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FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL SUMMARY

<i>In RMB million</i>	For the year ended 31 December	
	2009	2008
Revenue	34,855.8	40,250.3
Pharmaceuticals	3,775.9	3,699.2
Property development	5,184.8	3,733.3
Steel	24,611.4	30,930.0
Mining	1,968.0	3,106.6
Elimination	(684.3)	(1,218.8)
Profit attributable to owners of the parent	4,646.7	1,328.4
Pharmaceuticals	1,185.6	261.4
Property development	327.3	57.6
Steel	1,068.1	118.0
Mining	235.6	1,285.1
Retail, services and others	2,073.7	(125.5)
Unallocated expenses	(112.8)	(97.4)
Elimination	(130.8)	(170.8)
Earnings per share (<i>in RMB</i>)	0.72	0.21
Dividend per share (<i>in HKD</i>)	0.164	0.08

The board of directors (the “**Board**”) of Fosun International Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2009 (the “**Reporting Period**”) as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
REVENUE	3	34,855,818	40,250,293
Cost of sales		<u>(29,161,430)</u>	<u>(32,221,179)</u>
Gross profit		5,694,388	8,029,114
Other income and gains	3	6,492,385	1,673,586
Selling and distribution costs		(1,175,543)	(1,170,007)
Administrative expenses		(1,751,807)	(1,659,109)
Other expenses		(951,951)	(1,792,158)
Finance costs	4	(1,108,335)	(1,362,623)
Share of profits and losses of:			
Jointly-controlled entities		13,825	(6,307)
Associates		<u>962,563</u>	<u>154,456</u>
PROFIT BEFORE TAX	5	8,175,525	3,866,952
Tax	6	<u>(1,357,154)</u>	<u>(1,149,068)</u>
PROFIT FOR THE YEAR		<u><u>6,818,371</u></u>	<u><u>2,717,884</u></u>
Attributable to:			
Owners of the parent		4,646,679	1,328,391
Minority interests		<u>2,171,692</u>	<u>1,389,493</u>
		<u><u>6,818,371</u></u>	<u><u>2,717,884</u></u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF			
THE PARENT			
- Basic and diluted (RMB)	8	<u><u>0.72</u></u>	<u><u>0.21</u></u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

Notes	2009 RMB'000	2008 RMB'000
PROFIT FOR THE YEAR	<u>6,818,371</u>	<u>2,717,884</u>
OTHER COMPREHENSIVE INCOME		
Available-for-sale assets:		
Changes in fair value	705,720	(342,195)
Reclassification adjustments for gains included in the consolidated income statement		
- gain on disposal	(52,910)	(174,256)
- impairment losses	-	238,164
Income tax effect	<u>(120,851)</u>	<u>46,047</u>
	531,959	(232,240)
Share of other comprehensive income of a jointly-controlled entity	2,515	-
Share of other comprehensive income of associates	180,255	(14,331)
Reserves released upon disposal of associates	(528)	(58,175)
Exchange differences on translation of foreign operations	<u>(149,702)</u>	<u>(81,870)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>564,499</u>	<u>(386,616)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>7,382,870</u>	<u>2,331,268</u>
Attributable to:		
Owners of the parent	5,065,043	1,136,497
Minority interests	<u>2,317,827</u>	<u>1,194,771</u>
	<u>7,382,870</u>	<u>2,331,268</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		17,767,235	16,378,577
Investment properties		2,057,400	429,000
Prepaid land lease payments		1,162,655	893,404
Exploration and evaluation assets		420,689	386,645
Mining rights		733,586	1,110,721
Intangible assets		34,486	28,826
Goodwill		126,929	90,591
Interests in jointly-controlled entities		755,823	632,481
Investments in associates		9,621,368	5,947,063
Held-to-maturity investments		79,220	63,761
Available-for-sale investments		2,943,458	1,905,289
Properties under development		5,089,455	6,666,100
Due from related companies		191,905	-
Loan receivable		220,000	220,000
Prepayments		616,313	1,156,383
Deferred tax assets		<u>793,985</u>	<u>663,330</u>
Total non-current assets		<u>42,614,507</u>	<u>36,572,171</u>
CURRENT ASSETS			
Cash and bank balances		15,947,571	11,691,015
Equity investments at fair value through profit or loss		4,922,253	1,534,899
Trade and notes receivables	9	4,768,991	2,441,440
Prepayments, deposits and other receivables		3,293,096	2,793,980
Inventories		5,583,671	6,203,675
Completed properties for sale		1,698,292	987,604
Properties under development		6,868,166	6,121,600
Due from related companies		<u>908,592</u>	<u>830,953</u>
		43,990,632	32,605,166
Assets of a disposal group/Non-current assets classified as held for sale		<u>1,548,894</u>	<u>594,430</u>
Total current assets		<u>45,539,526</u>	<u>33,199,596</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
31 December 2009**

	Notes	2009 RMB'000	2008 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		16,792,363	15,228,528
Trade and notes payables	10	6,861,967	5,180,426
Accrued liabilities and other payables		10,531,066	5,931,574
Tax payable		1,468,607	1,385,710
Due to the holding company		878,749	568,819
Due to related companies		<u>345,423</u>	<u>864,135</u>
		36,878,175	29,159,192
Liabilities directly associated with the assets classified as held for sale		<u>997,393</u>	-
Total current liabilities		<u>37,875,568</u>	<u>29,159,192</u>
NET CURRENT ASSETS		<u>7,663,958</u>	<u>4,040,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,278,465</u>	<u>40,612,575</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		11,913,006	9,169,761
Loans from related companies		106,618	152,193
Deferred income		82,669	47,702
Other long term payables		561,921	634,251
Deferred tax liabilities		<u>1,241,973</u>	<u>565,581</u>
Total non-current liabilities		<u>13,906,187</u>	<u>10,569,488</u>
Net assets		<u>36,372,278</u>	<u>30,043,087</u>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		621,497	621,497
Reserves		22,935,553	18,795,730
Proposed final dividends	7	<u>927,270</u>	<u>453,051</u>
		24,484,320	19,870,278
Minority interests		<u>11,887,958</u>	<u>10,172,809</u>
Total equity		<u>36,372,278</u>	<u>30,043,087</u>

1.1 BASIS OF PRESENTATION

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

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosure about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 <i>Revenue – Determining whether an entity is acting as a principal or as an agent</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK (IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK (IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK (IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK (IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK (IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK (IFRIC)-Int 18	<i>Transfers of Assets from Customers (adopted from 1 July 2009)</i>
Improvements to HKFRSs (October 2008)	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

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

(a) *Amendments to HKFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for Level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

(b) *HKFRS 8 Operating Segments*

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 2.

(c) *HKAS 1 (Revised) Presentation of Financial Statements*

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

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

- (d) In October 2008, the HKICPA issued its first *Improvements to HKFRSs* which sets out amendments to a number of HKFRSs. Except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary* which is effective for annual periods beginning on or after 1 July 2009, the Group adopted all the amendments from 1 January 2009. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact to the Group. Details of the a key amendment most applicable to the Group are as follows:

HKAS 40 *Investment Property*: Revises the scope such that property being constructed or developed for future as an investment property is classified as an investment property. The Group has applied the amendment prospectively from 1 January 2009. The Group's accounting policy for investment properties is to subsequently state them at fair value with changes in fair values recognised in profit or loss. As a result of the amendment, an investment property under construction is carried at fair value at the earlier of when the fair value first becomes reliably determinable and when the construction of the property is completed.

Other than as further explained above regarding the impact of HKFRS 7 Amendments, HKFRS 8, HKAS 1 (Revised) and *Improvements to HKFRSs*, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 1 (Revised)	<i>First-time Adoption of HKFRSs</i> ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs- Additional Exemptions for First-time Adopters</i> ²
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i> ²
HKFRS 3 (Revised)	<i>Business Combinations</i> ¹
HKFRS 9	<i>Financial Instruments</i> ⁶
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ⁵
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ¹
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i> ³
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> ¹
HK (IFRIC)-Int 14 Amendments	Amendments to HK (IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ⁵
HK (IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i> ¹
HK (IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ⁴
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	Amendments to HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i> ¹
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Leases</i> ²

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK (IFRIC)-Int 9 and HK (IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2010

³ Effective for annual periods beginning on or after 1 February 2010

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 January 2013

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

Further information about those changes that are expected to significantly affect the Group is 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. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The Group expects to adopt HKFRS 3 (Revised) and HKAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect the accounting of future acquisitions, loss of control and transactions with minority interests.

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety by the end of 2010. The Group expects to adopt HKFRS 9 from 1 January 2013.

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. The Group expects to adopt the amendments from 1 January 2010. The changes must be applied prospectively and will affect future sale transactions or plans involving loss of control of a subsidiary.

Except as stated above, the Group expects that the adoption of the above new and revised HKFRSs is unlikely to have a significant impact on the Group's results of operations and financial position.

2. OPERATING 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 pharmaceutical 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.

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2009

	Pharmaceutical RMB'000	Property development RMB'000	Steel RMB'000	Mining RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	3,775,859	5,184,804	24,611,399	1,283,756	-	-	34,855,818
Inter-segment sales	-	-	-	684,197	-	(684,197)	-
Other income and gains	<u>2,852,484</u>	<u>149,440</u>	<u>833,382</u>	<u>150,102</u>	<u>2,257,496</u>	<u>(21,080)</u>	<u>6,221,824</u>
Total	<u>6,628,343</u>	<u>5,334,244</u>	<u>25,444,781</u>	<u>2,118,055</u>	<u>2,257,496</u>	<u>(705,277)</u>	<u>41,077,642</u>
Segment results	2,879,262	1,119,066	1,690,984	477,131	2,004,773	(21,455)	8,149,761
Interest and dividend income	18,299	8,519	147,607	9,555	201,299	(114,718)	270,561
Unallocated expenses	-	-	-	-	-	-	(112,850)
Finance costs	(142,411)	(76,302)	(699,082)	(44,356)	(146,184)	-	(1,108,335)
Share of profits and losses of - Jointly-controlled entities	(1,034)	14,859	-	-	-	-	13,825
- Associates	<u>442,221</u>	<u>(5,433)</u>	<u>432,647</u>	<u>(16,385)</u>	<u>109,513</u>	<u>-</u>	<u>962,563</u>
Profit before tax	3,196,337	1,060,709	1,572,156	425,945	2,169,401	(136,173)	8,175,525
Tax	<u>(700,396)</u>	<u>(451,854)</u>	<u>(46,635)</u>	<u>(66,375)</u>	<u>(97,258)</u>	<u>5,364</u>	<u>(1,357,154)</u>
Profit for the year	<u>2,495,941</u>	<u>608,855</u>	<u>1,525,521</u>	<u>359,570</u>	<u>2,072,143</u>	<u>(130,809)</u>	<u>6,818,371</u>
Segment and total assets	<u>10,955,208</u>	<u>27,456,713</u>	<u>31,911,222</u>	<u>5,679,933</u>	<u>16,945,982</u>	<u>(4,795,025)</u>	<u>88,154,033</u>
Segment and total liabilities	<u>4,573,118</u>	<u>20,950,998</u>	<u>22,146,578</u>	<u>1,636,269</u>	<u>6,944,735</u>	<u>(4,469,943)</u>	<u>51,781,755</u>
Other segment information:							
Depreciation and amortisation	139,845	24,945	1,418,105	357,593	7,733	-	1,948,221
Impairment loss for non-current assets	53,257	3,179	-	266,562	116,023	-	439,021
Provision/(reversal) for impairment of current assets	95	(19,168)	41,845	12,214	-	-	34,986
Research and development costs	72,542	-	87,422	3,950	-	-	163,914
Fair value gain on fair value adjustments of investment properties	-	(85,195)	-	-	-	-	(85,195)
Fair value gain on equity investments at fair value through profit or loss	(6,029)	-	(3,997)	-	(2,004,984)	-	(2,015,010)
Interests in jointly-controlled entities	8,086	689,737	58,000	-	-	-	755,823
Investments in associates	5,690,233	598,892	1,693,961	587,285	1,050,997	-	9,621,368
Capital expenditure*	<u>300,901</u>	<u>99,605</u>	<u>2,858,838</u>	<u>350,740</u>	<u>9,394</u>	<u>-</u>	<u>3,619,478</u>

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2008

	Pharmaceutical RMB'000	Property development RMB'000	Steel RMB'000	Mining RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	3,699,190	3,731,754	30,929,970	1,889,379	-	-	40,250,293
Inter-segment sales	-	1,501	-	1,217,288	-	(1,218,789)	-
Other income and gains	441,406	27,223	706,620	164,815	28,064	(15,657)	1,352,471
Total	4,140,596	3,760,478	31,636,590	3,271,482	28,064	(1,234,446)	41,602,764
Segment results	470,720	913,408	1,860,431	1,885,381	(272,253)	-	4,857,687
Interest and dividend income	27,107	23,223	96,607	19,894	325,081	(170,797)	321,115
Unallocated expenses							(97,376)
Finance costs	(154,097)	(44,421)	(930,521)	(45,603)	(187,981)	-	(1,362,623)
Share of profits and losses of - jointly-controlled entities - associates	47 375,666	(6,354) 1,222	- (601,623)	- 319,292	- 59,899	- -	(6,307) 154,456
Profit/(loss) before tax	719,443	887,078	424,894	2,178,964	(75,254)	(170,797)	3,866,952
Tax	(74,745)	(645,472)	(141,046)	(233,720)	(54,085)	-	(1,149,068)
Profit/(loss) for the year	644,698	241,606	283,848	1,945,244	(129,339)	(170,797)	2,717,884
Segment and total assets	6,883,153	19,961,664	27,210,281	6,253,606	15,499,617	(6,036,554)	69,771,767
Segment and total liabilities	3,093,008	14,111,465	18,498,453	1,909,569	7,958,467	(5,842,282)	39,728,680
Other segment information:							
Depreciation and amortisation	152,185	19,276	1,281,742	212,382	5,785	-	1,671,370
Impairment loss for non-current assets	18,875	197,191	700	114,516	47,238	-	378,520
Provision for impairment of current assets	3,592	80,456	660,480	27,597	-	-	772,125
Research and development costs	57,447	-	82,111	8,703	-	-	148,261
Fair value loss on fair value adjustments of investment properties	-	27,000	-	-	-	-	27,000
Fair value loss on equity investments at fair value through profit or loss	24	-	-	-	9,276	-	9,300
Interests in jointly-controlled entities	3,249	629,232	-	-	-	-	632,481
Investments in associates	2,503,136	256,278	1,474,648	585,769	1,127,232	-	5,947,063
Capital expenditure*	241,329	35,835	1,894,997	697,614	20,081	-	2,889,856

2. OPERATING SEGMENT INFORMATION (continued)

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

Geographical information

(a) Revenue from external customers

	2009 RMB'000	2008 RMB'000
Mainland China	34,182,605	39,394,256
Hong Kong	160	30
Other countries	<u>673,053</u>	<u>856,007</u>
	<u>34,855,818</u>	<u>40,250,293</u>

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

(b) Non-current assets

	2009 RMB'000	2008 RMB'000
Mainland China	38,304,622	33,719,733
Hong Kong	<u>81,317</u>	<u>58</u>
	<u>38,385,939</u>	<u>33,719,791</u>

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

Information about a major customer

No revenue amounting to 10 per cent or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2009 and 2008.

3. REVENUE, OTHER INCOME AND GAINS

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

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

	2009 RMB'000	2008 RMB'000
<u>Revenue</u>		
Sale of goods:		
Pharmaceutical products	3,760,378	3,683,947
Properties	5,286,497	3,857,386
Iron and steel products	24,707,403	30,441,286
Iron concentrates	<u>1,383,494</u>	<u>2,596,142</u>
	35,137,772	40,578,761
Rendering of services:		
Property agency	86,209	48,098
Property management	38,645	19,734
Rental	26,529	7,230
Construction supervisory	12,884	9,234
Property sales planning and advertising	6,998	6,167
Others	<u>45,535</u>	<u>57,279</u>
	<u>216,800</u>	<u>147,742</u>
Subtotal	35,354,572	40,726,503
Less: Government surcharges	<u>(498,754)</u>	<u>(476,210)</u>
	<u>34,855,818</u>	<u>40,250,293</u>
<u>Other income</u>		
Interest income	159,312	252,179
Dividends from available-for-sale investments	109,835	66,763
Dividends from equity investments at fair value through profit or loss	1,414	2,173
Gross rental income	43,960	45,170
Sale of scrap materials	69,994	88,864
Government grants	128,189	416,624
Consultancy income	138,248	87,970
Excess over the cost of business combinations realised as income	-	6,520
Reversal of provision of inventories	19,168	-
Exchange gains, net	144,437	-
Others	<u>69,740</u>	<u>54,110</u>
	<u>884,297</u>	<u>1,020,373</u>

3. REVENUE, OTHER INCOME AND GAINS (continued)

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

	2009 RMB'000	2008 RMB'000
<u>Gains</u>		
Gain on disposal of subsidiaries	494	4,710
Gain on disposal of partial interests in subsidiaries	-	246,183
Gain on disposal of associates	640,145	172,541
Gain on disposal of partial interests in associates	27,096	4,347
Gain on deemed disposal of interests in associates	2,605,609	28,658
Gain on disposal of items of property, plant and equipment	7,390	21,019
Gain on disposal of available-for-sale investments	135,863	161,305
Gain on disposal of equity investments at fair value through profit or loss	42,379	14,450
Gain on disposal of non-current assets classified as held for sale	18,404	-
Gain on deemed acquisition of interests in a subsidiary	26,446	-
Gain on acquisition of interests in subsidiaries	4,057	-
Gain on fair value adjustment of investment properties	85,195	-
Gain on fair value adjustment of equity investments at fair value through profit or loss	<u>2,015,010</u>	<u>-</u>
	<u>5,608,088</u>	<u>653,213</u>
Other income and gains	<u>6,492,385</u>	<u>1,673,586</u>
Total revenue, other income and gains	<u>41,348,203</u>	<u>41,923,879</u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2009 RMB'000	2008 RMB'000
Interest on bank and other borrowings wholly repayable within five years	1,462,897	1,700,642
Interest on bank and other borrowings not wholly repayable within five years	11,132	21,188
Incremental interest on other long term payables	<u>26,949</u>	<u>33,873</u>
	1,500,978	1,755,703
Less: Interest capitalised, in respect of bank and other borrowings	<u>(452,140)</u>	<u>(467,356)</u>
Interest expenses, net	1,048,838	1,288,347
Interest on discounted bills	32,293	60,244
Interest on finance leases	-	272
Bank charges and other financial costs	<u>27,204</u>	<u>13,760</u>
Total finance costs	<u><u>1,108,335</u></u>	<u><u>1,362,623</u></u>

5. PROFIT BEFORE TAX

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

	2009 RMB'000	2008 RMB'000
Cost of sales	29,161,430	32,221,179
Staff costs (including Directors' emoluments):		
Wages and salaries	1,526,406	1,482,515
Accommodation benefits:		
Defined contribution fund	81,022	98,761
Retirement costs:		
Defined contribution fund	<u>276,866</u>	<u>239,434</u>
Total staff costs	<u><u>1,884,294</u></u>	<u><u>1,820,710</u></u>

5. PROFIT BEFORE TAX (continued)

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

	2009 RMB'000	2008 RMB'000
Research and development costs	163,914	148,261
Auditors' remuneration	13,000	15,500
Inventories written off	-	1,754
Depreciation of items of property, plant and equipment	1,806,875	1,554,480
Amortisation of prepaid land lease payments	20,947	18,962
Amortisation of mining rights	110,573	72,011
Amortisation of intangible assets	9,826	25,917
(Reversal)/provision for impairment of receivables	(539)	16,125
Provision for inventories	54,693	675,544
(Reversal)/provision for properties under development	(19,168)	80,456
Provision for impairment of items of property, plant and equipment	1,043	133,391
Provision for impairment of mining rights	266,562	-
Provision for impairment of intangible assets	1,094	-
Provision for impairment of available-for-sale investments	167,143	238,164
Provision for impairment of goodwill	3,179	6,965
Operating lease rentals	58,928	32,182
Exchange loss, net	-	159,113
Loss on disposal of an investment property	790	-
Loss on disposal of available-for-sale investments	2,220	2,476
Loss on deemed disposal of interests in an associate	-	25,238
Loss on disposal of non-current assets classified as held for sale	1,419	-
Loss on disposal of items of property, plant and equipment	12,673	19,362
Provision for indemnity of LAT	10,041	15,624
Share-based payment expense	16,426	-
Fair value loss on equity investments at fair value through profit or loss	-	9,300
Fair value loss on fair value adjustments of investment properties	-	27,000

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The provision for Mainland China current income tax is based on a statutory rate of 25% (2008: 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%.

The major components of tax expenses for the years ended 31 December 2009 and 2008 are as follows:

	2009 RMB'000	2008 RMB'000
Group:		
Current – Hong Kong	14,829	37,832
Current – Mainland China		
- Income tax in Mainland China for the year	719,098	914,217
- LAT in Mainland China for the year	205,422	477,578
Deferred tax	<u>417,805</u>	<u>(280,559)</u>
Tax expenses for the year	<u>1,357,154</u>	<u>1,149,068</u>

7. DIVIDENDS

	2009 RMB'000	2008 RMB'000
Proposed final –HKD0.164 (2008: HKD0.08) per ordinary share	<u>927,270</u>	<u>453,051</u>

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

On 24 March 2010, the Board of Directors of the Company resolved to propose a final dividend for the year ended 31 December 2009 of HKD0.164 per ordinary share, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE

Earnings per share attributable to owners of the parent are as follows:

	2009	2008
Profit attributable to owners of the parent (RMB thousands)	4,646,679	1,328,391
Weighted average number of ordinary shares in issue (thousands)	6,421,595	6,423,147
Earnings per share basic and diluted (RMB)	<u>0.72</u>	<u>0.21</u>

The calculation of basic earnings per share amounts is based on the profit for the year attributable to owners of the parent, and the weighted average number of shares of 6,421,595,000 (2008: 6,423,147,000) in issue during the year.

Diluted earnings per share amount is equal to basic earnings per share amount for the years ended 31 December 2009 and 2008, as no diluting events existed during these years.

9. TRADE AND NOTES RECEIVABLES

	2009 RMB'000	2008 RMB'000
Trade receivables	1,012,058	1,068,676
Notes receivable	<u>3,756,933</u>	<u>1,372,764</u>
	<u>4,768,991</u>	<u>2,441,440</u>

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

	2009 RMB'000	2008 RMB'000
Outstanding balances with ages:		
Within 90 days	831,628	939,067
91 to 180 days	146,081	75,258
181 to 365 days	36,593	35,977
1 to 2 years	7,271	26,742
2 to 3 years	6,302	8,906
Over 3 years	<u>50,663</u>	<u>61,040</u>
	1,078,538	1,146,990
Less: Provision for impairment of trade receivables	<u>(66,480)</u>	<u>(78,314)</u>
	<u>1,012,058</u>	<u>1,068,676</u>

10. TRADE AND NOTES PAYABLES

Group

	2009 RMB'000	2008 RMB'000
Trade payables	3,539,566	3,173,599
Notes payables	<u>3,322,401</u>	<u>2,006,827</u>
	<u>6,861,967</u>	<u>5,180,426</u>

The carrying amounts of trade and notes payables approximate to their fair values.

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

	2009 RMB'000	2008 RMB'000
Outstanding balances with ages:		
Within 90 days	2,523,171	2,484,540
91 to 180 days	414,585	402,703
181 to 365 days	181,843	54,503
1 to 2 years	345,306	175,311
2 to 3 years	44,360	34,965
Over 3 years	<u>30,301</u>	<u>21,577</u>
	<u>3,539,566</u>	<u>3,173,599</u>

11. EVENTS AFTER THE REPORTING PERIOD

- (a) On 7 January 2010, China Alliance Properties Limited (“China Alliance”), a wholly-owned subsidiary of Forte, entered into a subscription agreement with Shanghai Zendai Property Limited (“Zendai Property”), a company listed on the Main Board of Hong Kong Stock Exchange, pursuant to which China Alliance agreed to subscribe for 1,550,000,000 new ordinary shares issued by Zendai Property for a consideration of HKD480,500,000. Immediately after the completion of subscription on 26 January 2010, China Alliance held 2,431,815,000 shares of Zendai Property, representing approximately 19.68% of the issued share capital of Zendai Property as enlarged by the allotment and issue of the subscription shares.
- (b) On 27 January 2010, Fosun Pharma, a subsidiary of the Company, was approved conditionally by the Public Offering Review Committee of the China Securities Regulatory Commission for the issue of additional A shares by way of private placement to Fosun Group and other designated investors (the “A Share Issue”). According to the proposal in regard to the A Share Issue, the total number of A shares via non-public issue is no less than 200,000,000 and no more than 460,000,000, and Fosun Group will subscribe for more than 8% and no more than 30% of the total number of issued shares with a consideration of no more than RMB600,000,000.

11. EVENTS AFTER THE REPORTING PERIOD (continued)

- (c) On 10 February 2010, Skysail Investment Limited, a wholly-owned subsidiary of Forte, entered into an equity transfer agreement with Garden Plaza 2005 (Delaware) LLC, Garden Plaza 2007 (Delaware) LLC, Garden Plaza DM 2007 (Delaware) LLC and Baekdu Investments Limited to acquire the entire issued share capital of Garden Plaza Capital SRL, a society with restricted liability organised and existing under the laws of Barbados for a total consideration of USD328,000,000. Garden Plaza Capital SRL owns two pieces of land measuring 116,822 square meters and the property with a total construction area of 97,227 square meters in Shanghai, China through its PRC subsidiary.

- (d) On 24 February 2010, Fosun Group, a wholly-owned subsidiary of the Company, and The Carlyle Group (“Carlyle”), entered into an agreement, pursuant to which a jointly-operated RMB fund namely Fosun-Carlyle Shanghai Equity Investment Enterprise (“Fosun-Carlyle Fund”) would be established with an initial investment of USD100,000,000. Fosun Group and Carlyle’s Asia Growth Fund committed USD50,000,000 to the fund, respectively. On 3 March 2010, Fosun-Carlyle Fund obtained the business license from Shanghai Administration of Industry and Commerce and completed the registration process.

CHAIRMAN'S STATEMENT

Dear shareholders,

2009 was a year of challenges and opportunities. Against the backdrop of the global financial crisis, China's economy outperformed others and maintained rapid growth. Led by a team of excellent entrepreneurs, the Group achieved satisfactory operating results by making continuous efforts in improving management and gaining access to high quality capital, with a goal of investing in China's growth momentum. During the Reporting Period, the Group's revenue was RMB34,855.8 million, representing a decrease of 13.4% as compared with 2008, while the profit attributable to owners of the parent was RMB4,646.7 million, representing an increase of 249.8% as compared with 2008. Profit attributable to owners of the parent set a new record since the establishment of the Group. Net assets attributable to owners of the parent of the Group increased from RMB0.29 per share in 2004 to RMB3.81 per share as at the end of the Reporting Period, representing a compound annual growth rate of 67.1%.

Management Optimisation

Pharmaceuticals: During the Reporting Period, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("**Fosun Pharma**"), a subsidiary of the Company, achieved outstanding results. Profit attributable to owners of the parent contributed by the pharmaceuticals segment recorded a growth of 353.6% as compared with 2008. This was primarily attributable to the listing of Sinopharm Group Co. Ltd. ("**Sinopharm**"), in which Fosun Pharma holds equity interest, and the steady growth of the pharmaceutical manufacturing and research and development business, distribution business and retail business. In respect of pharmaceutical research and development, Fosun Pharma continued to increase investment in pharmaceutical research and development while encouraging product innovation. During the Reporting Period, Fosun Pharma applied for a total of 89 new patents, established two teams of American scientists of Henlius Bio-Tech Co., Ltd. and Fochon Co., Ltd. and became a shareholder of Handa Pharmaceuticals, LLC, a United States company engaged in pharmaceutical research and development. Moreover, with the introduction of the new healthcare insurance reform in China, 96 types of drugs of Fosun Pharma were selected for the list of national essential medicines in 2009.

Property Development: During the Reporting Period, profit attributable to owners of the parent contributed by the property development segment increased by 468.2% as compared with 2008. Shanghai Forte Land Co., Ltd. ("**Forte**"), a subsidiary of the

Company, achieved attributable contract sales gross floor area (“GFA”) of 892,179 sq. m., representing an increase of 150.3% as compared with 2008 and sales revenue of attributable contracts amounted to RMB8,516.5 million, representing an increase of 169.1% as compared with 2008. In 2008, as Forte was fully committed to making progress in project construction during the cyclical bottom of the market and strengthened its efforts in marketing, it has made excellent returns leveraging the rapid market recovery. During the Reporting Period, Forte secured a total of 7 projects with additional projects reserved GFA amounting to 1,434,170 sq. m., of which 1,212,411 sq. m. additional GFA was attributable to Forte. The GFA under development attributable to Forte was 2,630,038 sq. m., representing an increase of 9.9% as compared with 2008 and GFA booked attributable to Forte was 577,237 sq. m., representing an increase of 59.9% as compared with 2008.

Steel: During the Reporting Period, profit attributable to owners of the parent contributed by the steel segment was RMB1,068.1 million, with the gross and attributable outputs of crude steel of the steel segment of the Group being 14.88 million tonnes and 4.95 million tonnes, respectively. Despite the excessive production capacity and keen competition in the overall steel market and highly-volatile steel prices, Nanjing Iron & Steel United Co., Ltd. (“**Nanjing Steel United**”), a subsidiary of the Company, made significant progress in such adversities, diversified its product mix and developed new products to cater for market demand in new situations. It also made reasonable resource allocations to reduce cost and increased production utilisation rates to achieve better economic efficiency. Nanjing Steel United was honoured with a China Quality Award in 2009, marking the general recognition of the management quality of Nanjing Steel United from the community. As at the end of the Reporting Period, the proposed reorganisation of major assets of Nanjing Iron & Steel Co., Ltd. (“**Nanjing Iron & Steel**”), a subsidiary of the Company, was approved at its shareholders’ meeting.

Mining: During the Reporting Period, the mining segment of the Group maintained a relatively high profitability among its peers by effective cost control in spite of a significant decrease in overall market price. Profit attributable to owners of the parent contributed by the mining segment was RMB235.6 million, with the gross and attributable outputs of iron ores, the principal products of the mining segment, at 6.82 million tonnes and 3.02 million tonnes, respectively. During the Reporting Period, Hainan Mining United Co., Ltd. (“**Hainan Mining**”), a subsidiary of the Company, had increased its iron ore reserves by 43.69 million tonnes and its production and sales volume of iron ores both set a record high for the past 20 years retaining its great

competitiveness in terms of production costs. In addition, Hainan Mining maintained its advantages in the rapidly fluctuating market by optimising the sales system.

Retail and Services: During the Reporting Period, the Group's retail and services business developed steadily. Profit attributable to owners of the parent contributed by Shanghai Yuyuan Tourist Mart Co., Ltd. (“**Yuyuan**”), a principal associate of the Group, was RMB90.2 million, representing an increase of 73.9% as compared with 2008 as it benefited from domestic market growth.

Investing

The Group adhered to its consistent investment style and principles during the Reporting Period. It actively explored potential investment projects around the world which benefited from China's economic growth and increased its investment proportion to capitalise on the rising domestic demand in China. It also encouraged its subsidiaries to participate in industrial integration. As the overseas capital markets declined significantly and the substantial investment value appeared in the secondary market, the Group grasped the opportunity to increase investment in overseas listing enterprises whose businesses were related to domestic demand in China, mainly including Focus Media Holding Limited, Tongjitang Chinese Medicines Company and Chindex International, Inc. The total investment of USD155.6 million brought sound returns. The Group also increased its land bank in a proper and timely manner. As at 31 December 2009, the total projects reserved GFA was 10,883,991 sq. m. (including jointly-controlled entities and associates of Forte), which laid a solid foundation for the development of the Group in the property industry.

During the Reporting Period, the capital expenditure of the Group totalled RMB3,619.5 million, which was mainly used for technological upgrades and new construction projects at the subsidiaries level. Moreover, the Group divested part of its assets as appropriate, for cash inflows of RMB1,902.6 million, maintaining the Group's financial position at a healthy level.

During the Reporting Period, the Group had an addition of 15 strategic investment projects, totalling RMB1,577.4 million. Leveraging the recovery of A-Share markets and the restarting of IPOs, various Pre-IPO projects invested in by the Group were filed for approval from relevant regulatory authorities at the end of February 2010, three of which obtained approval from the Issuance Review Committee of China Securities Regulatory Commission and one of which was listed on the Shanghai Stock Exchange. The structure of the capital market of the PRC has been further optimised

since 2009 and the Group will continue to make an effort in delivering more strategic investments and accelerate the listing process of its invested projects in 2010.

Financing

During the Reporting Period, the Group strived to raise high quality capital through multiple channels and increased low-cost medium-to-long-term debt financing. At the end of the Reporting Period, the issuance of enterprise bonds of Nanjing Steel United and corporate bonds of Forte and Yuyuan were successfully completed and raised a total of RMB4,900.0 million. As a result, the debt structure of the Group was optimised and the proportion of medium-to-long-term debts increased to 41.7% as at the end of the Reporting Period from 38.0% as at the beginning of the Reporting Period. Aside from reinforcing its debt financing, the Group seized the opportunity to carry out equity financing with the recovery of the capital market in China. During the Reporting Period, Sinopharm was successfully listed in Hong Kong. The re-financing plans in the A shares of Fosun Pharma and Forte were approved at their respective shareholders' meetings. Moreover, the Group began to explore operations in the asset management business. The Renminbi real estate fund established by Forte has raised RMB551.1 million. At the end of the Reporting Period, the cash and bank balances of the Group amounted to RMB15,947.6 million.

Future Prospects

Looking forward in 2010, although the Chinese and global economic circumstances are expected to experience uncertainties, the Group believes that the general direction of China's economic development will remain unchanged. Urbanisation and industrialisation will continue. However, with the expediting economic transformation, domestic demand will play a more significant role in boosting economic growth. Different core business segments of the Group will continue to benefit from China's economic growth.

In addition, the Group will evaluate different investment opportunities cautiously in order to control investment risks. As a conglomerate mainly engaged in investment and post-investment management optimisation, the Group would strive to further develop itself to become a unique global investment platform with profound industrial presence, leveraging its investment capability and recognised brand and based upon its established advantages and China roots, therefore, to further strengthen the three core competitive edges of the Group and embrace new challenges.

One important focus for the Group's future development would be globalisation. We are honoured to invite Mr. John Snow, the former Treasury Secretary of the United States, to be the consultant of the Board from the beginning of 2010. Mr. John Snow will help us to optimise and enhance the global strategy by sharing his experience as senior executive in some of the world's top 500 enterprises and government authorities. In February 2010, the Group and Carlyle Group, one of the largest private equity investment companies in the world, announced a global comprehensive strategic partnership. Focusing on the opportunities brought by China's rapid economic growth, the partnership will invest in enterprises with high growth and companies that would benefit from China's growth. Both parties co-founded the first foreign-funded partnership equity investment enterprise in China. By collaborating strategically with leading international individuals and institutions, the Group will take those successful enterprises as benchmarks in the aspects of global investment, financing, optimised operation management and human resources management etc, and connect with their global investment platforms and capitalise on their investment capabilities. Looking forward, the Group will seek investment opportunities in relation to the growth of the PRC with global vision, and endeavour to deliver remarkable returns for the shareholders.

Based on the values of "self improvement, teamwork, performance and contribution to society", the Group has been dedicated to contribute to society and considerable contributions were made to various areas, including education, health care and environment. In 2009, the Group was invited to organise the private enterprise pavilion in the 2010 Shanghai World Expo and has efficiently completed a series of tasks within a tight schedule, including preparation, exhibition invitation, design and construction. I would like to cordially invite those who have long been supportive of the Group to come to Shanghai in 2010 to visit the private enterprise pavilion and Shanghai World Expo.

Indeed, what the Group cares for the most is to discover, train and support its entrepreneurial team through optimised allocation of internal resources. The Group endeavours to create more high quality job opportunities in order to fundamentally help solve social problems, such as employment. The Group also wishes to contribute our efforts to the development of the business culture in China and the world.

Lastly, with our efforts and under the leadership of its excellent entrepreneurial team, the Group endeavors to become a premium enterprise with global competitiveness to thereby maximise the value for its shareholders.

Appreciation

The success of the Group was attributable to all of its shareholders, customers, business partners and all parties valuing the Group, and the hard work and loyalty of its entire staff. On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all of them and look forward to their continuing support in the coming year.

Guo Guangchang

Chairman

24 March 2010

FINANCIAL REVIEW

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The profit attributable to owners of the parent of the Group for the year ended 31 December 2009 was RMB4,646.7 million, representing an increase of 249.8% as compared with RMB1,328.4 million in 2008. The increase in profit of the Group was primarily due to the significant increase in non-operating profit on the basis that the operating profit remained stable during the Reporting Period as compared with last year.

PROFIT CONTRIBUTION OF EACH BUSINESS SEGMENT

Comparison between the profit contribution of each business segment for the year of 2009 and the corresponding figures in 2008 is analysed as follows:

Unit: RMB million

	2009	2008	Increase/(decrease)%
Pharmaceuticals	1,185.6	261.4	353.6%
Property development	327.3	57.6	468.2%
Steel	1,068.1	118.0	805.2%
Mining	235.6	1,285.1	(81.7)%
Retail, services and others	2,073.7	(125.5)	N/A
Unallocated expenses	(112.8)	(97.4)	15.8%
Elimination	(130.8)	(170.8)	(23.4)%
Total	4,646.7	1,328.4	249.8%

Pharmaceuticals: Profit contributed by the pharmaceuticals segment increased to RMB1,185.6 million in 2009 from RMB261.4 million in 2008. In 2009, the manufacturing, research and development business of Fosun Pharma kept a steady growth, the profit of which increased by 18.1% as compared with 2008, while profit of the retail and distribution business increased by 21.8% as compared with 2008. In addition, Fosun Pharma recognised a gain on deemed disposal of equity interest in Sinopharm as a result of its successful initial public offering of shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Property Development: Profit contributed by the property development segment increased to RMB327.3 million in 2009 from RMB57.6 million in 2008. The increase in profit contribution was primarily due to two factors: (i) the GFA booked from property projects completed by Forte in 2009 increased as compared with 2008 due to the improving property market sentiment; (ii) an impairment loss on available-for-sale investment was recognised by Forte in 2008 while there was no such loss in 2009.

Steel: Profit contributed by the steel segment increased to RMB1,068.1 million in 2009 from RMB118.0 million in 2008. Nanjing Steel United has continued its measures to implement attentive management, reduce costs, save energy and enhance efficiency. Although the steel market had not completely recovered from the downturn and steel product prices significantly decreased as compared with 2008, the gross profit margin of Nanjing Steel United remained almost the same with 2008. In addition, Nanjing Steel United recorded a gain on disposal of equity interest in an associate, Ningbo Iron & Steel Co., Ltd..

Mining: Profit contributed by the mining segment decreased to RMB235.6 million in 2009 from RMB1,285.1 million in 2008. The decrease in profit contribution was attributable to the downturn in downstream industry, resulting in the shrinkage of gross profit from sales of iron ore products. In addition, the Group entered into an agreement to transfer the majority of equity interest in Zhaojin Mining Industry Co., Ltd. in the second half of 2008, and thus ceased to treat it as an associate and share its profit in 2009. Despite the market downturn, Hainan Mining continued to explore the potential to reduce costs and the average cost of iron ore products decreased by around RMB60 per tonne in 2009 as compared with 2008, which effectively offset the adverse effect brought by the decrease in the prices of iron ore products.

Retail, Services and Others: Profit contributed by the retail, services and others segment changed to a profit of RMB2,073.7 million in 2009 from a loss of RMB125.5 million in 2008. This was mainly attributable to (i) the gain on changes of fair value of

certain equity investments held by the Company; and (ii) Foreign currency deposits held at the group holding companies level were applied to various uses over time and the exchange rates of foreign currencies against Renminbi were relatively stable during the Reporting Period, therefore foreign exchange losses through profit or loss in 2009 represented a significant decrease as compared with 2008. In addition, the core business of the associate Yuyuan, particularly its gold business, maintained stable growth, resulting in an increase of its operating profit.

REVENUE

In 2009, total revenue of the Group was RMB34,855.8 million after elimination of internal sales in the amount of RMB684.3 million, a decrease of 13.4% as compared with the total revenue of RMB40,250.3 million in 2008. The decrease in revenue of the Group in 2009 was mainly due to decreases in average selling prices of both steel and iron ore products as compared with 2008, resulting in the decreases in revenues of both the steel and mining segments.

Pharmaceuticals: Revenue of the pharmaceuticals segment increased to RMB3,775.9 million in 2009 from RMB3,699.2 million in 2008. The increase in revenue was mainly due to the steady growth in the revenue of the manufacturing, research and development business of Fosun Pharma through continuous enhancement of its research and development capability and adjustment of its product mix. In addition, the former subsidiary Hubei Tianxiang Pharmaceutical Co., Ltd. was deconsolidated from the pharmaceuticals segment in 2009 as it was disposed of in August 2008. If this factor was eliminated, the revenue of the pharmaceuticals segment would have increased by 10.5% as compared with last year.

Property Development: Revenue of the property development segment increased to RMB5,184.8 million in 2009 from RMB3,733.3 million in 2008. The increase was mainly due to the significant increase in GFA booked by Forte in 2009 as compared with 2008.

Steel: Revenue of the steel segment decreased to RMB24,611.4 million in 2009 from RMB30,930.0 million in 2008. The decrease of revenue was primarily due to a substantial decrease in the prices of steel products in 2009 as compared with 2008, resulting in a decrease of its revenue in the steel segment. However, with positive gross margin from the sales of steel products, Nanjing Steel United captured the opportunities to increase its production volume by approximately 15%, effectively offsetting the negative impact by the decreasing selling prices of steel products.

Mining: Revenue of the mining segment decreased to RMB1,968.0 million in 2009 from RMB3,106.6 million in 2008. The decrease of revenue was mainly due to the market selling prices of iron ore products remaining at a low level in 2009, representing a decrease of approximately 47.8% in average selling price as compared with 2008.

INTEREST EXPENSES

Interest expenses net of capitalised amounts of the Group decreased from RMB1,348.9 million in 2008 to RMB1,081.1 million in 2009. The decrease in interest expenses was mainly attributable to decrease in the interest rates of borrowings, although there was an increase in total borrowings. The interest rates of borrowings in 2009 were approximately between 0.27% and 12.18%, as compared with approximately between 1.60% and 9.34% in 2008.

TAX

Tax increased from RMB1,149.1 million in 2008 to RMB1,357.2 million in 2009. The increase was mainly due to the increase in taxable profit of the pharmaceuticals segment.

INDEBTEDNESS, LIQUIDITY AND GEARING RATIO OF THE GROUP

As at 31 December 2009, the total debt of the Group increased to RMB28,812.0 million from RMB24,550.5 million as at 31 December 2008, primarily attributable to the increase in long-term borrowings. As at 31 December 2009, cash and bank balances also increased by 36.4% to RMB15,947.6 million as opposed to RMB11,691.0 million as at 31 December 2008. As at 31 December 2009, the ratio of total debt to total capitalisation was 44.2% as compared with 45.0% as at 31 December 2008, and this was maintained at relatively stable levels since the listing of the Company. Healthy gearing ratios and sufficient financial resources enhance the Group's ability to defend against risk exposure and provide support to the Group in its capturing of investment opportunities.

PLEDGED ASSETS

As at 31 December 2009, the Group had pledged assets of RMB11,297.2 million (31 December 2008: RMB10,297.3 million) in order to obtain bank borrowings.

CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB3,659.5 million as at 31 December 2009 (31 December 2008: RMB4,297.0 million), primarily applied to guarantee the mortgage loans of qualified buyers.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has applied the principles of and fully complied with all code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, except for the deviation from Code A.2.1 of the CG Code. This deviation was rectified on 16 January 2009, details of which are set out below:

Code A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 15 January 2009, Mr. Guo Guangchang held the offices of Chairman and Chief Executive Officer of the Company. The Board considered that vesting the roles of chairman and chief executive officer in the same person would not impair the balance of power and authority between the Board and the management of the Company. In order to further enhance the administrative and management responsibilities of members of the senior management of the Company, Mr. Liang Xinjun was appointed Chief Executive Officer of the Company in place of Mr. Guo Guangchang with effect from 16 January 2009 and Mr. Wang Qunbin was appointed President of the Company in place of Mr. Liang Xinjun with effect from 16 January 2009. Mr. Guo Guangchang remains Chairman and executive director of the Company.

AUDIT COMMITTEE

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 audit committee has reviewed the 2009 annual results of the Company.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“AGM”) will be held on Tuesday, 22 June 2010. The notice of the AGM will be published on the websites of the Company (www.fosun-international.com) and the Stock Exchange (www.hkexnews.hk) and despatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.164 per ordinary share for the year ended 31 December 2009 to the shareholders of the Company whose names appear on the register of members of the Company on 22 June 2010. Subject to approval by the shareholders of the Company at the AGM to be held on 22 June 2010, the proposed final dividend is expected to be paid on or around 16 July 2010 to the shareholders of the Company.

The register of members of the Company will be closed from Friday, 18 June 2010 to Tuesday, 22 June 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and be eligible to attend and vote at the AGM to be held on 22 June 2010, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 17 June 2010.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

FORWARD-LOOKING STATEMENTS

This announcement includes certain forward-looking statements which involve the financial condition, results and business of the Group. These forward-looking statements are the Group’s expectation or beliefs for future events and they involve known and unknown risks and uncertainties, which may cause actual results, performance or development of the situation to differ materially from the situation

expressed or implied by these statements.

Forward-looking statements involve inherent risks and uncertainties. Please note that numerous factors can cause actual results to differ from any business forecasted or implied by the forward-looking statements. Material differences may even exist under certain circumstances.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun-international.com) and the Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the shareholders of the Company and published on both websites on or before 30 April 2010.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 24 March 2010

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