue to strengthen its three core capabilities of "continued optimised management, continued acquisition of quality capital and continued exploration of investment opportunities", strive to establish a global platform that is capable of integrating both domestic and overseas resources, and explore and seize China opportunities for global investors including those from China. The Group will endeavour to create additional values for invested companies, promote and assist them in sharing the golden opportunities brought by the future growth of China.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all staff members of the Group for their hard work and all shareholders, business partners and customers for their support.

Guo Guangchang
Chairman

Shanghai, the PRC
25 August 2010

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Profit attributable to owners of the parent of the Group for the six months ended 30 June 2010 was RMB1,611.9 million, representing an increase of 22.5% as compared with RMB1,316.3 million for the same period in 2009. The increase in profit of the Group was primarily due to the significant increase in profit contribution from both the property development and the mining segments during the Reporting Period as compared with the same period last year.

PROFIT CONTRIBUTION OF EACH BUSINESS SEGMENT

Comparison between the profit contribution of each business segment for the six months ended 30 June 2010 and the corresponding figures for the same period in 2009 is analysed as follows:

Unit: RMB million

	For the six months ended 30 June		Increase/
Segments	**2010**	2009	(decrease)
Pharmaceuticals	**163.5**	159.4	4.1
Property development	**995.2**	186.8	808.4
Steel	**233.0**	769.9	(536.9)
Mining	**507.4**	117.2	390.2
Retail, services and others	**(198.2)**	162.5	(360.7)
Unallocated expenses	**(81.6)**	(76.6)	(5.0)
Elimination	**(7.4)**	(2.9)	(4.5)
Total	**1,611.9**	1,316.3	295.6

Pharmaceuticals: Profit contributed by the pharmaceuticals segment increased to RMB163.5 million for the six months ended 30 June 2010 from RMB159.4 million for the six months ended 30 June 2009, with steady development.

Property Development: Profit contributed by the property development segment increased to RMB995.2 million for the six months ended 30 June 2010 from RMB186.8 million for the six months ended 30 June 2009. The increase in profit contribution was mainly twofold: (i) the gross profit margin booked from property projects completed by Forte for the first half of 2010 increased as compared with the same period in 2009; and (ii) the gain on disposal of 75% equity interests in Tianjin Forte.

Steel: Profit contributed by the steel segment decreased to RMB233.0 million for the six months ended 30 June 2010 from RMB769.9 million for the six months ended 30 June 2009. The decrease in profit contribution was mainly due to the fact that in the first half of 2009, gain on disposal of equity interests in Ningbo Iron & Steel Co., Ltd. was recorded while there was no such gain during the Reporting Period. However, in terms of operation, although the steel industry was under the pressure of increasing prices of raw materials in the upstream industry in the first half of 2010, the increase in prices of steel products as compared with that of the same period last year was even higher. Meanwhile, Nanjing Steel United continued to optimise its product mix so as to achieve better sales in products with high gross margins during the Reporting Period; therefore, its operating profit contribution increased 76.3% as compared with the same period last year.

Mining: Profit contributed by the mining segment increased to RMB507.4 million for the six months ended 30 June 2010 from RMB117.2 million for the six months ended 30 June 2009. The increase in profit contribution was mainly due to: (i) rising prices as a result of the marginal imbalance in the global supply and demand for iron ore products; and (ii) Hainan Mining took the impulse of the market and increased supply promptly. The increase in both prices and quantity led to a significantly higher profit contribution.

Retail, Services and Others: Profit contributed by the retail, services and others segment changed to a loss of RMB198.2 million for the six months ended 30 June 2010 from a profit of RMB162.5 million for the six months ended 30 June 2009. This was mainly attributable to the increase in interest expenditure arising from expanding borrowing scale in the group holding level and the loss from the fair value adjustment of certain stocks such as Focus Media. However, it is worthwhile to mention that, Yuyuan, an associate of the Group, directly benefiting from the surging influx of visitors, recorded significant growth in its gold, catering and other retail businesses as it is located in the prime area in the city and near the World Expo zone.

REVENUE

For the six months ended 30 June 2010, total revenue of the Group was RMB20,667.7 million after elimination of internal sales in the amount of RMB578.2 million, an increase of 29.4% as compared with the total revenue of RMB15,972.0 million for the six months ended 30 June 2009. The increase in revenue during the Reporting Period was mainly due to increases in revenue of all business segments to different degrees as compared with the same period last year.

Pharmaceuticals: Revenue of the pharmaceuticals segment increased to RMB2,158.1 million for the six months ended 30 June 2010 from RMB1,740.2 million for the six months ended 30 June 2009. The increase in revenue was mainly due to the relatively rapid growth in export of products for the manufacturing, research and development business after the economic recovery in the first half of 2010.

Property Development: Revenue of the property development segment increased to RMB3,500.1 million for the six months ended 30 June 2010 from RMB2,003.6 million for the six months ended 30 June 2009. This was mainly due to the significant increase in average property sales price booked by Forte for the six months ended 30 June 2010 as compared with the same period last year, which still increased the overall revenue of the property development segment after offsetting the slight decrease in booked area as compared with the same period last year.

Steel: Revenue of the steel segment increased to RMB13,947.5 million for the six months ended 30 June 2010 from RMB11,674.3 million for the six months ended 30 June 2009. The increase in revenue was primarily due to the fact that Nanjing Steel United endeavoured to increase its production and sales when the selling prices of steel products were relatively high during the Reporting Period, so as to achieve an increase of 14.0% and 16.4% in sales volume and average selling price respectively as compared with the same period last year.

Mining: Revenue of the mining segment increased to RMB1,640.2 million for the six months ended 30 June 2010 from RMB889.2 million for the six months ended 30 June 2009. The increase in revenue was mainly due to the significant increase in prices of iron ore products during the Reporting Period as a result of the impact of supply and demand relation in the market. The average selling price of Hainan Mining's major iron ore products increased 80.0% as compared with the same period last year and Hainan Mining was also capable of increasing its production when the market price reached its high, resulting in an increase of 9.3% in sales volume during the Reporting Period.

INTEREST EXPENSES

Interest expenses net of capitalised amounts of the Group increased from RMB564.4 million for the six months ended 30 June 2009 to RMB703.8 million for the six months ended 30 June 2010. This was mainly attributable to an expanding scale of total borrowings. For the six months ended 30 June 2010, the interest rates of borrowings were approximately between 1.1% and 12.18%, as compared with approximately between 1.35% and 9.02% for the six months ended 30 June 2009.

TAX

Tax of the Group increased from RMB336.0 million for the six months ended 30 June 2009 to RMB1,456.2 million for the six months ended 30 June 2010. The increase in tax was mainly attributable to the increase in the taxable profit of all the business segments as their operating results were improved, and the increase in land appreciation tax accrued by Forte as a result of higher gross margins of projects booked during the Reporting Period.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

The capital expenditures of the Group mainly include the amounts spent on the construction of production facilities, technology upgrade and purchase of machines and equipment, and addition of intangible assets and rights. We have been increasing investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. In order to enhance the production capacity of the steel segment and optimise product mix, we have increased the investment in the steel segment. Efforts will also be made in the mining segment with the aim of continuously strengthening our leading role in the industry.

As at 30 June 2010, the Group's capital commitment contracted but not provided for was RMB5,517.4 million, while capital commitment authorised but not yet contracted was RMB2,094.8 million. These were mainly committed for property development, addition of plant and equipment, and investments. Details of capital commitment are set out in note 19 to interim condensed consolidated financial statements.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

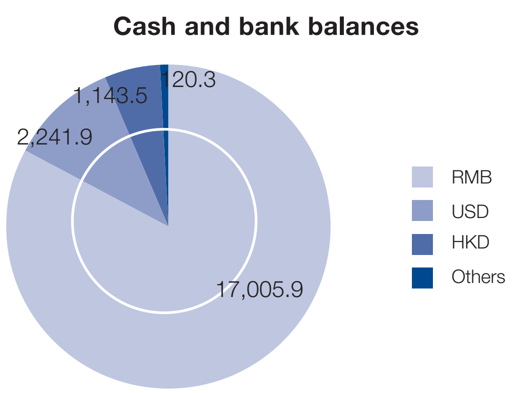
As at 30 June 2010, the total debt of the Group increased to RMB38,769.7 million from RMB28,812.0 million as at 31 December 2009. As at 30 June 2010, cash and bank balances also increased to RMB20,511.6 million from RMB15,947.6 million as at 31 December 2009. With the expanding development scale and the increasing investment needs, the Group raised funds from various channels to meet the requirements of operation and investments, and maintained the liquidity of the Group while increasing the debt.

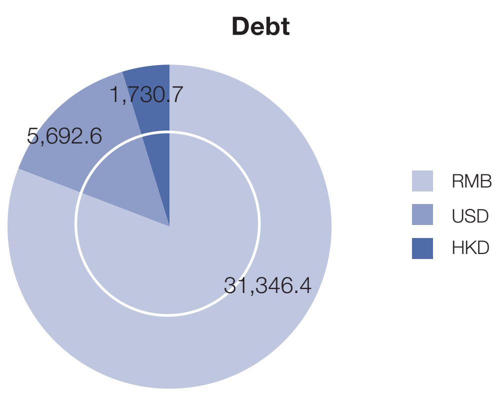
Unit: RMB million

	30 June 2010	31 December 2009
Total debt	**38,769.7**	28,812.0
Cash and bank balances	**20,511.6**	15,947.6

The original denomination of the Group's debt as well as cash and bank balances by currencies, equivalent in RMB, as at 30 June 2010, is summarised as follows:

Unit: RMB million equivalent





TOTAL DEBT TO TOTAL CAPITALISATION RATIO

As at 30 June 2010, the ratio of total debt to total capitalisation was 49.7% as compared with 44.2% as at 31 December 2009. This ratio has increased slightly as a result of the expanding borrowing scale, which still maintained at a prudent level. Healthy debt ratios and abundant financial resources can reinforce the Group's ability to defend against risk exposure and provide support to the Group in capturing investment opportunities.

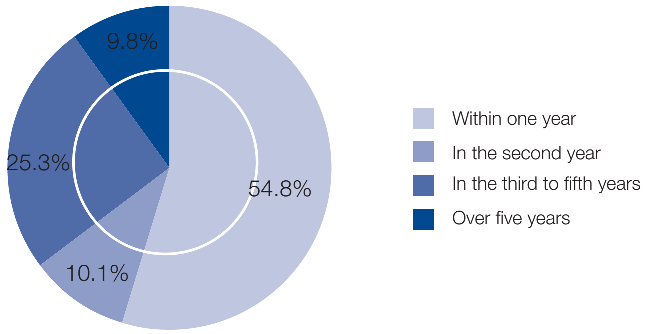
BASIS OF CALCULATING INTEREST RATE

To stabilise interest expenses, the Group endeavoured to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimise the interest rate level. As at 30 June 2010, 39.9% of the Group's total borrowings bore interest at a fixed interest rate.

THE MATURITY PROFILE OF OUTSTANDING BORROWINGS

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

Outstanding borrowings classified by year of maturity as at 30 June 2010 are as follows:



AVAILABLE FACILITIES

Save for cash and bank balances of RMB20,511.6 million as at 30 June 2010, the Group had unutilised banking facilities of RMB24,891.5 million. The Group has entered into cooperation agreements with various major banks in China. Under these agreements, the banks have granted the Group general banking facilities to support its capital needs. Prior approval of individual projects in China from banks in accordance with bank regulations must be obtained before the use of these banking facilities. As at 30 June 2010, aggregate available banking facilities under these arrangements was approximately RMB60,186.7 million, of which RMB35,295.2 million has already been allocated to various projects.

PLEDGED ASSETS

As at 30 June 2010, the Group had pledged assets of RMB13,926.5 million (31 December 2009: RMB11,297.2 million) for bank borrowings. Details of pledged assets are set out in note 14 to interim condensed consolidated financial statements.

CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB4,169.3 million as at 30 June 2010 (31 December 2009: RMB3,659.5 million), primarily applied to guarantee the mortgage loans of qualified property buyers. Details of contingent liabilities are set out in note 20 to interim condensed consolidated financial statements.

INTEREST COVERAGE

For the six months ended 30 June 2010, EBITDA divided by interest expense was 8.3 times as compared with 6.8 times for the same period in 2009, mainly due to an increase of EBITDA by 52.8% as a result of the improved operating results of the Group.

FINANCIAL POLICIES AND RISK MANAGEMENT

General policy

The Company maintains the financial independence of its subsidiaries in different business segments. Nevertheless, the Company also gives appropriate guidance on the fund management of different segments so as to ensure that risks of the Group are centrally monitored and financial resources are being effectively applied. The Group tries to obtain funds from different channels through banks and capital markets. Finance arrangements are organised to meet the business development needs and match the Group's cash flow.

Foreign currency exposure

Since the Group conducts its business mainly in Mainland China, RMB is also the functional and presentation currency. Most of the Group's revenue is received in RMB, with part of it converted into foreign currencies for the purchase of imported raw materials. Since the exchange rate reform in July 2005, the exchange rate of RMB against USD has appreciated steadily. However, we are uncertain of the stability of RMB in the future. The cost of conversion of RMB into foreign currencies will be subject to the fluctuation of the exchange rate of RMB. As at 30 June 2010, approximately 92.5% (approximately RMB95,639.4 million) of the Group's total assets were located in Mainland China (31 December 2009: RMB81,301.2 million or 92.2%).

Since the net proceeds from the listing of the Company on the Main Board of the Stock Exchange were denominated in HKD and not all of them are assets denominated in RMB. With the continuous appreciation of RMB, these assets denominated in foreign currency will incur substantial exchange loss for a considerable length of time due to currency conversion for business settlement and currency translation for report preparation since the reform of the exchange rate.

Interest rate exposure

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

Application of derivatives

The Group will apply derivative instruments as necessary to hedge the risk exposure instead of speculation. In order to mitigate the negative impact brought by the decreasing prices of steel products, an subsidiary of the Company entered into steel products future contracts as the short position in time with the aim of locking-up the selling prices of certain steel products. As at 30 June 2010, there were no outstanding future contracts.

FORWARD-LOOKING STATEMENTS

This interim report 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.

		For the six months ended 30 June	
		2010	2009
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
REVENUE		**20,667,657**	15,972,040
Cost of sales		**(15,853,316)**	(13,306,606)
Gross profit		**4,814,341**	2,665,434
Other income and gains	*5*	**1,674,766**	1,337,951
Selling and distribution costs		**(699,821)**	(522,122)
Administrative expenses		**(950,128)**	(832,634)
Other expenses		**(443,253)**	(236,627)
Finance costs	*6*	**(734,883)**	(573,468)
Share of profits and losses of:			
Jointly-controlled entities		**(13,205)**	6,407
Associates		**557,275**	553,204
PROFIT BEFORE TAX	*7*	**4,205,092**	2,398,145
Tax	*8*	**(1,456,193)**	(336,017)
PROFIT FOR THE PERIOD		**2,748,899**	2,062,128
Attributable to:			
Owners of the parent		**1,611,913**	1,316,264
Non-controlling interests		**1,136,986**	745,864
		2,748,899	2,062,128
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted (RMB)	*9*	**0.25**	0.20

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**2,748,899**	2,062,128
OTHER COMPREHENSIVE INCOME		
Available-for-sale assets:		
Changes in fair value	**968,375**	480,243
Reversal of changes in fair value arising from the available-for-sale investment becoming an associate (note 11)	**(152,931)**	–
Reclassification adjustments for gains included in the interim condensed consolidated income statement – gain on disposal	**–**	(32,882)
Income tax effect	**(228,119)**	(80,141)
	587,325	367,220
Share of other comprehensive income of associates	**11,336**	–
Reserves released upon disposal of associates	**–**	1,513
Exchange differences on translation of foreign operations	**(44,940)**	(139,410)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**553,721**	229,323
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,302,620**	2,291,451
Attributable to:		
Owners of the parent	**2,073,031**	1,503,211
Non-controlling interests	**1,229,589**	788,240
	3,302,620	2,291,451

	Notes	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**18,612,408**	17,767,235
Investment properties		**4,779,000**	2,057,400
Prepaid land lease payments		**1,200,113**	1,162,655
Exploration and evaluation assets		**434,812**	420,689
Mining rights		**695,635**	733,586
Intangible assets		**54,544**	34,486
Goodwill		**211,484**	126,929
Interests in jointly-controlled entities		**1,094,245**	755,823
Investments in associates	*11*	**11,368,040**	9,621,368
Held-to-maturity investments		**49,294**	79,220
Available-for-sale investments		**4,204,051**	2,943,458
Properties under development		**6,272,639**	5,089,455
Due from related companies		**371,051**	191,905
Loan receivable		**290,000**	220,000
Prepayments		**951,163**	616,313
Deferred tax assets		**914,945**	793,985
Total non-current assets		**51,503,424**	42,614,507
CURRENT ASSETS			
Cash and bank balances		**20,511,637**	15,947,571
Equity investments at fair value through profit or loss		**4,451,128**	4,922,253
Trade and notes receivables	*12*	**5,348,993**	4,768,991
Prepayments, deposits and other receivables		**3,002,949**	3,293,096
Inventories		**6,229,715**	5,583,671
Completed properties for sale		**2,308,069**	1,698,292
Properties under development		**7,093,594**	6,868,166
Due from related companies		**2,764,455**	908,592
		51,710,540	43,990,632
Non-current assets/Assets of a disposal group classified as held for sale	*13*	**163,187**	1,548,894
Total current assets		**51,873,727**	45,539,526

	Notes	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*14*	**21,254,387**	16,792,363
Trade and notes payables	*15*	**7,850,283**	6,861,967
Accrued liabilities and other payables		**11,320,355**	10,531,066
Tax payable		**2,299,752**	1,468,607
Due to the holding company		**1,127,138**	878,749
Due to related companies		**358,061**	345,423
		44,209,976	36,878,175
Liabilities directly associated with the assets classified as held for sale		**–**	997,393
Total current liabilities		**44,209,976**	37,875,568
NET CURRENT ASSETS		**7,663,751**	7,663,958
TOTAL ASSETS LESS CURRENT LIABILITIES		**59,167,175**	50,278,465
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*14*	**17,405,255**	11,913,006
Loans from related companies		**110,054**	106,618
Deferred income		**93,693**	82,669
Other long term payables		**526,788**	561,921
Deferred tax liabilities		**1,858,174**	1,241,973
Total non-current liabilities		**19,993,964**	13,906,187
Net assets		**39,173,211**	36,372,278
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**621,497**	621,497
Reserves		**25,491,867**	22,935,553
Proposed final dividends	*16*	**–**	927,270
		26,113,364	24,484,320
Non-controlling interests		**13,059,847**	11,887,958
Total equity		**39,173,211**	36,372,278

Guo Guangchang
Director

Ding Guoqi
Director

	Attributable to owners of the parent												
	Issued capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Other deficits RMB'000 (Unaudited)	Statutory surplus reserve RMB'000 (Unaudited)	Available-for-sale investments revaluation reserve RMB'000 (Unaudited)	Capital redemption reserve RMB'000 (Unaudited)	Other reserve RMB'000 (Unaudited)	Retained earnings RMB'000 (Unaudited)	Exchange fluctuation reserve RMB'000 (Unaudited)	Proposed final dividend RMB'000 (Unaudited) (Note 16)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
At 1 January 2010													
As previously reported	621,497	11,787,763	(443,540)	2,223,889	714,116	1,465	-	9,015,868	(364,008)	927,270	24,484,320	11,887,958	36,372,278
Reversal of impairment loss arising from the available-for-sale investment becoming an associate (note 11)	-	-	-	-	-	-	-	134,223	-	-	134,223	56,003	190,226
As restated	621,497	11,787,763	(443,540)	2,223,889	714,116	1,465	-	9,150,091	(364,008)	927,270	24,618,543	11,943,961	36,562,504
Total comprehensive income for the period	-	-	-	-	510,824	-	-	1,611,913	(49,706)	-	2,073,031	1,229,589	3,302,620
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(268,824)	(268,824)
Final dividend declared	-	-	-	-	-	-	-	-	-	(927,270)	(927,270)	-	(927,270)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	177,377	-	-	-	177,377	(331,574)	(154,197)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(77,893)	(77,893)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(11,444)	(11,444)
Deemed disposal of partial interests in a subsidiary	-	-	-	-	-	-	171,683	-	-	-	171,683	(171,683)	-
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	704,576	704,576
Compensation arising from land appreciation tax ("LAT") provision (note 8(3))	-	-	-	-	-	-	-	-	-	-	-	43,139	43,139
At 30 June 2010	621,497	11,787,763	(443,540)	2,223,889	1,224,940	1,465	349,060	10,762,004	(413,714)	-	26,113,364	13,059,847	39,173,211

	Attributable to owners of the parent											
	Issued capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Other deficits RMB'000 (Unaudited)	Statutory surplus reserve RMB'000 (Unaudited)	Available-for-sale investments revaluation reserve RMB'000 (Unaudited)	Capital redemption reserve RMB'000 (Unaudited)	Retained earnings RMB'000 (Unaudited)	Exchange fluctuation reserve RMB'000 (Unaudited) (Note 16)	Proposed final dividend RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
At 1 January 2009	621,497	11,785,713	(443,540)	2,025,450	147,275	1,465	5,494,898	(215,531)	453,051	19,870,278	10,172,809	30,043,087
Total comprehensive income for the period	–	–	–	–	327,305	–	1,316,264	(140,358)	–	1,503,211	788,240	2,291,451
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	(16,335)	(16,335)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(165,168)	(165,168)
Final dividend declared	–	–	–	–	–	–	–	–	(453,051)	(453,051)	–	(453,051)
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	77,366	77,366
Compensation arising from LAT provision (note 8(3))	–	–	–	–	–	–	–	–	–	–	2,880	2,880
At 30 June 2009	621,497	11,785,713	(443,540)	2,025,450	474,580	1,465	6,811,162	(355,889)	–	20,920,438	10,859,792	31,780,230

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**931,329**	2,004,447
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(4,510,192)**	(3,276,235)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**7,727,762**	2,320,372
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,148,899**	1,048,584
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,595,058**	9,577,695
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**15,743,957**	10,626,279
Analysis of balances of cash and cash equivalents		
Cash and bank balances at end of the period	**20,511,637**	14,988,359
Less: Pledged bank balances and deposits with original maturity of more than three months	**(4,767,680)**	(4,362,080)
Cash and cash equivalents at end of the period	**15,743,957**	10,626,279

1. CORPORATE INFORMATION

Fosun International Limited (the “Company”) was incorporated as a company with limited liability in Hong Kong on 24 December 2004 under the Hong Kong Companies Ordinance (Chapter 32).

The registered office of the Company is located at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the manufacture and sale of pharmaceutical products, property development, the manufacture and sale of iron and steel products, mining and ore processing of various metals and the management of strategic investments.

The holding company and the ultimate holding company of the Company are Fosun Holdings Limited and Fosun International Holdings Ltd. which are incorporated in Hong Kong and the British Virgin Islands, respectively.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) since 16 July 2007.

2. 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 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months ended 30 June 2010 (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 as at 31 December 2009.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009, except for the adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations), as set out in note 3.2 to interim condensed consolidated financial statements.

3.2 ADOPTION OF NEW AND REVISED HKFRSs

From 1 January 2010, the Group has adopted the following new and revised HKFRSs for the first time.

HKFRS 1 (Revised)	*First-time Adoption of HKFRSs*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK (IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Leases*
Improvements to HKFRSs 2009 (Issued in May 2009)*	Amendments to a number of HKFRSs

* Improvements to HKFRSs 2009 set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording, including HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16.

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

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes by HKFRS 3 (Revised) and HKAS 27 (Revised) affect acquisitions, loss of control of subsidiaries and transactions with non-controlling interests from 1 January 2010. The change in accounting policy was applied prospectively and had no impact on earnings per share.

3.2 ADOPTION OF NEW AND REVISED HKFRSs *(Continued)*

The amendments to HKFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest.

Except as stated above, the adoption of these new and revised HKFRSs has had no significant financial effect on the Group's interim condensed consolidated financial statements.

4. SEGMENT INFORMATION

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

(i) the pharmaceuticals segment engages in the research and development, manufacturing, sale and trading of pharmaceutical products;

(ii) the property development segment engages in the development and sale of properties in the PRC;

(iii) the steel segment engages in the manufacturing, sale and trading of iron and steel products;

(iv) the mining segment engages in the mining and ore processing of various metals; and

(v) the "others" segment comprises, principally, the management of investments in retail and services industries, and other strategic investments.

Management monitors the results of its 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 prevailing market prices.

4. SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2010

	Pharma-ceuticals RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Steel RMB'000 (Unaudited)	Mining RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:							
Sales to external customers	2,158,078	3,500,121	13,947,509	1,061,949	–	–	20,667,657
Inter-segment sales	–	–	–	578,270	–	(578,270)	–
Other income and gains	305,355	1,198,696	82,042	47,219	95,010	(197,530)	1,530,792
Total	2,463,433	4,698,817	14,029,551	1,687,438	95,010	(775,800)	22,198,449
Segment results	362,125	2,295,222	818,420	1,047,016	(147,843)	(41,426)	4,333,514
Interest and dividend income	16,969	14,008	50,644	4,800	93,025	(35,472)	143,974
Unallocated expenses							(81,583)
Finance costs	(74,425)	(136,818)	(388,596)	(19,575)	(133,076)	17,607	(734,883)
Share of profits and losses of:							
– Jointly-controlled entities	–	(13,205)	–	–	–	–	(13,205)
– Associates	275,081	133,179	72,496	9,580	66,939	–	557,275
Profit before tax	579,750	2,292,386	552,964	1,041,821	(120,955)	(59,291)	4,205,092
Tax	(164,655)	(893,583)	(161,322)	(210,305)	(78,135)	51,807	(1,456,193)
Profit for the period	415,095	1,398,803	391,642	831,516	(199,090)	(7,484)	2,748,899

4. SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2009

	Pharma-ceuticals RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Steel RMB'000 (Unaudited)	Mining RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:							
Sales to external customers	1,740,192	2,003,574	11,674,360	553,914	–	–	15,972,040
Inter-segment sales	–	–	–	335,265	–	(335,265)	–
Other income and gains	135,098	80,180	739,313	54,272	186,192	(15,400)	1,179,655
Total	1,875,290	2,083,754	12,413,673	943,451	186,192	(350,665)	17,151,695
Segment results	185,487	579,923	1,045,012	343,348	118,792	57,803	2,330,365
Interest and dividend income	10,539	7,399	94,279	5,786	106,081	(65,788)	158,296
Unallocated expenses							(76,659)
Finance costs	(74,856)	(29,477)	(361,002)	(25,341)	(82,792)	–	(573,468)
Share of profits and losses of:							
– Jointly-controlled entities	–	6,407	–	–	–	–	6,407
– Associates	259,326	(4,768)	290,298	(45,170)	53,518	–	553,204
Profit before tax	380,496	559,484	1,068,587	278,623	195,599	(7,985)	2,398,145
Tax	(26,705)	(257,581)	42,628	(65,415)	(34,045)	5,101	(336,017)
Profit for the period	353,791	301,903	1,111,215	213,208	161,554	(2,884)	2,062,128

4. SEGMENT INFORMATION *(Continued)*

Segment assets:

Total segment assets as at 30 June 2010 and 31 December 2009 are as follows:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Pharmaceuticals	13,327,415	10,955,208
Property development	33,313,560	27,456,713
Steel	35,575,687	31,911,222
Mining	7,690,074	5,679,933
Others	19,397,954	16,945,982
	109,304,690	92,949,058
Eliminations*	(5,927,539)	(4,795,025)
Total consolidated assets	103,377,151	88,154,033

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

5. OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
Other income		
Interest income	111,220	80,829
Dividends from available-for-sale investments	25,324	76,435
Dividends from equity investments at fair value through profit or loss	7,430	1,032
Gross rental income	29,608	32,128
Sale of scrap materials	10,997	39,669
Government grants	58,265	77,713
Consultancy income	17,615	9,736
Processing income	12,904	17,433
Others	82,490	65,803
	355,853	400,778

5. OTHER INCOME AND GAINS *(Continued)*

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<u>Gains</u>		
Gain on disposal of subsidiaries	**972,395**	–
Gain on disposal of associates	**55,082**	642,834
Gain on disposal of items of property, plant and equipment	**257**	–
Gain on disposal of available-for-sale investments	**1,959**	48,358
Gain on disposal of equity investments at fair value through profit or loss	**–**	39,459
Gain on fair value adjustment of investment properties	**169,504**	55,670
Gain on deemed disposal of interest in an associate	**82,843**	7,609
Gain on the settlement of commodity derivative contracts	**19,611**	–
Exchange gains, net	**17,262**	143,243
	1,318,913	937,173
Other income and gains	**1,674,766**	1,337,951

6. FINANCE COSTS

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses	**922,211**	794,682
Less: Interest capitalised	**(218,443)**	(230,289)
Interest expenses, net	**703,768**	564,393
Bank charges and other finance costs	**31,115**	9,075
Total finance costs	**734,883**	573,468

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**15,853,316**	13,306,606
Inventories written off	**–**	40
Depreciation of items of property, plant and equipment	**881,437**	801,831
Amortisation of:		
Prepaid land lease payments	**11,924**	9,552
Mining rights	**35,147**	50,370
Intangible assets	**9,342**	2,086
Provisions/(reversals) for impairment of:		
Trade and other receivables	**(939)**	(2,574)
Items of property, plant and equipment	**–**	595
Available-for-sale investments	**–**	1,119
Inventories	**64,691**	11,594
Goodwill	**33,327**	–
Provision for indemnity of LAT (note 8(3))	**43,139**	2,880
Loss on disposal of non-current assets classified as held for sale	**–**	1,419
Loss on fair value adjustment on equity investment at fair value through profit or loss	**127,324**	21,369
Loss on disposal of items of property, plant and equipment	**19,640**	2,556

8. TAX

The major components of tax expenses for the six months ended 30 June 2010 and 2009 are as follows:

		For the six months ended 30 June	
		2010	2009
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
Current – Hong Kong	*(1)*	**8,162**	5,144
Current – Mainland China			
– Income tax in Mainland China for the period	*(2)*	**1,012,237**	341,116
– LAT in Mainland China for the period	*(3)*	**427,597**	129,912
Deferred		**8,197**	(140,155)
Tax expenses for the period		**1,456,193**	336,017

8. TAX *(Continued)*

Notes:

(1) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period.

(2) The provision for Mainland China current income tax is based on a statutory rate of 25% (six months ended 30 June 2009: 25%) of the assessable profit 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 or taxed at preferential rates of 15% to 20%.

(3) According to the tax notice issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 0.5% to 3% on proceeds of 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 unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

For the Period, based on the latest understanding of LAT regulations from the tax authorities, the Group provided additional LAT of RMB384,684,000 (six months ended 30 June 2009: RMB112,659,000) in respect of the sales of properties up to 30 June 2010 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

In 2004, Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun Group") and Shanghai Forte Land Co., Ltd. ("Forte"), both subsidiaries of the Group, entered into a deed of tax indemnity whereby the Fosun Group has undertaken to indemnify Forte in respect of the LAT payable attributable to Forte and its subsidiaries ("Forte Group") in excess of the prepaid LAT based on 0.5% to 3% of sales proceeds, after netting off potential income tax savings, in consequence of the disposal of the properties owned by the Forte Group as at 30 November 2003. As at 30 June 2010, the outstanding LAT indemnity payable to Forte after netting off potential income tax saving amounted to RMB234,375,000 (31 December 2009: RMB98,462,000), and the deferred tax liability arising thereon amounted to RMB106,295,000 (31 December 2009: RMB72,316,000). The Group's share of losses arising from the LAT indemnity during the Period amounted to RMB43,139,000 (six months ended 30 June 2009: RMB2,880,000).

(4) The share of tax attributable to jointly-controlled entities and associates amounting to RMB2,569,000 (six months ended 30 June 2009: RMB999,000) and RMB154,568,000 (six months ended 30 June 2009: RMB124,871,000), respectively, is included in "Share of profits and losses of jointly-controlled entities and associates" in the interim condensed consolidated income statement.

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

The calculation of earnings per share is based on the profit for the Period attributable to ordinary equity holders of the parent of RMB1,611,913,000 (six months ended 30 June 2009: RMB1,316,264,000) and on 6,421,595,000 ordinary shares in issue during the Period (six months ended 30 June 2009: 6,421,595,000 ordinary shares).

Diluted earnings per share amount is equal to basic earnings per share amount for the two periods ended 30 June 2010 and 30 June 2009 as no diluting events occurred during these two periods.

10. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment RMB'000 (Unaudited)
Carrying value at beginning of the Period	17,767,235
Additions	1,812,118
Disposals	(85,508)
Depreciation charge for the Period	(881,437)
Carrying value at end of the Period	18,612,408

The Group's property, plant and equipment with net carrying values of RMB965,510,000 (31 December 2009: RMB845,533,000), were pledged as security for interest-bearing bank loans as set out in note 14 to interim condensed consolidated financial statements.

11. INVESTMENTS IN ASSOCIATES

On 26 January 2010, China Alliance Properties Limited ("China Alliance"), a wholly-owned subsidiary of Forte subscribed for 1,550,000,000 new ordinary shares issued by Shanghai Zendai Property Limited ("Zendai Property"), a company listed on the Main Board of the Hong Kong Stock Exchange for a total consideration of HKD480,500,000. After the completion of the subscription, China Alliance held approximately 19.47% of the issued share capital of Zendai Property as enlarged by the allotment and issuance of the subscription shares and the Group commenced to account for Zendai Property as an associate.

The changes in fair value of RMB152,931,000 in respect of the previously held equity interests in Zendai Property were reversed against other comprehensive income in the Period and the impairment loss of RMB190,226,000 provided in prior year was reversed against retained earnings as an opening adjustment in the Period.

The share of the net fair value of the identifiable assets and liabilities of Zendai Property over the cost of the acquisition amounting to RMB112,905,000 was credited to share of profits and losses of associates in the interim condensed consolidated income statement for the Period.

12. TRADE AND NOTES RECEIVABLES

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Trade receivables	**1,162,993**	1,012,058
Notes receivable	**4,186,000**	3,756,933
	5,348,993	4,768,991

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

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	**1,002,730**	831,628
91-180 days	**99,524**	146,081
181-365 days	**52,607**	36,593
1-2 years	**8,947**	7,271
2-3 years	**7,287**	6,302
Over 3 years	**56,406**	50,663
	1,227,501	1,078,538
Less: Provision for impairment of trade receivables	**(64,508)**	(66,480)
	1,162,993	1,012,058

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

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

The Group's notes receivable with a carrying value of RMB118,700,000 (31 December 2009: RMB112,700,000) was pledged to certain banks as security for bank loans granted to the Group (note 14).

13. NON-CURRENT ASSETS/ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(1) On 17 March 2010, Shanghai Forte Investment Management Co., Ltd. ("Forte Investment"), a wholly-owned subsidiary of Forte, entered into an equity transfer agreement with an external third party for the disposal of Forte's entire shareholding in an associate, Chengdu Boland Real Estate Development Co., Ltd. ("Chengdu Boland"), at a consideration of RMB182,494,000.

As at 30 June 2010, the disposal transaction is still subject to the settlement of the consideration as well as the approval of business administrative authorities which are expected to be completed before the end of 2010, the carrying amount of the investment of RMB163,187,000 in Chengdu Boland is classified as a non-current asset held for sale in the interim condensed consolidated financial statements.

(2) In December 2009, the Group through its subsidiary, Forte, entered into an equity transfer agreement with HNA Group, for the disposal of Forte's entire shareholding of 75% in Tianjin Forte Puhe Development Co., Ltd. ("Tianjin Forte"). The carrying amounts of the assets and liabilities of Tianjin Forte were classified as held for sale in the consolidated statement of financial position as at 31 December 2009.

As at 30 June 2010, the disposal transaction has been completed. Tianjin Forte was disposed of by Forte through the disposal of its 100% equity interest in Shanghai Yizhou Investment Management Co., Ltd. ("Yizhou"), as set out in note 18 to interim condensed consolidated financial statements.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	**30 June 2010 RMB'000 (Unaudited)**	31 December 2009 RMB'000 (Audited)
Bank loans:	*(1)*		
Guaranteed		**44,450**	65,150
Secured		**11,535,334**	10,275,254
Unsecured		**21,320,702**	13,136,742
		32,900,486	23,477,146
Enterprise bonds	*(2)*	**2,482,589**	2,482,589
Corporate bonds	*(3)*	**1,871,757**	1,869,304
Unsecured other borrowings	*(4)*	**1,404,810**	876,330
Total		**38,659,642**	28,705,369
Portion classified as:			
Current		**21,254,387**	16,792,363
Non-current		**17,405,255**	11,913,006
Total		**38,659,642**	28,705,369

14. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes:

(1) Bank loans

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Guaranteed by related parties	**44,450**	65,150
Secured by:		
Net carrying value/net book value:		
Property, plant and equipment (note 10)	**965,510**	845,533
Investment properties	**4,779,000**	2,057,400
Prepaid land lease payments	**18,419**	31,389
Mining rights	**139,536**	141,289
Inventories	**400,000**	200,000
Time deposits with original maturity of more than three months	**2,295,130**	2,216,434
Pledged bank balances	**40,065**	520,658
Interest in a subsidiary	**138,288**	327,061
Notes receivable (note 12)	**118,700**	112,700
Investments in associates	**835,196**	–
Properties under development	**3,325,969**	4,639,332
Completed properties for sale	**870,702**	41,632
Available-for-sale investments	**–**	163,769
	13,926,515	11,297,197
The bank loans bear interest at rates per annum in the range of:	**1.1% to 7.74%**	0.27% to 7.74%

(2) Enterprise bonds

On 27 February 2009, Nanjing Steel United Co. Ltd. issued long-term enterprise bonds with the par value of RMB2,500,000,000 and the effective interest rate is 6.29% per annum. One half of the principal of the enterprise bonds will be repaid on 27 February 2015 and the remainder on 27 February 2016. Interest will be paid annually in arrears.

(3) Corporate bonds

On 25 September 2009, Forte issued five-year domestic corporate bonds with the par value of RMB1,900,000,000 and the effective interest rate is 7.73% per annum. The interest will be paid annually in arrears and the maturity date is 22 September 2014.

(4) Unsecured other borrowings

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Borrowings from third parties	**1,404,810**	876,330
The other borrowings bear interest at rates per annum in the range of:	**2.55% to 12.18%**	2.55% to 12.18%

15. TRADE AND NOTES PAYABLES

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Trade payables	**6,165,239**	3,539,566
Notes payables	**1,685,044**	3,322,401
	7,850,283	6,861,967

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

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	**3,152,043**	2,523,171
91 – 180 days	**2,221,998**	414,585
181 – 365 days	**463,203**	181,843
1 – 2 years	**256,681**	345,306
2 – 3 years	**33,851**	44,360
Over 3 years	**37,463**	30,301
	6,165,239	3,539,566

16. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2009: Nil).

The proposed final dividend of HKD0.164 per ordinary share for the year ended 31 December 2009 was declared payable and approved by the shareholders at the annual general meeting of the Company on 22 June 2010.

17. BUSINESS COMBINATION

On 31 May 2010, the Group through its subsidiary, Forte, acquired a 100% equity interest in Garden Plaza SRL ("Garden Plaza"), a society with restricted liability organised and existing under the laws of Barbados. Garden Plaza is engaged in property investments in Shanghai. The Group acquired Garden Plaza in order to increase the Group's competitive strength in the property market in Shanghai. The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of Garden Plaza for the one month period from the acquisition date. The purchase consideration for the acquisition was in the form of cash and amounted to RMB731,051,000, of which RMB13,138,000 remained unpaid as at 30 June 2010.

The fair value of the identifiable assets and liabilities of Garden Plaza as at the date of acquisition was as follows:

	Fair value recognised on acquisition RMB'000
Property, plant and equipment	19,584
Investment property	2,400,000
Cash and bank balances	90,728
Trade receivables	135
Prepayments, deposits and other receivables	52,015
Trade payables	(266)
Tax payables	(2,553)
Accrued liabilities and other payables	(39,631)
Amount due to shareholders	(867,514)
Interest-bearing bank loans	(742,500)
Deferred tax liabilities	(248,589)
	661,409
Goodwill on acquisition	69,642
Satisfied by cash	731,051

From the date of acquisition, Garden Plaza's results have no significant impact on the Group's consolidated turnover or net profit for the six months ended 30 June 2010.

The goodwill recognised above is attributed to the substantial potential in value increase in the acquired property. None of the recognised goodwill is expected to be deductible for income tax purposes.

18. DISPOSAL OF A SUBSIDIARY

On 3 March 2010, the Company's subsidiary, Forte, entered into an equity transfer agreement to dispose of its 100% equity interests in Yizhou at a total consideration of RMB906,687,000. The major asset of Yizhou is its 75% equity investment in Tianjin Forte. The disposal was completed on 18 May 2010.

	18 May 2010 RMB'000
Net assets disposed of:	
Property, plant and equipment	4,986
Deferred tax assets	7,081
Cash and bank balances	29,666
Trade receivables	741
Prepayments, deposits and other receivables	92,288
Completed properties held for sale	1,437,174
Trade payables	(135,635)
Tax payables	(53,427)
Accruals and other payables	(1,277,578)
	105,296
Non-controlling interests	(75,006)
Professional fee directly attributable to the disposal	40,036
Net gain on the disposal	836,361
	906,687
Satisfied by cash	906,687

19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Contracted, but not provided for:		
In respect of:		
Plant and equipment	**291,444**	492,465
Properties under development	**4,716,152**	4,531,525
Intangible assets	**35,350**	23,899
Prepaid land lease payments	**5,600**	5,600
Investments	**468,814**	477,419
	5,517,360	5,530,908
Authorised, but not contracted for:		
In respect of:		
Plant and equipment	**366,297**	950,843
Investments	**1,728,542**	1,864,000
	2,094,839	2,814,843

20. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Guarantees given to bank loans of:		
Related parties	**1,051,800**	846,800
Third parties	**73,400**	50,000
	1,125,200	896,800
Qualified buyers' mortgage loans*	**3,044,081**	2,762,666
	4,169,281	3,659,466

* The Group provided guarantees of approximately RMB3,044,081,000 (31 December 2009: RMB2,762,666,000) in favour of their customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to administrative procedures in the PRC. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made for the guarantees in the interim condensed consolidated financial statements.

21. RELATED PARTY TRANSACTIONS

(1) During the Period, the Group had the following material transactions with related parties except for transactions disclosed in note 14:

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Associates:		
Sales of pharmaceutical products	**34,121**	20,405
Purchase of pharmaceutical products	**19,023**	7,903
Purchase of coking coal products	**26,694**	–
Service fee	**4,529**	6,108
Transportation fee	**42,987**	34,219
Interest income	**5,310**	–
Interest expense	**6,728**	–
Notional interest	**677**	–
Bank loan guarantees provided	**205,000**	54,000
	345,069	122,635
Non-controlling shareholders of the subsidiaries of the Group:		
Rental fee	**2,000**	6,968
Notional interest	**5,553**	2,861
Bank loan guarantees received	**3,113,950**	3,465,850
	3,121,503	3,475,679
Other related parties:		
Disposal of equity interest	**–**	243,041
Sales of pharmaceutical products	**2,928**	20,539
Purchase of pharmaceutical products	**–**	5,135
Shareholder loan provided	**225,446**	–
Entrusted bank loan provided	**70,000**	220,000
Interest income	**8,797**	7,132
Service fee	**164**	–
Service income	**994**	330
Notional interest	**2,758**	2,582
	311,087	498,759

In the opinion of the directors, except for bank loan guarantees provided by non-controlling shareholders of the subsidiaries, all other related party transactions as set out above were conducted on normal commercial terms.

21. RELATED PARTY TRANSACTIONS *(Continued)*

(2) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2010	2009
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**9,720**	6,094
Pension scheme contributions	**185**	166
Total compensation paid to key management personnel	**9,905**	6,260

22. OTHER SIGNIFICANT MATTERS

As at 30 June 2010, the Group holds approximately 25.80% and 32.09% of the total issued share capital of Focus Media Holding Limited ("Focus Media") and Tongjitang Chinese Medicines Company ("Tongjitang"). The Group's interests in these entities are not accounted for under the equity method because the Group has no significant influence over these entities by way of representation on the Board of Directors and participation in the policy-making process, although the Group's equity interests in these entities are higher than 20% as at 30 June 2010.

23. EVENTS AFTER THE REPORTING PERIOD

On 19 August 2010, Forte Investment, a wholly-owned subsidiary of Forte, entered into a cooperation agreement with Chongqing Yukaifa Company Limited ("Chongqing Yukaifa") and Chongqing LangFu Property Company Limited ("Chongqing Langfu"), pursuant to which, Chongqing Yukaifa will transfer its 50% equity interest in Chongqing Langfu and the shareholder loan of RMB200,000,000 to Forte Investment at a total consideration of RMB663,000,000.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 25 August 2010.

STATUTORY DISCLOSURES

INTERIM DIVIDEND

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

SHARE OPTION SCHEME

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

Since the adoption of the Share Option Scheme, no share option has been granted by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group had approximately 29,000 employees. The Group provides equal employment opportunities with salaries and benefits at market competitive levels determined by external market remuneration through market research and in accordance with the development and profitability of the Company. The directors and eligible employees of the Group may be granted share options in accordance with the Share Option Scheme. Meanwhile, the Group is actively exploring and designing a long-term incentive plan for senior management and investment staff in view of driving their concerns for the long-term development of the Group and achievement of their values. The Group also offers internal and external training opportunities for staff to help them enhance their values.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2010, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Long positions in the Shares, underlying shares and debentures of the Company

Name of Director/ chief executive	Class of Shares	Number of Shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	5,024,555,500[(1)]	Corporate	78.24%
Ding Guoqi	Ordinary	12,940,000	Individual	0.20%
Qin Xuetang	Ordinary	3,880,000	Individual	0.06%
Wu Ping	Ordinary	7,760,000	Individual	0.12%

(2) Long positions in the shares, underlying shares and debentures of the associated corporations (within the meaning of Part XV of the SFO) of the Company

Name of Director/ chief executive	Name of associated corporation	Class of shares	Number of shares	Type of interests	Approximate percentage of shares in issue
Guo Guangchang	Fosun Holdings	Ordinary	1	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	58.00%
	Fosun Pharma	Ordinary	76,050	Individual	0.01%
Liang Xinjun	Fosun International Holdings	Ordinary	11,000	Individual	22.00%
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	10.00%
	Fosun Pharma	Ordinary	76,050	Individual	0.01%
Fan Wei	Fosun International Holdings	Ordinary	5,000	Individual	10.00%
Qin Xuetang	Fosun Pharma	Ordinary	76,050	Individual	0.01%

Note:

(1) Pursuant to Division 7 of Part XV of the SFO, 5,024,555,500 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings	5,024,555,500	78.24%
Fosun International Holdings[1]	5,024,555,500[2]	78.24%

Notes:

(1) Fosun International Holdings is owned as to 58%, 22%, 10% and 10% by Messrs. Guo Guangchang, Liang Xinjun, Wang Qunbin and Fan Wei, respectively.

(2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings, and therefore Fosun International Holdings is deemed, or taken to be, interested in the shares owned by Fosun Holdings for the purposes of the SFO.

(3) Mr. Guo Guangchang is the sole director of Fosun Holdings and Fosun International Holdings.

Save as disclosed herein and so far as was known to the Directors, as at 30 June 2010, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to rule 13.51B of the Listing Rules, the changes in the information of the Directors subsequent to the date of 2009 annual report are set out below:

1. Mr. Guo Guangchang resigned as a non-executive director of Sinopharm with effect from 31 May 2010.

2. Mr. Liang Xinjun resigned as a director of Yuyuan with effect from 3 June 2010.

3. Mr. Wang Qunbin resigned as chairman of Fosun Pharma but remained as a director of Fosun Pharma with effect from 9 June 2010. He was appointed vice chairman of Sinopharm with effect from 31 May 2010. He resigned as a director of Shanghai Friendship Group Incorporated Company (Stock Code: 600827) with effect from 22 June 2010, a company whose shares are listed on the Shanghai Stock Exchange.

4. Mr. Fan Wei was appointed Co-President of the Company with effect from 21 June 2010.

5. Mr. Liu Benren was appointed non-executive director of China Shenhua Energy Company Limited with effect from 18 June 2010, a company whose shares are listed both on the Stock Exchange (Stock Code: 01088) and the Shanghai Stock Exchange (Stock Code: 601088).

6. Mr. Andrew Y. Yan was appointed non-executive director of NVC Lighting Holding Limited (Stock Code: 02222), a company whose shares are listed on the Stock Exchange on 20 May 2010. He was appointed non-executive director of China Huiyuan Juice Group Limited (Stock Code: 01886) with effect from 28 July 2010, a company whose shares are listed on the Stock Exchange.

7. With effect from 1 January 2010, the annual remuneration of the following Directors was revised as follows:

Name of Director	RMB million	HKD million
Guo Guangchang	1.56	0.60
Liang Xinjun	1.56	0.60
Wang Qunbin	1.56	0.60
Fan Wei*	0.72	0.00
Ding Guoqi	1.20	0.60
Qin Xuetang	1.20	0.60
Wu Ping	1.20	0.60

* In addition, RMB0.84 million and HKD0.6 million will be paid by Forte to Mr. Fan for his services as the chairman of Forte.

Each of the above Directors is also entitled to an annual bonus of a sum to be determined in accordance with the 2010 Performance Bonus Plan for Directors and Senior Management of the Company.

Save as disclosed, there is no information required to be disclosed pursuant to rule 13.51B of the Listing Rules.

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.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Dr. Chen Kaixian and Mr. Andrew Y. Yan. 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 CODE ON CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

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.

CORPORATE INFORMATION

Executive Directors
Guo Guangchang *(Chairman)*
Liang Xinjun *(Vice Chairman and Chief Executive Officer)*
Wang Qunbin *(President)*
Fan Wei *(Co-President)*
Ding Guoqi
Qin Xuetang
Wu Ping

Non-Executive Director
Liu Benren

Independent Non-Executive Directors
Chen Kaixian
Zhang Shengman
Andrew Y. Yan

AUDIT COMMITTEE

Zhang Shengman *(Chairman)*
Chen Kaixian
Andrew Y. Yan

REMUNERATION COMMITTEE

Andrew Y. Yan *(Chairman)*
Liang Xinjun
Zhang Shengman

COMPANY SECRETARY

Sze Mei Ming

AUTHORISED REPRESENTATIVES

Qin Xuetang
Ding Guoqi

AUDITORS

Ernst & Young

LEGAL ADVISOR AS TO HONG KONG LAW

Herbert Smith

LEGAL ADVISOR AS TO PRC LAW

Chen & Co. Law Firm

PRINCIPAL BANKERS

Agricultural Bank of China
China Construction Bank
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank
Bank of China
China Merchants Bank
Bank of Communications
Bank of East Asia
Standard Chartered Bank

REGISTERED OFFICE

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PRINCIPAL OFFICE

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Shanghai 200010
PRC

SHARE REGISTRAR AND TRANSFER OFFICE

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Hopewell Centre
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Wanchai, Hong Kong

STOCK CODE

00656

WEBSITE

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FORMULA

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

DEFINITION

the Board	the board of Directors
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Focus Media	Focus Media Holding Limited, a company whose American Depositary Shares are listed on Nasdaq (Stock Code: FMCN)
Forte	Shanghai Forte Land Co., Ltd., a company whose H shares are listed on the Stock Exchange (Stock Code: 02337)
Fosun Holdings	Fosun Holdings Limited
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 600196)
GFA	gross floor area
the Group	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd. (formerly known as Hainan Mining United Co., Ltd.)
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules

Nanjing Steel United	Nanjing Iron & Steel United Co., Ltd.
PRC	the People's Republic of China
Reporting Period	the six months ended 30 June 2010
RMB	Renminbi, the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shares	the shares of the Company
Share Option Scheme	the share option scheme of the Company adopted on 19 June 2007
Sinopharm	Sinopharm Group Co. Ltd., a company whose H shares are listed on the Stock Exchange (Stock Code: 01099)
Stock Exchange	The Stock Exchange of Hong Kong Limited
USD	United States dollars, the lawful currency of the United States
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 600655)

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