China Expertise Global Capacity

FOSUN 复星

Fosun International Limited

(incorporated in Hong Kong with Limited Liability under the Companies Ordinance)

Stock Code:00656

Interim Report 2013

Profit attributable to owners of the parent

1,691.6 RMB million

A major step forward towards becoming a premium investment group with a focus on China's growth momentum

Economies of China and around the world are still in the middle of major changes featuring deep restructurings in 2013, bringing about some of the best opportunities for value investing that Fosun is ready to tap. During the first half of 2013, Fosun sped up significantly its globalization strategies and newly added 3 projects. Taking advantage of the earth-breaking changes brought about by the Internet, Fosun made substantial accomplishments from strategic implementation of embracing the Internet strategy, including its successful participation in the China Smart Logistics Network – "Cainiao" project, investment in Perfect World, the completion of privatization of Focus Media, etc. Recently, Fosun has intensified its efforts in developing the insurance segment. Since last year's successful completion of its insurance business platform including property and casualty insurance, life insurance and re-insurance, the insurance segment made a profit for the first half of 2013. Propelling development of the new urbanization constitutes a focus of the government. Fosun effectively puts together its property development capability and industrial capability to provide core urban functions that serve the urbanization development, and several new projects were launched in the first half of 2013. Besides, Fosun has been looking closely to opportunities arising from having high-quality companies undervalued in public capital markets, grasping many PIPE investment opportunities and implementing profitable divestures.

All of the above have reflected that Fosun has grasped value investing opportunities in the world's changing economic dynamics through innovative investments, thereby enabling Fosun to mark a major step forward towards becoming a premium investment group with a focus on China's growth momentum. To showcase Fosun's core corporate value of entrepreneurial spirit since its establishment, and its determination to realize China's dream in 2013 through innovative investments, Fosun adopts the Chinese character "Chuang" as the main design theme of 2013 interim report. By using Taichi's core metaphors of "transcending the cloud, treading the water" as the design element, it symbolizes Fosun's capability in overcoming uncertainties and seizing value investing opportunities amid the world's changing economic dynamics. Fosun is now here, standing on the world stage demonstrating its charisma.

CONTENTS

FINANCIAL SUMMARY

	For the six months ended 30 June	
In RMB million	**2013**	**2012**
Revenue	***23,970.6***	*25,730.7*
Insurance	***26.0***	—
Industrial Operations	***23,814.8***	*25,758.0*
Investment	***152.6***	*49.6*
Asset Management	***172.2***	*103.7*
Eliminations	***(195.0)***	*(180.6)*
Profit attributable to owners of the parent	***1,691.6***	*1,550.1*
Insurance	***95.5***	—
Industrial Operations	***1,457.3***	*1,493.5*
Investment	***405.2***	*233.0*
Asset Management	***22.2***	*32.5*
Unallocated expenses	***(213.8)***	*(196.3)*
Eliminations	***(74.8)***	*(12.6)*
Earnings per share (in RMB)	***0.26***	*0.24*

BUSINESS OVERVIEW

“The Group is a large-scale group which places importance on China’s growth momentum. Its operating activities include insurance, industrial operations, investment and asset management.”

INSURANCE

The Group’s insurance segment mainly includes Yong’an P&C Insurance, which is a property and casualty insurance company headquartered in Xi’an with a nationwide presence, Pramerica Fosun Life Insurance, which commenced its operations in October 2012 and focused on providing life insurance, health insurance, casualty insurance and all other kinds of personal insurance products approved by China Insurance Regulatory Commission and related services, and Peak Reinsurance, which obtained its certificate of authorization in respect of reinsurance business from the Office of the Commissioner of Insurance in Hong Kong in December 2012 and focused on providing reinsurance services and investing its investable assets.

INDUSTRIAL OPERATIONS

The Group’s principal industrial companies include Fosun Pharma, Forte, Nanjing Nangang and Hainan Mining.

FOSUN PHARMA

The Group operates pharmaceuticals and healthcare business through a subsidiary, Fosun Pharma. Fosun Pharma is a leading healthcare company in China listed on the Shanghai Stock Exchange (600196.SH) and the Hong Kong Stock Exchange (02196.HK). Its main business includes pharmaceutical manufacturing, pharmaceutical distribution and retail, healthcare services, and diagnostic products and medical devices. Fosun Pharma has established a leading position in the pharmaceutical distribution sector through its shareholding in Sinopharm.

FORTE

The Group operates property business through a subsidiary, Forte. Forte's property development projects are located in Shanghai, Beijing, Tianjin, Nanjing, Chongqing, Chengdu, Xi'an, Wuhan, Datong, Wuxi, Hangzhou, Taiyuan, Changsha, Changchun, Ningbo and Sanya etc. Forte held a 19.55%* equity interest in Zendai, a company listed on the Hong Kong Stock Exchange (00755.HK) as at the end of the Reporting Period.

NANJING NANGANG

The Group operates steel business through a subsidiary, Nanjing Nangang. Nanjing Iron & Steel, the main subsidiary of Nanjing Nangang, is listed on the Shanghai Stock Exchange (600282.SH). Located in East China, Nanjing Iron & Steel is an integrated steel company with a complete production process, including mining, coking, sintering, iron smelting, steel smelting and steel rolling. Nanjing Iron & Steel's products include medium and heavy steel plates, high strength ship plates, boiler and pressure vessel plates, pipeline steel plates (straight seam) and bearing steel. Nanjing Iron & Steel is one of the few steel product producers in China with the ability to produce 9% Ni steel.

* Upon completion of placing by Zendai in July 2013, the percentage of shareholding held by Forte was diluted to 16.34%.

HAINAN MINING

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

INVESTMENT

The Group adheres to our unique investment model of "combining China's growth momentum with global resources" and capture investment opportunities of benefiting from China's growth momentum through our in-depth understanding of China's macroeconomic and microeconomic trends and our insightful analysis of the global market, together with our established operational experience that has been accumulated over many years and our strong execution capabilities.

ASSET MANAGEMENT

The Group engages in asset management business through raising and managing funds from third parties and collects management fee revenue and shares investment gains. The Group acts as general partner of the funds that we manage. The Group currently manages (i) US dollar fund, namely, Pramerica-Fosun China Opportunity Fund, (ii) QFLP Fund, (iii) RMB Private Equity Fund, (iv) Star Capital, and (v) real estate series funds of Forte.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

As at the end of the Reporting Period, net assets attributable to owners of the parent of the Group reached RMB35,679.2 million, representing an increase of 1.4% from the end of 2012, of which equity amounting to RMB19,647.8 million was derived from net assets of its listed subsidiaries and associated companies attributable to the Group, equivalent to RMB22,633.4 million based on the market value. As at the end of the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB1,691.6 million, representing an increase of 9.1% over the same period of 2012, primarily due to the sound operation of the Group's segments and the gain on fair value adjustment of part of investee companies as a result of their rising share prices and the gain on disposal.

Results Highlights for the Reporting Period

Effective Internet Strategies

– Invested in China Smart Logistics Network – the "Cainiao" Project;

– Invested in Perfect World (PWRD.Nasdaq);

– Completed the privatization of Focus Media.

Speed Up the Globalization Strategy

– Speed: Completed 3 additional international investment projects in the Reporting Period, including the US high-end female apparel brand St. John, a global medical technology company that designs, develops, manufactures and markets medical and cosmetic devices, Alma Lasers Ltd., the developer of personalized and novel diagnostic tests Saladax Biomedical, Inc. in the US, and officially made a tender offer for Club Med;

– Geographical location: Widened geographical coverage from Europe to the US and the Middle East;

– Scale : Single-project size in excess of USD200 million;

– Globalization strategy extended from the group level to subsidiaries.

Innovative property development approach to provide core functions for "new urbanization"

– Healthcare – Starcastle Senior Living opened the first flagship community in May 2013;

– Cultural experiences – Increased stake in Yuyuan, helped it to develop commercial/tourism/culture properties; facilitated Club Med's development in Greater China;

– Financial Central Business District ("CBD") – Above-ground construction commenced at the Bund Finance Center; the number of Orstar City projects managed by Star Capital Management grew to 6;

– Commerce and Logistics – "Cainiao" Project.

Growth in premium income to make the insurance segment profitable for the first time

– Benefiting from Fosun's investment capabilities, annualized comprehensive investment return was 6.8%;

– Segment's overall profit attributable to owners of the parent reached RMB95.5 million.

Successful divestures

– Achieved successful divestures or partial divestures from 10 projects at group level, cashed in RMB5,017.5 million.

ASSET ALLOCATION OF THE GROUP

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

Unit: RMB million

Segment	Total assets at 30 June 2013	Total assets at 31 December 2012	Change from the end of 2012
Insurance	**4,514.1**	4,336.4	4.1%
Industrial Operations			
Including:Fosun Pharma	**27,364.7**	25,420.8	7.6%
Forte	**54,602.2**	53,965.0	1.2%
Nanjing Nangang	**38,611.0**	37,288.8	3.5%
Hainan Mining	**4,390.6**	4,713.8	-6.9%
Investment	**47,219.5**	41,297.9	14.3%
Asset Management	**20,269.9**	13,987.7	44.9%
Eliminations	**(24,098.9)**	(18,812.0)	28.1%
Total	**172,873.1**	162,198.4	6.6%

INSURANCE

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

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

Yong'an P&C Insurance

In June 2013, Yong'an P&C Insurance obtained the approvals from China Insurance Regulatory Commission and became qualified to sell automobile insurance by telephone and to invest in real estate. Yong'an P&C Insurance's marine insurance operation center in Shanghai was given the approval to commence its operations in June 2013. During the first half of 2013, under the leadership of the new management, Yong'an P&C Insurance significantly optimized its business structure. As a result, the proportion of automobile insurance in its total insurance business declined to below 80% and that of non-automobile insurance such as agriculture insurance and corporation property insurance rose by approximately 6 percentage points over the same period of last year; premium income was RMB3,927 million, representing an increase of 5.8% over the same period of last year; and net profit was RMB239 million, representing an increase of 44% over the same period of last year.

Pramerica Fosun Life Insurance

Pramerica Fosun Life Insurance was officially opened in October 2012 and maintained steady business growth in the overall performance by adhering to a multi-channel marketing strategy. During the first half of 2013, the accumulated annualized premium income from underwriting new insurance policies was RMB7.8 million. The company has accumulated certain experience in workplace marketing channels and gradually improved its sales models. Part-time agent channels have been expanded to cover all the suburban outlets of certain pharmacies. Two banks also agreed to cooperate in bank insurance channels. Pramerica Fosun Life Insurance has started a trial project of selling insurance through part-time agents in securities companies. Pramerica Fosun Life Insurance also launched a small enterprise owner research project to establish its brand appeal in the small enterprise owner market segment. Pramerica Fosun Life Insurance is also paying constant attention to and conducting a feasibility study on certain new market opportunities.

Peak Reinsurance

Peak Reinsurance obtained its certificate of authorization in respect of the reinsurance business from the Office of the Commissioner of Insurance in Hong Kong in December 2012. During the Reporting Period, Peak Reinsurance experienced continued growth in reinsurance premium (mainly derived from the business of underwriting property and casualty contracts) and talent recruitment and provided services to over 60 customers in 15 Asian Pacific markets. Meanwhile, Peak Reinsurance also established prudent and responsible investment strategies for its investable assets to maintain its financial soundness.

INDUSTRIAL OPERATIONS

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

FOSUN PHARMA

During the first half of 2013, Fosun Pharma persisted in the path of growing through organic growth, external expansion and integrated development and continuously strengthened the competitiveness and profitability of the drug manufacturing business as its principal and core business. As a result, both its operational revenue and net profit maintained rapid growth and key business indicators such as the operating cash flow have been optimized continuously. Key products in the key therapeutic fields such as metabolism, digestive tract, cardiovascular, nervous system, anti-infection and blood system continued to maintain sound development and a number of products maintained a leading position in their respective market segments. Fosun Pharma continued to strengthen its investment in research and development. During the Reporting Period, new product “Wanuric®” (Febuxostat Tablets) was given the approval to launch in the market which will likely become a new business growth point.

Fosun Pharma continued to strengthen its strength in the healthcare service industry by consolidating the advantages obtained from the premium healthcare services brand United Family Healthcare in economically developed coastal cities and keep on identifying targets for merger and acquisition in the sectors of specialist and general healthcare services in second and third tier cities. Fosun Pharma continued to explore the development route in healthcare services with self-characteristics through enhancement of management capability and improvement of hardware facilities of the three hospitals in which it holds a controlling stake.

During the Reporting Period, Sinopharm, an investee company of Fosun Pharma, continued to strengthen its leading advantages as the largest distributor and provider of supply chain services for pharmaceutical and healthcare products as well as the largest chain pharmaceutical retailer in China. During the Reporting Period, the pharmaceutical distribution business of Sinopharm achieved revenue of RMB75,853.7 million, representing a year-on-year growth of 20.9%. Meanwhile, the pharmaceutical retail business of Sinopharm maintained growth and achieved revenue of RMB2,274.7 million during the Reporting Period, representing a year-on-year growth of 17.1%. During the Reporting Period, Sinopharm completed a private placing in Hong Kong, as a result the percentage of shareholding held by Fosun Pharma in Sinopharm has been changed to 29.98% and Fosun Pharma recognized gain on deemed disposal of RMB587 million (RMB440 million after tax).

Fosun Pharma adhered to exploring the path for international development by actively seeking opportunities for overseas business expansion and international merger and acquisition. During the Reporting Period, Fosun Pharma invested USD221.63 million jointly with Chindex Medical Limited and Pramerica-Fosun China Opportunity Fund to acquire 95.2% equity interest in Alma Lasers Ltd., a global medical technology company that designs, develops, manufactures and markets medical and cosmetic devices, which enhanced the competitive edges of Fosun Pharma in medical devices sector.

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

Unit: RMB million

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change over the same period last year
Revenue	**4,473.6**	3,464.1	29.1%
Profit attributable to owners of the parent	**429.8**	337.7	27.3%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of Fosun Pharma was mainly attributable to the rapid development of its business in areas such as pharmaceutical manufacturing, research and development, pharmaceutical commerce and investment. Fosun Pharma alone recorded a year on year increase of 50.1% in profit attributable to owners of the parent. The Group recorded a year on year increase of 27.3% in profit attributable to owners of the parent considering the equity interest of Fosun Pharma held by the Group during the Reporting Period and the same period of last year.

FORTE

Macro-environment

During the first half of 2013, austerity measures in China's property market continued for the fourth year. Property market regulation as the main regulatory priority remained unchanged. With the deepening and normalization of policy implementation as well as the encouragement of first-time house purchase, the market tended to be stable since 2012 and the fundamental of the whole industry saw a moderate recovery. During the first half of 2013, RMB3,682,794 million was invested in property development across the country, representing a year-on-year increase of 20.3%. The saleable area of commercial housing in China reached 514 million sq.m., representing an increase of 28.7% over the same period of last year, while the sales of commercial housing in China was RMB3,337,600 million, representing a year-on-year increase of 43.2%. During the first half of 2013, the year-on-year growth of investment and sales in China's property market became positive after the past 2 years' decline.

In the second half of 2013, the Group believes that the market will maintain gradual recovery on the basis that the policies remain unchanged but the transaction speed of commercial housing will be indirectly affected by the tightening of credit by banks, which requires our concern. Meanwhile, due to gradual increase in supplies from all cities, supplies in the market are expected to grow with intensifying competition. Therefore, we shall pay attention to credit indicators and speed up selling off inventory through adopting aggressive sales strategies in the second half of 2013.

Project Development [note]

During the Reporting Period, the Group's GFA under development was 6,056,267 sq.m., and attributable GFA amounted to 3,898,192 sq.m., representing an increase of approximately 10.16% compared with the same period of last year (interim period of 2012: attributable GFA of 3,538,754 sq.m.).

During the Reporting Period, the GFA of newly commenced projects was 432,179 sq.m., and attributable GFA amounted to 225,085 sq.m., representing a decrease of 70.53% compared with the same period of last year (interim period of 2012: attributable GFA of approximately 763,742 sq.m.).

During the Reporting Period, the GFA of completed projects was 448,361 sq.m., and attributable GFA was 371,970 sq.m., representing an increase of 36.89% compared with the same period of last year (interim period of 2012: attributable GFA of approximately 271,720 sq.m.).

Project Reserves note

During the Reporting Period, the Group obtained two projects with planned GFA of approximately 872,000 sq.m. as newly added project reserves, and attributable GFA was approximately 263,000 sq.m., representing an increase of approximately 189.01% compared with the same period of last year (interim period of 2012: attributable GFA of approximately 91,000 sq.m.).

As of 30 June 2013, the Group totally owned project reserves with planned GFA of approximately 18,150,000 sq.m., and attributable GFA was approximately 10,545,000 sq.m., representing a decrease of approximately 1.82% compared with the same period of last year (interim period of 2012: attributable GFA of approximately 10,741,000 sq.m.).

Property Sales note

During the Reporting Period, the Group realized property sales area and sales revenue of 669,814 sq.m. and RMB9,112 million, and attributable sales area and sales revenue amounted to 463,749 sq.m. and RMB6,117 million, representing an increase of 26.73% and 77.61% respectively, compared with the same period of last year (interim period of 2012: attributable sales area and sales revenue of 365,936 sq.m. and RMB3,444 million).

Property Booked note

During the Reporting Period, the area and amount booked by the Group was 376,879 sq.m. and RMB4,262 million respectively. Attributable area and amount booked amounted to 304,902 sq.m. and RMB3,564 million, representing an increase of approximately 23.60% and 13.04% respectively, compared with the same period of last year (interim period of 2012: attributable area and amount booked of 246,676 sq.m. and RMB3,153 million).

As of 30 June 2013, the area and amount sold but not booked was 1,579,493 sq.m. and RMB20,677 million respectively, and attributable area and amount sold but not booked amounted to 1,041,073 sq.m. and RMB13,394 million, representing an increase of approximately 12.53% and 55.38% respectively, compared with the same period of last year (interim period of 2012: attributable area and amount sold but not booked of 925,169 sq.m. and RMB8,620 million).

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

Unit: RMB million

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change over the same period last year
Revenue	**3,629.2**	3,391.3	7.0%
Profit attributable to owners of the parent	**79.3**	786.2	-89.9%

During the Report Period, the decrease in profit attributable to owners of the parent of Forte was mainly due to the smaller amount in reversal of unpaid land appreciation tax provision upon the completion of the clearance with local tax authorities by certain subsidiaries as compared with the same period of last year, as well as the drop of average gross profit margin realized from property projects completed by Forte.

Note: including the projects of joint ventures and associates with equity interests but excluding the projects developed by the associate Zendai.

NANJING NANGANG

During the Reporting Period, the growth of the PRC economy slowed down. Due to the double effects of overcapacity and insufficient demand in the steel industry, together with frequent and substantial price fluctuations of bulk commodities such as iron ore, medium-to-large steel enterprises frequently reduced the sales price of steel, as a result the profit declined month by month. The whole industry showed a situation of “two highs and two lows”, namely, high production, high inventory, low demand and low price.

Against this backdrop, the steel business as the core business of Nanjing Nangang recorded a loss during the first half of 2013, which was offset by improved profit derived from mining, financial investment and trade. Its main competitiveness indicators still maintained a leading position in the industry. In the major economic indicator rankings of nationwide iron and steel enterprises with more than 5.0 million tonnes of steel from January to May 2013 newly released by the China Iron and Steel Association, the Overall Economic Efficiency Index of Nanjing Iron & Steel, a subsidiary of Nanjing Nangang, ranked 3rd, showing a clear comparative advantage in the industry.

The development goal of Nanjing Nangang is to become a leading enterprise with the greatest competitiveness in the iron and steel industry chain and a leader in the high-end market segment.

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

Unit: RMB million

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change over the same period last year
Revenue	**14,333.7**	17,637.0	-18.7%
Profit attributable to owners of the parent	**623.6**	30.6	1,937.9%

During the Reporting Period, the decrease in revenue of Nanjing Nangang was primarily due to the drop of both average selling prices and sales volume of steel products. The significant increase in profit of Nanjing Nangang was primarily due to gain on the disposal of available-for-sale investment in Huatai Securities Co., Ltd..

HAINAN MINING

The main product of Hainan Mining is iron ore. During the Reporting Period, prices of iron ore first rose and then fell, affected by market fluctuation in the downstream steel industry. Leveraging on its own advantages, Hainan Mining expanded the mining of ores, enhanced its sales, with its sales of iron ore reaching 2,093,530 tonnes in the first half of 2013, representing an increase of 3.5% as compared with the same period last year. Meanwhile, Hainan Mining further promoted its listing process.

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

Unit: RMB million

	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change over the same period last year
Revenue	**1,378.3**	1,265.6	8.9%
Profit attributable to owners of the parent	**324.6**	339.0	-4.2%

During the Reporting Period, the increase in the revenue of Hainan Mining was mainly attributable to an increase in sales volume of iron ore, and the decrease in profit attributable to owners of the parent was mainly attributable to a decrease in average selling prices of iron ore and iron concentrate.

INVESTMENT

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

INVESTMENTS IN STRATEGIC ASSOCIATES

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

Yuyuan

Yuyuan is mainly engaged in commercial retail and gold and jewellery wholesale and retail, and it holds part of the stakes in Zhaojin Mining. During the Reporting Period, the principal operations of Yuyuan maintained rapid development, continued to expand and strengthen the sales of gold and jewellery, with a particular emphasis on the channel construction of high-value consumer goods.

During the Reporting Period, Yuyuan's operational revenue reached RMB13,438 million, representing a growth of 31.07% over the same period of last year, with net profit attributable to shareholders of the listed company of RMB523 million, representing a growth of 78.11% over the same period of last year.

During the Reporting Period, in order to place more efforts on future development, Yuyuan initiated the integration of the gold and jewellery sector, established Shanghai Yuyuan Gold and Jewellery Group Co., Limited (上海豫園黃金珠寶集團有限公司) by merging two brands, namely "Laomiao Gold" and "Yayi Gold", implemented a model of operating two brands in parallel to facilitate the integration of main businesses and realize the transformation and development.

After the integration, "Laomiao Gold" and "Yayi Gold", two well-known trademarks in China, in Yuyuan's gold and jewellery sector, made full use of their brand advantages and increased their efforts in the construction of retail chain channels of gold and jewellery. As at the end of the Reporting Period, the chain outlets of these two stores increased to 1,677 from 1,658 at the end of last year.

In the first half of 2013, the Group acquired 73,048,654 shares of Yuyuan in the secondary market, increasing the shares of Yuyuan held by the Group to 22.34% as at 30 June 2013.

Jianlong Group

Jianlong Group is a large enterprise group which integrates resources, steel, shipping, machinery and electrical equipment, with its subsidiaries distributed over Hebei, Heilongjiang, Jilin, Liaoning, Shandong, Zhejiang, Beijing, Tianjin, Hubei, Xinjiang, Sichuan and Hong Kong, etc. The Group invested in two industrial sectors of Jianglong Group, namely resources and steel.

During the first half of 2013, under the background of a continuous downturn and on the edge of loss across the country for the steel industry, Jianglong Group insisted on its low costs strategy, emphasized the structural adjustment of products, and strengthened the research and development of new products and the upgrade of products, which basically achieved generally balanced production and operation and made the enterprise profitable.

During the first half of 2013, Jianlong Group achieved a steel output of 7.08 million tonnes, iron concentrate of 1.29 million tonnes.

Shanjiaowulin

Shanjiaowulin is a joint venture between the Group and Shanxi Coking Coal Group Co., Ltd.. It is a new coal mine with raw coal reserves such as prime coking coal. After years of construction, Shanjiaowulin has initially formed a complete industrial chain covering from coal production to coke processing, further to the deep processing of methanol and other coal chemical industrial chains.

During the Reporting Period, Shanjiaowulin produced a total of 438,100 tonnes of coke, 35,900 tonnes of methanol; and sold a total of 424,100 tonnes of coke, 35,300 tonnes of methanol, with sales revenue of RMB 643.6 million in total.

PE

The Group’s PE investments include enterprises such as Focus Media and Zhaojin Mining.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations focusing on the gold production business, with mine-produced gold as its main product. Zhaojin Mining was committed to maintaining strategic cooperation with the local governments, large-scale geological exploration entities and large enterprises. Through equity mergers and acquisitions as well as the implementation of full-scale development, it aimed to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu. It also increased the efforts in resources integration in the periphery of industrial clusters, which further enhanced the company’s resources strength.

Focus Media

Focus Media is an important investment of the Group in the culture and media industry. At the end of December 2012, the Group participated in the privatization consortium for the leveraged buyout of Focus Media, and jointly issued a formal offer. The privatization and delisting of Focus Media was completed successfully at the end of May 2013. In addition to the cash receipt of USD210.9 million, the Group exchanged the remaining 14,545,455 American Depositary Shares of Focus Media, valued at USD400.0 million, for 174,084 shares of the new holding company which represent 17.41% of the equity interest of the new holding company, and gained a board seat. The Group’s participation in the privatization of Focus Media and remaining as one of the significant shareholders of Focus Media indicated its support to Focus Media and its management team.

“Cainiao” Project

During the Reporting Period, a company named Cainiao Network Technology Co., Ltd. has been formed to develop a nationwide logistics infrastructure project by Alibaba Group, the Group and other various parties. The Group is required to contribute RMB500 million for its 10% equity interest in this project.

SECONDARY MARKET INVESTMENTS

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

Club Med

Club Med was an important representative of the Group in “combining China’s growth momentum with global resources” investment model in 2010. During the Reporting Period, the Group worked with the second largest shareholder AXA PE and the Top Managers to initiate an offer to buy out all Club Med shares and OCEANES not yet held by Fosun, AXA PE and Top Managers by way of a voluntary offer. In respect of the results, under the situation of a significant prolonged downturn in the European economy, especially its travel industry, it expanded into emerging markets (the America and Asia) through the strategy of internationalization, raised the customer ticket price through the upgrade strategy, and further controlled the costs. During the first half of 2013, Club Med’s sales revenue decreased by Euro 20 million, in this circumstance, the net profits increased slightly by Euro 1 million to Euro 18 million.

According to Club Med’s development plan, it will have five resorts altogether in China by 2015 and China will be its second largest market after France in the world.

Folli Follie

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

During the Reporting Period, the sales revenue in the first quarter of 2013 of Folli Follie was Euro 246.3 million, representing a growth of 7.4% over the same period of last year, and the net profit was Euro 30.3 million, representing an increase of 37.1% over the same period of last year.

In April 2013, Folli Follie announced that the transfer of 51% equity interest in its tourism retail operations to Dufry AG, a globally famous tourism retail enterprise, has been completed. Folli Follie has spun off its tourism retail business and injected it into a new entity "DUTY PAID SHOPS S.A.", and would continue to hold 49% of the equity interest of the entity. After the completion of such transaction, Folli Follie's debt burden was greatly reduced, and its balance of bank loans (excluding finance lease payables) was nearly the same as the carrying amount of the cash balance.

Due to the double positive stimuli of the outstanding performance of the company and the entering into of the above-mentioned transaction, the share price of Folli Follie in the secondary market performed strongly in the first half of 2013 with an increase of 21.5% throughout the first half of the year.

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

Minsheng Bank

Minsheng Bank is an important investment of the Group in the financial sector. According to the first quarterly report in 2013 of Minsheng Bank, in the first quarter of 2013, operating revenue of Minsheng Bank was RMB28,877 million, representing a growth of 15.35% over the same period in 2012, and the net profit attributable to owners of the parent was RMB11,015 million, representing a growth of 20.09% over the same period in 2012. Minsheng Bank continues to maintain its leading position in the small enterprises financial service sector, and according to its first quarterly report in 2013, the balance of loans for small enterprises amounted to RMB354,273 million, representing a growth of 11.78% as compared to the end of last year. The number of small customers kept increasing quickly, amounting to 1.16 million, representing a growth of 17.16% as compared to the end of 2012. During June 2013, affected by various factors, share prices of listed banks in the PRC, including Minsheng Bank, all declined to various extents, under such circumstances, we would continue to monitor the general development of the banking sector and the interim report of 2013 issued by Minsheng Bank.

Perfect World

The Group has invested in Perfect World since 2012. As at the end of the Reporting Period, the Company and its subsidiary, Peak Reinsurance, together held 13.57% equity interest in Perfect World, 8.92% of which was held by the Company. According to the US Generally Accepted Accounting Principles, Perfect World recorded the net operating revenue of USD216 million for the first half of 2013, representing a decrease of 2.1% over the same period of last year, with a net profit of USD34.3 million, representing a decrease of 41.1% over the same period of last year.

LP INVESTMENT

The Group made investment through capital contribution as a limited partner, while proactively developing its asset management business. As of 30 June 2013, the Group committed to contribute a total of RMB3,218.8 million (RMB69.0 million was committed to contribute by Forte), of which RMB2,447.1 million was actually contributed (RMB69.0 million was contributed by Forte to real estate series funds of Forte).

OTHER INVESTMENTS

The Group's other investments included The Bund Finance Center, Shanghai Zhenru, Dalian Donggang, Chongqing Jinling, Resource Property and Starcastle Senior Living. etc.

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core zone of the Bund in Shanghai, which made good progress during the Reporting Period and the above-ground construction has been commenced. It is expected to be completed in 2015.

Shanghai Zhenru

Shanghai Zhenru is an urban complex project located in Zhenru Sub-CBD in Shanghai, and is expected to be launched for sale by the end of 2013.

Dalian Donggang

Dalian Donggang is a high-end urban complex project located in the CBD of Donggang district of Dalian, which was launched for sale at the end of 2012, and the first phase of the project is expected to be completed in 2015.

Chongqing Jinling

Chongqing Jinling is a residential project located in Huangjueping area of Chongqing, the construction of which is expected to commence in 2013.

Resource Property

Resource Property is an integrated service provider of property circulation industry of the Group. During the Reporting Period, each business continued to make good progress.

Starcastle Senior Living

Starcastle Senior Living is a joint venture jointly established by the Group and Fortress Investment Group LLC, each with 50.0% equity interest, for the purpose of developing the property market for senior citizens in China. The company's first high-end healthcare project customized for Chinese senior citizens has commenced operations successfully in May 2013.

ASSET MANAGEMENT

During the Reporting Period, the global economic recovery base was still weak, and the external economic environment challenges were still severe. The Group continuously expanded the asset management business by upholding the investment philosophy of value investment and "combining China's growth momentum with global resources" and consistently generated long term and stable returns for limited partners. During the Reporting Period, the PE industry was faced with general reshuffling and it was very difficult to raise funds. As at the end of June 2013, the Shanghai Fosun Wei Shi Equity Investment Fund phase 1 ("Fosun Weishi 1 Equity Fund") completed first closing with RMB 2 billion, and was subscribed to by many well-known institutional investors.

The funds currently managed by the Group mainly include various RMB funds and US dollar funds, covering various types of assets portfolio, such as growth fund and property development fund, i.e. Fosun Weishi 1 Equity Fund, Fosun Capital, Fosun Chuanghong, Star Capital, Pramerica-Fosun China Opportunity Fund, Fosun-Carlyle (Shanghai) Equity Investment Fund L.P., real estate series funds of Forte and others. The asset management business of the Group mainly targeted domestic and international high-end large institutional clients and high net worth individual clients and continued to actively seek institutional investors and large enterprises to become limited partners of the Group for long term cooperation.

As at the end of the Reporting Period, the scale of the asset management business of the Group reached RMB19,356.1 million[note 1], of which RMB348.9 million was contributed by the Group through its commitment as a general partner and RMB3,218.8 million was contributed by the Group through its commitment as a limited partner[note 2]. The management fee derived from the asset management business amounted to RMB172.2 million[note 3]. In addition, during the Reporting Period, the asset management business of the Group invested 10 new projects, and increased investments in 8 existing projects, with an accumulated investment of RMB2,552.2 million.

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

Note 2: Forte committed to contribute RMB177.9 million as a general partner and RMB69.0 million as a limited partner.

Note 3: the management fee generated from real estate series funds of Forte was RMB18.8 million which was accounted for in Forte's financial statements.

RECENT DEVELOPMENT

Yuyuan

In July 2013, the Group acquired a total of 38,219,169 shares of Yuyuan again in the secondary market, increasing equity interest of Yuyuan held by the Group to 25%.

Minsheng Bank

As of 10 July 2013, the Group is deemed under Part XV of the SFO to be interested in an additional 200 million H shares, as a result of acquiring cash settled derivatives of Minsheng Bank.

China International Travel Service Co., Ltd.

In July 2013, the Group acquired 19,250,000 shares through private placing of A shares of China International Travel Service Co., Ltd. at RMB26.58 per share. The total amount involved is RMB511.7 million and the lock-up period of the shares acquired is 12 months. The project is an important investment made by the Group in the commerce and tourism industry.

Yashili International Holdings Ltd.

In July 2013, the Group accepted the offer made by China Mengniu Dairy Company Limited for the acquisition of Yashili International Holdings Ltd. ("Yashili") and sold its equity interest in Yashili at the offer price of HKD3.5 per share, acquiring cash of HKD365 million.

FUTURE PROSPECTS

In the future, a structural imbalance remains in the global economy. There will also be profound changes in the momentum for the development of the Chinese economy due to factors such as the development of the internet, new urbanization, a change in the profit model of the financial industry and the transformation of domestic demand. The Group will adhere to the philosophy of value investment and persist in the investment model of "combining China's growth momentum with global resources" to capture value investment opportunities amidst changes in the global and Chinese economic conditions and further consolidate our advantages in China. The Group will continue to develop its three core capabilities in fund raising, investing and value enhancement. Through actively embracing the internet, enhancing overseas asset allocation that benefits from China's growth momentum and providing core functions for new urbanization, the Group endeavors to become a China expert with global capabilities. In the future, under the leadership of our elite entrepreneurial team, the Group aims to become a premium enterprise with global competitiveness and create sustaining value for shareholders.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures net of capitalized amounts of the Group decreased from RMB1,314.3 million for the six months ended 30 June 2012 to RMB1,251.0 million for the six months ended 30 June 2013. This was mainly attributable to a decrease of average interest rate on bank borrowings compared with the same period of last year. For the six months ended 30 June 2013, the interest rates of borrowings were approximately between 1.1% and 15.0% while the interest rates of borrowings were approximately between 1.67% and 15.0% for the same period of last year.

TAX

Tax of the Group increased from RMB320.3 million for the six months ended 30 June 2012 to RMB821.4 million for the six months ended 30 June 2013. The increase in tax was mainly due to the increase of profit before tax in industrial operations segment as compared with the same period last year.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

The capital expenditures of the Group mainly include the amounts spent on the construction of plant, 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 on an on-going basis in order to produce more proprietary products with higher gross profit margin. In order to enhance the production capacity of the steel segment and optimize product mix, we have increased the investment in the steel segment on an on-going basis. Efforts will also be made in the mining segment with the aim of continuously strengthening our leading role in the mining industry.

As at 30 June 2013, the Group's capital commitment contracted but not provided for was RMB12,228.0 million, while capital commitment approved but not yet contracted was RMB720.5 million. These were mainly committed for property development, addition of plant and equipment and investments. Details of capital commitment are set out in note 16 to interim condensed consolidated financial statements.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

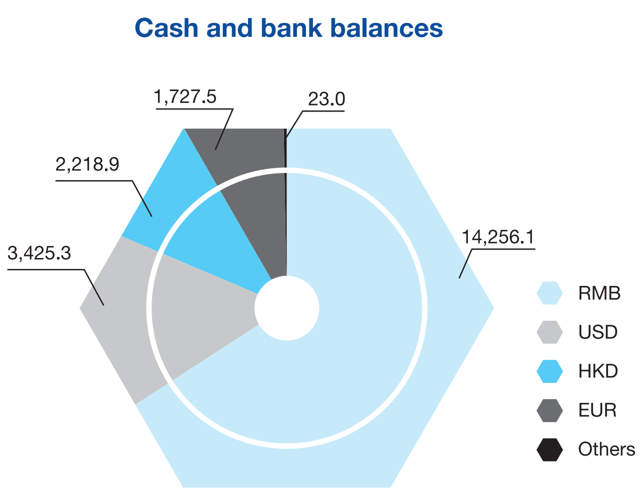
As at 30 June 2013, the total debt of the Group increased to RMB65,039.5 million from RMB56,902.6 million as at 31 December 2012. As at 30 June 2013, cash and bank balances decreased to RMB21,650.8 million from RMB22,088.5 million as at 31 December 2012. With the expanding development scale and the increasing investment needs, the Group raised funds from various channels to meet the requirements of the operation and investments, and maintained the liquidity of the Group.

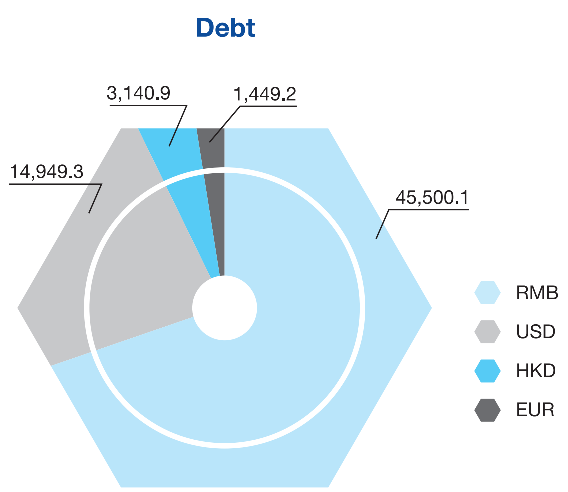
Unit: RMB million

	30 June 2013	31 December 2012
Cash and bank balances	**21,650.8**	22,088.5
Total debt	**65,039.5**	56,902.6

The original denomination of the Group's debt as well as cash and bank balances by currencies, equivalent in RMB, as at 30 June 2013, is summarized as follows:

Unit: RMB million equivalent





Unit: RMB million equivalent

	RMB	USD	HKD	EUR	OTHERS	TOTAL
Cash and bank balances	14,256.1	3,425.3	2,218.9	1,727.5	23.0	21,650.8
Debt	45,500.1	14,949.3	3,140.9	1,449.2	0.0	65,039.5

TOTAL DEBT TO TOTAL CAPITALIZATION RATIO

As at 30 June 2013, the ratio of total debt to total capitalization was 52.7% as compared with 49.9% as at 31 December 2012. This ratio has increased slightly as a result of the increase of the borrowing scale. 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

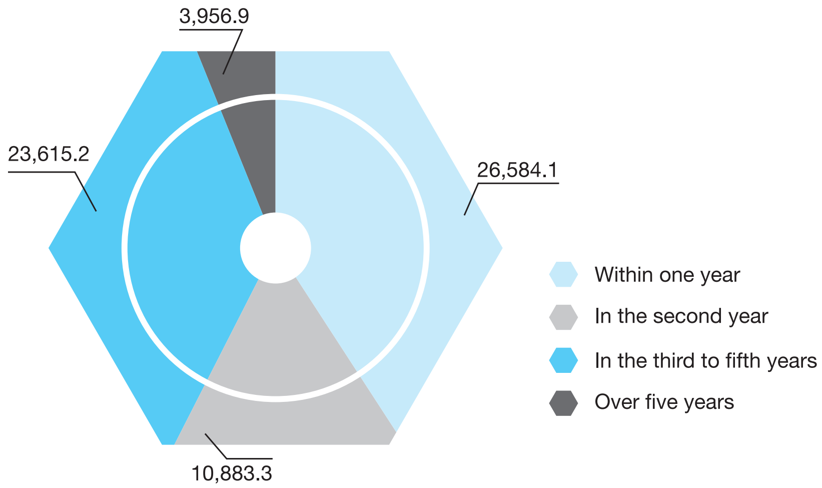
To stabilize interest expenses, the Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimise the interest rate level. As at 30 June 2013, 40.6% 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 2013 are as follows:

Unit: RMB million



AVAILABLE FACILITIES

Save for cash and bank balances of RMB21,650.8 million as at 30 June 2013, the Group had unutilised banking facilities of RMB66,295.6 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 the capital needs of the Group. Prior approval of individual projects from banks in accordance with bank regulations in China must be obtained before the use of these banking facilities. As at 30 June 2013, aggregate available banking facilities under these arrangements was approximately RMB117,775.2 million, of which RMB51,479.6 million has already been utilized.

PLEDGED ASSETS

As at 30 June 2013, the Group had pledged assets of RMB30,188.8 million (31 December 2012: RMB23,939.2 million) for bank borrowings. Details of pledged assets are set out in note 12 to interim condensed consolidated financial statements.

CONTINGENT LIABILITIES

The Group's contingent liabilities of RMB4,352.9 million as at 30 June 2013 (31 December 2012: RMB4,265.0 million), were primarily applied to guarantee the mortgage loans of qualified property buyers. Details of contingent liabilities are set out in note 17 to interim condensed consolidated financial statements.

INTEREST COVERAGE

For the six months ended 30 June 2013, EBITDA divided by net interest expenditures was 4.8 times as compared with 3.7 times for the same period in 2012, mainly due to the net interest expenditures decreased 4.8% as the result of decrease of average interest rate compared with the same period of last year. In addition, the EBITDA increased 24.6% during the Reporting Period compared with the same period of last year.

FINANCIAL POLICIES AND RISK MANAGEMENT

General policy

The Company maintains the financial independence of 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 monitored and financial resources are being effectively applied. In an effort to maintain multiple financing channels, 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.

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 subjected to the risk of interest rate fluctuation. Since a certain amount of the Group's borrowings is provided at floating interest rates which are subjected to change by the lenders as required by amendments of regulations of 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.

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.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

	Notes	For the six months ended 30 June 2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
REVENUE		**23,970,590**	25,730,746
Cost of sales		**(19,187,625)**	(20,922,297)
Gross profit		**4,782,965**	4,808,449
Other income and gains	5	**3,598,968**	1,752,869
Selling and distribution costs		**(1,271,363)**	(1,084,912)
Administrative expenses		**(1,735,029)**	(1,594,095)
Other expenses		**(750,744)**	(330,720)
Finance costs	6	**(1,318,340)**	(1,395,686)
Share of profits and losses of:			
Joint ventures		**(53,546)**	13,761
Associates		**594,966**	445,413
PROFIT BEFORE TAX	7	**3,847,877**	2,615,079
Tax	8	**(821,350)**	(320,274)
PROFIT FOR THE PERIOD		**3,026,527**	2,294,805
Attributable to:			
Owners of the parent		**1,691,550**	1,550,129
Non-controlling interests		**1,334,977**	744,676
		3,026,527	2,294,805
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted (RMB)	9	**0.26**	0.24

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	3,026,527	2,294,805
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	(247,545)	73,166
Reclassification adjustments for gains included in consolidated income statement		
– gain on disposal	(189,474)	(172,213)
Income tax effect	174,032	(9,024)
	(262,987)	(108,071)
Share of other comprehensive income of associates	931	23,528
Share of other comprehensive income/(loss) of joint ventures	4,979	(1,571)
Exchange differences on translation of foreign operations	21,313	65,065
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(235,764)	(21,049)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	—	—
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(235,764)	(21,049)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,790,763	2,273,756
Attributable to:		
Owners of the parent	1,382,125	1,555,409
Non-controlling interests	1,408,638	718,347
	2,790,763	2,273,756

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**26,980,898**	24,295,887
Investment properties		**4,032,000**	3,985,000
Prepaid land lease payments		**1,755,834**	1,801,237
Exploration and evaluation assets		**4,555**	1,620
Mining rights		**797,929**	821,565
Intangible assets		**1,904,980**	1,244,004
Goodwill		**2,778,821**	1,736,060
Investments in joint ventures		**8,145,443**	6,760,773
Investments in associates		**16,850,833**	15,258,677
Available-for-sale investments		**10,857,917**	7,382,891
Properties under development		**6,663,828**	7,966,996
Loan receivable		**2,379,939**	1,944,236
Prepayments		**993,559**	670,723
Inventories		**242,112**	372,222
Deferred tax assets		**2,380,569**	2,212,578
Total non-current assets		**86,769,217**	76,454,469
CURRENT ASSETS			
Cash and bank balances		**21,650,813**	22,088,468
Equity investments at fair value through profit or loss		**8,554,971**	10,656,075
Trade and notes receivables	11	**5,431,743**	5,600,118
Prepayments, deposits and other receivables		**5,833,411**	4,975,712
Inventories		**6,187,241**	6,371,599
Completed properties for sale		**3,904,266**	4,580,194
Properties under development		**29,724,457**	27,333,872
Loans receivable		**660,000**	807,102
Due from related companies		**3,944,709**	3,118,450
		85,891,611	85,531,590
Assets of a disposal group classified as held for sale		**212,293**	212,293
Total current assets		**86,103,904**	85,743,883

	Notes	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	26,469,116	26,917,695
Loans from related companies		115,000	115,000
Trade and notes payables	13	13,572,563	15,626,765
Accrued liabilities and other payables		21,441,734	18,818,620
Tax payable		2,286,081	2,727,170
Finance lease payables		43,396	41,981
Due to the holding company		3,186,312	2,440,986
Due to related companies		3,034,857	3,293,834
Total current liabilities		70,149,059	69,982,051
NET CURRENT ASSETS		15,954,845	15,761,832
TOTAL ASSETS LESS CURRENT LIABILITIES		102,724,062	92,216,301
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	38,362,066	29,779,651
Loans from a related company		93,364	90,250
Finance lease payables		63,862	83,441
Deferred income		200,696	193,592
Due to related companies		1,094,307	1,013,120
Other long term payables		1,139,248	652,102
Deferred tax liabilities		3,363,061	3,185,749
Total non-current liabilities		44,316,604	34,997,905
Net assets		58,407,458	57,218,396
EQUITY			
Equity attributable to owners of the parent			
Issued capital		621,497	621,497
Reserves		35,057,677	33,690,623
Proposed final dividend	14	—	885,181
		35,679,174	35,197,301
Non-controlling interests		22,728,284	22,021,095
Total equity		58,407,458	57,218,396

Guo Guangchang
Director

Ding Guoqi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to owners of the parent												
	Issued capital RMB'000	Share premium RMB'000	Other deficits RMB'000	Statutory surplus reserve RMB'000	Available-for-sale investments revaluation reserve RMB'000	Capital redemption reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Proposed final dividend RMB'000 (note 14)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2013 (audited)	621,497	11,790,924	(443,540)	2,860,587	1,275,674	1,465	1,431,556	17,445,857	(671,900)	885,181	35,197,301	22,021,095	57,218,396
Total comprehensive income/ (loss) for the Period	–	–	–	–	(334,071)	–	–	1,691,550	24,646	–	1,382,125	1,408,638	2,790,763
Transaction cost related to issue of new shares of a subsidiary	–	–	–	–	–	–	(235)	–	–	–	(235)	(337)	(572)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(771,294)	(771,294)
Final dividend declared	–	–	–	–	–	–	–	–	–	(885,181)	(885,181)	–	(885,181)
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	(8,196)	–	–	–	(8,196)	(59,152)	(67,348)
Deemed acquisition of additional interests in a subsidiary	–	–	–	–	–	–	(1,056)	–	–	–	(1,056)	1,056	–
Disposal of partial interests in a subsidiary without losing control	–	–	–	–	–	–	–	–	–	–	–	5,672	5,672
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(8,822)	(8,822)
Liquidation of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(59,400)	(59,400)
Fair value adjustment on the loan from a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	9,729	–	–	–	9,729	33,049	42,778
Fair value adjustment on the stock redemption option granted to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	(6,502)	–	–	–	(6,502)	(49,740)	(56,242)
Acquisition of subsidiaries (note 15)	–	–	–	–	–	–	–	–	–	–	–	132,290	132,290
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	61,318	61,318
Equity-settled share-based payment	–	1,467	–	–	–	–	–	–	–	–	1,467	3,633	5,100
Equity contribution by the controlling shareholder to a non-wholly owned subsidiary	–	–	–	–	–	–	(10,278)	–	–	–	(10,278)	10,278	–
At 30 June 2013 (unaudited)	621,497	11,792,391*	(443,540) *	2,860,587*	941,603*	1,465*	1,415,018*	19,137,407*	(647,254) *	–	35,679,174	22,728,284	58,407,458

* These reserve accounts comprise the consolidated reserves of RMB35,057,677,000 (31 December 2012: RMB33,690,623,000) in the consolidated statement of financial position.

	Attributable to owners of the parent												
	Issued capital RMB'000	Share premium RMB'000	Other deficits RMB'000	Statutory surplus reserve RMB'000	Available-for-sale investments revaluation reserve RMB'000	Capital redemption reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Proposed final dividend RMB'000 (note 14)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2012 (audited)	621,497	11,789,653	(443,540)	2,587,017	1,420,026	1,465	922,704	14,731,384	(617,362)	817,340	31,830,184	16,655,970	48,486,154
Total comprehensive income/(loss) for the Period	—	—	—	—	(34,727)	—	—	1,550,129	40,007	—	1,555,409	718,347	2,273,756
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(782,780)	(782,780)
Final dividend declared	—	—	—	—	—	—	—	—	—	(817,340)	(817,340)	—	(817,340)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(3,663)	—	—	—	(3,663)	(129,116)	(132,779)
Deemed acquisition of partial interests in a subsidiary	—	—	—	—	—	—	60	—	—	—	60	(60)	—
Disposal of partial interests in a subsidiary without losing control	—	—	—	—	—	—	5,516	—	—	—	5,516	44,702	50,218
Disposal of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(59,925)	(59,925)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	1,390,328	1,390,328
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	1,202,835	1,202,835
Equity-settled share-based payment	—	783	—	—	—	—	—	—	—	—	783	2,407	3,190
At 30 June 2012 (unaudited)	621,497	11,790,436*	(443,540) *	2,587,017*	1,385,299*	1,465*	924,617*	16,281,513*	(577,355)*	—	32,570,949	19,042,708	51,613,657

* These reserve accounts comprise the consolidated reserves of RMB31,949,452,000 (31 December 2011: RMB30,391,347,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**41,338**	140,906
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(5,995,826)**	(4,706,095)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**6,051,560**	(1,839,276)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**97,072**	(6,404,465)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**19,196,603**	13,908,510
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**19,293,675**	7,504,045
Analysis of balances of cash and cash equivalents		
Cash and bank balances at end of the Period	**21,650,813**	10,937,300
Less: Restricted cash*	**(2,357,138)**	(3,433,255)
Cash and cash equivalents at end of the Period	**19,293,675**	7,504,045

* Restricted cash includes pledged bank balances, time deposits with original maturity of more than three months, restricted presale proceeds of properties, restricted cash in an escrow account for an investment and required reserve deposits.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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 and healthcare products, property development, the manufacture and sale of iron and steel products, mining and ore processing of various metals, asset management, operation and investment in insurance business and various other 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 AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2013 and the related interim condensed consolidated income statements, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2013 (the "Period"), have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations), as of 1 January 2013 noted below:

The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKAS 19 (Revised 2011) *Employee Benefits*, HKFRS 13 *Fair Value Measurement* and amendments to HKAS 1 *Presentation of Financial Statements*. As required by HKAS 34, the nature and the effect of these changes are disclosed below.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New standards, interpretations and amendments adopted by the Group *(Continued)*

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

HKAS 1 *Presentation of Items of Other Comprehensive Income - Amendments to HKAS 1*

The amendments to HKAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

HKAS 1 *Clarification of the requirement for comparative information* (Amendment)

The amendment to HKAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under HKAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

HKAS 32 *Tax effects of distributions to holders of equity instruments* (Amendment)

The amendment to HKAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

HKAS 34 *Interim financial reporting and segment information for total assets and liabilities* (Amendment)

The amendment clarifies the requirements in HKAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in HKFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets were reported to the chief operating decision maker (CODM). As a result of this amendment, the Group now also includes disclosure of total segment liabilities as these are reported to the CODM. Details please refer to Note 4 to the interim condensed consolidated financial statements.

HKAS 19 *Employee Benefits* (Revised 2011) (HKAS 19R)

HKAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The adoption of HKAS 19R had no impact on the Group's financial position or performance.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New standards, interpretations and amendments adopted by the Group *(Continued)*

HKFRS 7 *Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities-Amendments to HKFRS 7*

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32. As the Group is not setting off financial instruments in accordance with HKAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

HKFRS 10 *Consolidated Financial Statements* and HKAS 27 *Separate Financial Statements*

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities. HKFRS 10 replaces the parts of previously existing HKAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and HK(SIC)-Int 12 *Consolidation-Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in HKFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. HKFRS 10 had no impact on the consolidation of investments held by the Group.

HKFRS 11 *Joint Arrangements* and HKAS 28 *Investment in Associates and Joint Ventures*

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. HKFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under HKFRS 11 must be accounted for using the equity method. The adoption of HKFRS 11 had no impact on the Group's financial position or performance.

HKFRS 12 *Disclosure of Interests in Other Entities*

HKFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Group has not made such disclosures.

HKFRS 13 *Fair Value Measurement*

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by HKAS 34.16A (j), thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in Note 19 to the interim condensed consolidated financial statements.

In addition to the above-mentioned amendments and new standards, HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of HKFRS, therefore, this amendment is not relevant to the Group.

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

3. SEASONALITY OF OPERATIONS

The Group's operations are not subject to seasonality.

4. OPERATING SEGMENT INFORMATION

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

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

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

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

(iv) Mining segment comprises the business of Hainan Mining Co., Ltd. ("Hainan Mining") and its subsidiaries. Hainan Mining and its subsidiaries mainly engage in the mining and ore processing of various metals;

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

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

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

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

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

Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that head office and corporate expenses are excluded from such measurement.

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

4. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2013 (unaudited)

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	4,473,638	3,627,034	14,333,732	1,283,236	92,206	26,001	134,743	—	23,970,590
Inter-segment sales	—	2,145	—	95,032	79,998	—	17,830	(195,005)	—
Other income and gains	746,268	68,290	1,570,393	28,205	4,640	122,670	513,611	—	3,054,077
Total	5,219,906	3,697,469	15,904,125	1,406,473	176,844	148,671	666,184	(195,005)	27,024,667
Segment results	1,182,144	433,566	1,409,382	755,846	1,248	77,751	411,064	22,702	4,293,703
Interest and dividend income	63,359	66,456	128,058	4,085	14,088	—	464,273	(195,428)	544,891
Unallocated expenses									(213,797)
Finance costs	(180,942)	(205,416)	(486,182)	(22,674)	(12,840)	—	(502,181)	91,895	(1,318,340)
Share of profits and losses of									
– Joint ventures	(5,085)	17,576	3,548	—	(42,109)	(18,245)	(9,231)	—	(53,546)
– Associates	391,614	28,415	1,277	—	—	47,692	125,968	—	594,966
Profit/(loss) before tax	1,451,090	340,597	1,056,083	737,257	(39,613)	107,198	489,893	(80,831)	3,847,877
Tax	(248,939)	(266,295)	(45,845)	(196,326)	6,197	—	(91,937)	21,795	(821,350)
Profit/(loss) for the Period	1,202,151	74,302	1,010,238	540,931	(33,416)	107,198	397,956	(59,036)	3,026,527

4. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2012 (unaudited)

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	3,464,107	3,387,456	17,637,009	1,137,838	61,099	—	43,237	—	25,730,746
Inter-segment sales	—	3,867	—	127,717	42,636	—	6,376	(180,596)	—
Other income and gains	471,892	75,669	73,130	28,094	4,029	—	702,711	(3,411)	1,352,114
Total	3,935,999	3,466,992	17,710,139	1,293,649	107,764	—	752,324	(184,007)	27,082,860
Segment results	759,379	788,574	476,086	775,064	(641)	—	454,328	94,361	3,347,151
Interest and dividend income	47,478	21,972	178,727	6,128	4,961	—	281,361	(139,872)	400,755
Unallocated expenses									(196,315)
Finance costs	(198,094)	(107,143)	(610,985)	(25,717)	(6)	—	(455,258)	1,517	(1,395,686)
Share of profits and losses of									
– Joint ventures	(250)	8,178	5,833	—	—	—	—	—	13,761
– Associates	378,717	110,229	628	—	—	—	(44,161)	—	445,413
Profit/(loss) before tax	987,230	821,810	50,289	755,475	4,314	—	236,270	(43,994)	2,615,079
Tax	(129,460)	1,860	10,365	(190,405)	5,208	—	(30,643)	12,801	(320,274)
Profit/(loss) for the Period	857,770	823,670	60,654	565,070	9,522	—	205,627	(31,193)	2,294,805

4. OPERATING SEGMENT INFORMATION *(Continued)*

Total segment assets and liabilities as at 30 June 2013 and 31 December 2012 are as follows:

Segment assets:

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Pharmaceuticals and healthcare	27,364,671	25,420,826
Property	54,602,239	53,964,988
Steel	38,611,016	37,288,750
Mining	4,390,640	4,713,834
Asset management	20,269,894	13,987,668
Insurance	4,514,091	4,336,446
Investment	47,219,476	41,297,850
Eliminations*	(24,098,906)	(18,812,010)
Total consolidated assets	172,873,121	162,198,352

Segment liabilities:

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Pharmaceuticals and healthcare	11,583,479	10,202,664
Property	43,218,791	42,698,311
Steel	28,847,442	28,657,225
Mining	1,487,261	1,695,385
Asset management	15,128,012	9,229,838
Insurance	139,529	29,933
Investment	37,789,948	30,828,121
Eliminations*	(23,728,799)	(18,361,521)
Total consolidated liabilities	114,465,663	104,979,956

* 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	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	**250,809**	104,909
Dividends from available-for-sale investments	**172,834**	87,299
Dividends from equity investments at fair value through profit or loss	**121,248**	208,547
Rental income	**20,287**	12,959
Sale of scrap materials	**2,947**	1,771
Government grants	**181,044**	66,270
Others	**70,832**	42,720
	820,001	524,475

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gains		
Gain on disposal of a subsidiary	**—**	85,042
Gain on disposal of an associate	**—**	232,680
Gain on disposal of partial interests in an associate	**—**	6,459
Gain on deemed disposal of interests in an associate	**586,960**	—
Gain on disposal of available-for-sale investments	**1,417,242**	228,206
Gain on disposal of equity investments at fair value through profit or loss	**374,686**	110,757
Gain on fair value adjustment of investment properties	**47,000**	60,223
Gain on fair value adjustment of equity investments at fair value through profit or loss	**350,066**	501,874
Gain on bargain purchase	**—**	3,153
Exchange gains, net	**3,013**	—
	2,778,967	1,228,394
Other income and gains	**3,598,968**	1,752,869

6. FINANCE COSTS

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses	**1,734,322**	1,553,525
Less: Interest capitalised	**(483,348)**	(239,197)
Interest expenses, net	**1,250,974**	1,314,328
Bank charges and other finance costs	**67,366**	81,358
Total finance costs	**1,318,340**	1,395,686

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**19,187,625**	20,922,297
Inventories written off	**—**	133
Depreciation of items of property, plant and equipment	**809,645**	787,066
Amortisation of:		
Prepaid land lease payments	**22,578**	15,926
Mining rights	**23,636**	46,519
Intangible assets	**31,116**	26,268
Provisions/(reversals) for impairment of:		
Trade and other receivables	**15,872**	(632)
Inventories	**78,906**	50,724
Property, plant and equipment	**391,417**	5,867
Loss on settlement of derivative financial instruments	**—**	13,740
Loss on disposal of items of property, plant and equipment	**3,131**	434
Exchange losses, net	**—**	94,714

8. TAX

The major components of tax expenses for the six months ended 30 June 2013 and 2012 are as follows:

	Notes	For the six months ended 30 June **2013** **RMB'000** **(Unaudited)**	 2012 RMB'000 (Unaudited)
Current – Hong Kong	(1)	**10,809**	4,866
Current – Mainland China			
– Income tax in Mainland China for the Period	(2)	**666,177**	581,418
– LAT in Mainland China for the Period	(3)	**82,730**	(268,896)
Deferred		**61,634**	2,886
Tax expenses for the Period		**821,350**	320,274

Notes:

(1) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2012: 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 2012: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which are exempted from income tax or taxed at preferential rates of 9% to 20%.

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

During the Period, the prepaid LAT of the Group amounted to RMB31,347,000 (six months ended 30 June 2012: RMB34,174,000). In addition, based on the latest understanding of the LAT regulations from the tax authorities, the Group made an additional LAT provision in the amount of 94,805,000 (six months ended 30 June 2012: RMB181,673,000) in respect of the sales of properties for the six months ended 30 June 2013 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

During the Period, unpaid LAT provision in the amount of RMB43,422,000 (six months ended 30 June 2012: RMB484,743,000) was reversed to the interim condensed consolidated income statement upon the completion of the clearance with the local tax authorities by certain subsidiaries of the Group.

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 RMB1,691,550,000 (six months ended 30 June 2012: RMB1,550,129,000) and on 6,421,595,000 ordinary shares in issue during the Period (six months ended 30 June 2012: 6,421,595,000 ordinary shares).

Diluted earnings per share amounts are equal to basic earnings per share amounts for the Period and six months ended 30 June 2012 as no diluting events occurred.

10. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment RMB'000
Carrying value at beginning of the Period (audited)	24,295,887
Additions	4,288,093
Acquisition of subsidiaries	201,206
Disposals	(603,226)
Depreciation charge for the Period	(809,645)
Impairment for the Period	(391,417)
Carrying value at end of the Period (unaudited)	26,980,898

As at 30 June 2013, the Group's property, plant and equipment with a net carrying value of RMB2,262,931,000(31 December 2012: RMB2,834,953,000), were pledged as security for interest-bearing bank loans as set out in note 12 to the interim condensed consolidated financial statements.

11. TRADE AND NOTES RECEIVABLES

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Trade receivables	2,751,303	2,517,820
Notes receivable	2,680,440	3,082,298
	5,431,743	5,600,118

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

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	2,175,183	2,092,631
91 - 180 days	423,845	287,190
181 - 365 days	174,836	102,365
1 - 2 years	21,320	72,839
2 - 3 years	6,327	9,419
Over 3 years	26,542	30,390
	2,828,053	2,594,834
Less: Provision for impairment of trade receivables	(76,750)	(77,014)
	2,751,303	2,517,820

11. TRADE AND NOTES RECEIVABLES *(Continued)*

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

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

At 30 June 2013, the Group's trade and notes receivables with a carrying amount of approximately RMB1,709,840,000 (31 December 2012: RMB1,483,857,000) were pledged to secure bank loans, as set out in note 12 to the interim condensed consolidated financial statements.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		1,328,421	—
Secured		18,611,803	15,787,735
Unsecured		22,694,123	22,735,950
		42,634,347	38,523,685
Enterprise bonds and corporate bonds	(2)	10,908,752	10,922,024
Private placement note	(3)	1,982,161	—
Medium-term notes	(4)	2,578,568	2,574,807
Senior notes	(5)	4,276,160	1,864,518
Short-term commercial papers	(6)	—	499,375
Other borrowings, secured	(6)	957,148	901,420
Other borrowings, unsecured	(6)	1,494,046	1,411,517
Total		64,831,182	56,697,346
Portion classified as:			
Current		26,469,116	26,917,695
Non-current		38,362,066	29,779,651
Total		64,831,182	56,697,346

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

Notes:

(1) Certain of the Group's bank loans and other borrowings are secured by:

the pledge of certain of the Group's buildings amounting to RMB598,622,000 (31 December 2012: RMB1,240,368,000), plant and machinery amounting to RMB1,664,309,000 (31 December 2012: RMB1,594,585,000), investment properties situated in Mainland China amounting to RMB4,032,000,000 (31 December 2012: RMB3,863,000,000), completed properties for sale amounting to RMB1,577,537,000 (31 December 2012: RMB2,196,131,000), prepaid land lease payments amounting to RMB165,514,000 (31 December 2012: RMB162,666,000), inventories amounting to RMB147,200,000 (31 December 2012: RMB320,000,000), properties under development amounting to RMB19,397,243,000 (31 December 2012: RMB12,214,212,000), time deposits with original maturity of more than three months amounting to RMB122,414,000 (31 December 2012: RMB3,291,000), trade and notes receivables amounting to RMB1,709,840,000 (31 December 2012: RMB1,483,857,000), investment in an associate amounting to RMB234,096,000 (31 December 2012: RMB320,886,000), an investment in a joint venture amounting to RMB540,070,000 (31 December 2012: RMB540,070,000), and certain investment in subsidiaries.

The bank loans bear interest at rates ranging from 1.10% to 8.53% (2012: 1.44% to 8.53%) per annum.

(2) Enterprise and corporate bonds

On 27 February 2009, Nanjing Nangang issued long-term enterprise bonds ("2009 Nangang Bond") with the par value of RMB2,500,000,000 and the effective interest rate is 6.29% per annum. On 27 February 2013, after the completion of the redemption, the principal amount of RMB30,000,000 of the 2009 Nangang Bond was redeemed by the bond holders. The remaining principal amount of RMB2,470,000,000 will be repaid by Nanjing Nangang equally on 27 February 2015 and 27 February 2016 with no further redemption option for bond holders.

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.

On 24 December 2010, Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun Group") issued seven-year domestic corporate bonds with the par value of RMB1,100,000,000 and the effective interest rate is 6.17% per annum. The interest will be paid annually in arrears and the maturity date is 23 December 2017.

On 10 May 2011, Nanjing Iron & Steel Co., Ltd. issued seven-year domestic corporate bonds with the par value of RMB4,000,000,000 and the effective interest rate is 5.98% per annum. The interest will be paid annually in arrears and the maturity date is 10 May 2018.

On 25 April 2012, Fosun Pharma issued five-year domestic corporate bonds with the par value of RMB1,500,000,000 and the effective interest rate is 5.74% per annum. The interest will be paid annually in arrears and the maturity date is 25 April 2017.

(3) Private placement note

On 19 June 2013, Fosun Group issued three-year private placement notes with the par value of RMB2,000,000,000 and the effective interest rate is 6.02% per annum. The interest will be paid annually in arrears and the maturity date is 19 June 2016.

(4) Medium-term notes

On 8 November 2010, Fosun Pharma issued five-year medium-term notes with the par value of RMB1,000,000,000 and the effective interest rate is 5.0% per annum. The interest will be paid annually in arrears and the maturity date is 10 November 2015.

On 31 March 2011, Fosun Pharma issued five-year medium-term notes with the par value of RMB1,600,000,000 and the effective interest rate is 6.26% per annum. The interest will be paid annually in arrears and the maturity date is 31 March 2016.

(5) Senior notes

On 12 May 2011, the Company issued five-year senior notes with the par value of USD300,000,000 and the effective interest rate is 7.9% per annum. The interest will be paid semi-annually in arrears.

On 30 January 2013, Sparkle Assets Limited, an indirect subsidiary of Forte, issued seven-year senior notes with the par value of USD400,000,000 and the effective interest rate is 7.19% per annum. The interest will be paid semi-annually in arrears.

(6) The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 2.55% to 15.00% (2012: 2.55% to 15.00%) per annum.

13. TRADE AND NOTES PAYABLES

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Trade payables	9,029,216	11,358,235
Notes payable	4,543,347	4,268,530
	13,572,563	15,626,765

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

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	5,655,951	8,020,451
91 - 180 days	522,738	363,423
181 - 365 days	741,595	535,122
1 - 2 years	1,659,883	2,186,239
2 - 3 years	358,606	238,837
Over 3 years	90,443	14,163
	9,029,216	11,358,235

14. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2012: Nil).

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

15. BUSINESS COMBINATION

The acquisition of subsidiaries during the Period is as follows:

(i) On 18 December 2012, Shanghai Fosun Pharmaceutical Industrial Development Company Limited, a subsidiary of Fosun Pharma, entered into an agreement to acquire 77.78% equity interests in Hunan Dongting Pharmaceutical Co., Ltd ("Dongting Pharma") at a consideration of RMB586,120,000. The acquisition completed on 11 January 2013. Dongting Pharma is engaged in the manufacture and sale of hemostatic and psychotropic medicines. The acquisition was undertaken under Fosun Pharma's strategy to penetrate the market of hemostatic and psychotropic medicines.

(ii) On 18 January 2013, Jiangsu Wanbang Biopharmaceutical Co., Ltd. ("Wanbang Pharma"), a subsidiary of Fosun Pharma, entered into an agreement to acquire 51% equity interests in Zaozhuang Sainuokang Biochemical Co., Ltd. ("Sainuokang Biochemical") at a consideration of RMB32,262,000. The acquisition completed on 11 March 2013. Sainuokang Biochemical is engaged in the manufacture and sale of heparin sodium API, which is the main raw material of heparin sodium, one of the major products of Wanbang Pharma. The acquisition was undertaken under Fosun Pharma's strategy to integrate the supply chain and reduce the cost of raw material.

(iii) On 26 April 2013, Sisram Medical Ltd., a subsidiary of Fosun Pharma, entered into an agreement to acquire 95.16% equity interests in Alma Lasers Ltd. ("Alma Lasers") at a consideration of USD221,630,000, equivalent to RMB1,377,830,000 approximately. The acquisition completed on 27 May 2013. Alma Lasers is engaged in the design, manufacture and sale of medical and cosmetic devices. The acquisition was undertaken to gain access to the global leading medical equipment manufacturing business, which is conducive to strengthening Fosun Pharma's medical equipment manufacturing business locally and globally.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

15. BUSINESS COMBINATION *(Continued)*

The fair values of the identifiable assets and liabilities of all the acquired subsidiaries during the Period as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB '000 (Unaudited)
Property, plant and equipment	201,206
Prepaid land lease payments	27,558
Other intangible assets	678,139
Deferred tax assets	19,901
Other non-current assets	25,443
Inventories	189,597
Trade and notes receivables	169,045
Prepayments, deposits and other receivables	48,118
Cash and bank balances	233,518
Interest-bearing bank and other borrowings	(6,228)
Trade and notes payables	(135,361)
Tax payable	(13,427)
Other payables and accruals	(190,222)
Other long-term liabilities	(19,931)
Deferred tax liabilities	(141,615)
Total identifiable net assets at fair value	1,085,741
Non-controlling interests	(132,290)
Total net assets acquired	953,451
Goodwill on acquisition	1,042,761
	1,996,212
Satisfied by:	
Cash*	1,954,833
Cash consideration unpaid*	41,379
	1,996,212

* Among the cash consideration, RMB1,954,833,000 was paid during the Period. The remaining balance of RMB41,379,000 is payable from the second half of 2013 to 2015.

15. BUSINESS COMBINATION *(Continued)*

The fair values of the acquired trade and notes receivables and other receivables as at the date of acquisition approximate to their gross contractual amounts. None of these receivables are expected to be uncollectible.

The Group incurred transaction costs of RMB6,126,000 for these acquisitions. These transaction costs have been expensed and are included in other expenses in the consolidated income statement.

The goodwill of RMB1,042,761,000 recognised above is due to the new markets entered by Fosun Pharma to achieve product and business diversification. The above factor is neither separable nor contractual and therefore do not meet the criteria for recognition as intangible assets under HKAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisitions of subsidiaries is as follows:

	RMB'000 (Unaudited)
Cash consideration	(1,996,212)
Consideration unpaid	41,379
Cash and bank balances acquired	233,518
Net outflow of cash and cash equivalents included in cash flows from investing activities	(1,721,315)
Transaction costs of the acquisitions included in cash flows from operating activities	(6,126)
	(1,727,441)

16. COMMITMENTS

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

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Contracted, but not provided for:		
In respect of:		
Plant and equipment	4,489,756	1,369,301
Properties under development	7,151,877	5,489,243
Intangible assets	—	239
Investments	586,388	1,124,079
	12,228,021	7,982,862
Authorised, but not contracted for:		
In respect of:		
Plant and equipment	202,905	158,705
Investments	517,545	474,321
	720,450	633,026

17. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Guarantees given to bank loans of:		
Related parties	1,418,000	1,318,000
Third parties	123,400	123,400
	1,541,400	1,441,400
Qualified buyers' mortgage loans*	2,811,461	2,823,560
	4,352,861	4,264,960

* As at 30 June 2013, the Group provided guarantees of approximately RMB2,811,461,000 (31 December 2012: RMB2,823,560,000) 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 realizable 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.

18. RELATED PARTY TRANSACTIONS

(1) During the Period, the Group had the following material transactions with related parties in addition to the transactions disclosed in note 12:

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Associates:		
Sales of pharmaceutical products	**294,031**	237,789
Purchase of pharmaceutical products	**85,183**	85,921
Purchase of coking coal products	**—**	5,978
Service income	**578**	350
Service fee	**4,457**	6,272
Transportation fee	**54,623**	65,500
Rental fee	**—**	1,650
Interest income	**2,878**	4,140
Interest expense	**741**	10,706
Loan provided by the related company	**—**	168,000
Deposits from related companies	**146,235**	—
Bank loan guarantees provided	**1,038,000**	802,910
Non-controlling shareholders of the subsidiaries of the Group:		
Rental fee	**7,971**	7,911
Purchase of iron ore products	**—**	22,039
Bank loan guarantees received	**1,044,257**	2,006,049
Other related parties:		
Sales of pharmaceutical products	**2,137**	2,804
Sales of other products	**47,803**	54,893
Purchase of other products	**279**	101
Interest income	**182,291**	19,856
Interest expense	**3,217**	—
Service income	**39,587**	—
Notional interest	**1,557**	2,871
Loan to related parties	**155,000**	—
Deposits from related companies	**509,237**	—
Bank loan guarantees received	**1,328,421**	1,359,854
Bank loan guarantees provided	**380,000**	175,000

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

18. RELATED PARTY TRANSACTIONS *(Continued)*

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

	For the six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**28,362**	24,860
Pension scheme contributions	**168**	148
Total compensation paid to key management personnel	**28,530**	25,008

19. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments are as follows:

	Carrying amounts		Fair values	
	30 June 2013	31 December 2012	**30 June 2013**	31 December 2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Financial assets				
Available-for-sale investments	**2,960,612**	2,674,181	**2,960,612**	2,674,181
Loans receivable	**3,039,939**	2,751,338	**3,039,939**	2,751,338
Trade and notes receivables	**5,431,743**	5,600,118	**5,431,743**	5,600,118
Equity investments at fair value through profit or loss	**8,554,971**	10,656,075	**8,554,971**	10,656,075
Financial assets included in prepayments, deposits and other receivables	**3,845,851**	2,574,606	**3,845,851**	2,574,606
Cash and bank balances	**21,650,813**	22,088,468	**21,650,813**	22,088,468
Investments in joint ventures	**3,184,586**	3,205,764	**3,184,586**	3,205,764
Due from related companies	**3,944,709**	3,118,450	**3,944,709**	3,118,450
	52,613,224	52,669,000	**52,613,224**	52,669,000
Financial liabilities				
Interest-bearing bank and other borrowings	**64,831,182**	56,697,346	**64,982,258**	56,950,813
Trade and notes payables	**13,572,563**	15,626,765	**13,572,563**	15,626,765
Financial liabilities included in accrued liabilities and other payables	**9,690,660**	10,548,694	**9,690,660**	10,548,694
Due to related companies and the holding company	**7,315,476**	6,747,940	**7,315,476**	6,747,940
Other long-term payables	**1,139,248**	652,102	**1,139,248**	652,102
Finance lease payables	**107,258**	125,422	**107,258**	125,422
Loans from related companies	**208,364**	205,250	**208,364**	205,250
	96,864,751	90,603,519	**97,015,827**	90,856,986

19. FAIR VALUE AND FAIR VALUE HIERARCHY *(Continued)*

As at 30 June 2013, the fair value information has not been disclosed for certain available-for-sale investments in equity instruments that do not have a quoted market price in an active market and are measured at cost less any impairment because their fair value cannot be measured reliably. The reason why the fair value cannot be measured reliably is that the variability in the range of reasonable fair value estimates is significant for that investment or the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. The carrying amount of these available-for-sale investments is RMB7,897,305,000 (31 December 2012: RMB4,708,710,000). All of them are unlisted equity investments in China, North America and other countries held by the Group, which are intended to be disposed by the Group after getting listed in the designated stock exchange in the future.

During the six months ended 30 June 2013, the available-for-sale investments whose fair value could not be reliably measured with carrying amount of RMB76,783,000 were derecognised and the relevant gain on disposal amounted to RMB14,983,000 was recognized in the interim condensed consolidated income statements.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

For the financial assets and liabilities with active market, their fair values are measured using quoted market prices. For the financial assets and liabilities without active market, the Group uses valuation techniques to measure their fair values.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include commodity derivative contracts and forward currency contracts. As at 30 June 2013, the derivative financial instruments were all settled.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

19. FAIR VALUE AND FAIR VALUE HIERARCHY *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value:

As at 30 June 2013(Unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Available-for-sale investments:				
Equity investments	1,172,822	437,675	—	1,610,497
Debt investments	—	1,350,115	—	1,350,115
Equity investments at fair value through profit or loss	8,554,971	—	—	8,554,971
	9,727,793	1,787,790	—	11,515,583

As at 31 December 2012(Audited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Available-for-sale investments:				
Equity investments	1,729,254	944,927	—	2,674,181
Equity investments at fair value through profit or loss	10,656,075	—	—	10,656,075
	12,385,329	944,927	—	13,330,256

liabilities measured at fair value:

As at 30 June 2013(Unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Other long term liabilities	—	512,692	—	512,692

As at 31 December 2012(Audited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Other long term liabilities	—	570,389	—	570,389

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (for the six months period ended 30 June 2012: Nil).

20. EVENTS AFTER THE REPORTING PERIOD

(i) On 21 June 2013, Shanghai Zendai Property Limited ("Zendai"), an associate of the Group, entered into subscription agreements with Concord Emperor Investment Limited and Greenwoods Assets Management Limtid ("Investors"), pursuant to which Zendai would allot and issue 2,442,000,000 new shares to the Investors. On 17 July 2013, the placing was completed and the Group's equity interest in Zendai was diluted from 19.55% to 16.34%. The Group will continue to account for Zendai as an associate of the Group.

(ii) In July 2013, Fosun Group, a subsidiary of the Company, acquired additional 38,219,169 shares in Shanghai Yuyuan Tourist Mart Co. Ltd.("Yuyuan"), an associate of the Group in the secondary market at a consideration of RMB262,785,000 and the equity interests in Yuyuan held by the Group increased from 22.34% as at 30 June 2013 to 25%.

21. COMPARATIVE AMOUNTS

The comparative amounts have been restated to reflect the change of the reporting segments of the Group.

22. 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 27 August 2013.

STATUTORY DISCLOSURES

INTERIM DIVIDEND

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

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company 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 2013, the Group had approximately 37,000 employees. The Group provides staffs with equal employment opportunities and benefits under statutory requirements at market levels, that is determined by external market remuneration through annual market research and continuously improved performance-oriented remuneration mechanism in accordance with the development and profitability of the Company. Meanwhile, the Group is making and constantly perfecting a long-term incentive plan for senior management and performance sharing incentive plan for investment teams, in order to drive key staffs' 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 2013, 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 Hong Kong 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	5,078,198,000(1)	Corporate	79.08%
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 in relevant class of shares
Guo Guangchang	Fosun Holdings	Ordinary	1	Corporate	100.00%
	Fosun International Holdings	Ordinary	29,000	Individual	58.00%
	Fosun Pharma	A Shares(2)	114,075	Individual	0.01%
			920,641,314	Corporate	48.34%
Liang Xinjun	Fosun International Holdings	Ordinary	11,000	Individual	22.00%
Wang Qunbin	Fosun International Holdings	Ordinary	5,000	Individual	10.00%
	Fosun Pharma	A Shares(2)	114,075	Individual	0.01%
Fan Wei	Fosun International Holdings	Ordinary	5,000	Individual	10.00%
Qin Xuetang	Fosun Pharma	A Shares(2)	114,075	Individual	0.01%

Note:

(1) Pursuant to Division 7 of Part XV of the SFO, 5,078,198,000 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.

(2) A Shares mean the equity securities listed on the Shanghai Stock Exchange.

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

As at 30 June 2013, 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	5,074,558,500(2)	79.02%
Fosun International Holdings(1)	5,074,558,500(2)	79.02%

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 purpose of the SFO. Despite the interests in Shares as recorded in the register pursuant to SFO, Fosun Holdings and Fosun International Holdings (by virtue of its shareholding in Fosun Holdings) are interested and deemed or taken to be interested in 5,078,198,000 Shares as of 30 June 2013.

(3) Mr. Guo Guangchang is the sole director of Fosun Holdings and Fosun International Holdings. Mr. Guo, by virtue of his ownership of shares in Fosun International Holdings as to 58%, is deemed or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.

Save as disclosed herein and so far as was known to the Directors, as at 30 June 2013, 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 2012 annual report are set out below:

(1) Changes in the positions held within the Group

Name of Director	Date of changes	Original position	Re-designation
Fan Wei	22 May 2013	Executive Director and Co-President of the Company	Non-executive Director of the Company

(2) Changes in other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas

	Appointment (Effective date)	Resignation (Effective date)
Zhang Huaqiao		
• **Zhong An Real Estate Limited**		
(Stock Code: 00672.HK)		
– independent non-executive director	1 January 2013	—
• **Nanjing Central Emporium (Group) Stocks Co., Ltd.**		
(Stock Code: 600280.SH)		
– director	28 February 2013	—
Andrew Y. Yan		
• **China Mengniu Dairy Company Limited**		
(Stock Code: 02319)		
– independent non-executive director	10 January 2013	—
• **NVC Lighting Holding Limited**		
(Stock Code: 02222.HK)		
– chairman and non-executive director	—	3 April 2013
• **Eternal Asia Supply Chain Management Ltd.**		
(Stock Code: 002183.SZ)		
– director	—	14 June 2013

(3) Changes in Directors' remuneration with effect from 1 January 2013

Unit: RMB million

Name of Director	Date of changes	Remuneration	Performance related bonus*
Guo Guangchang	1 January 2013	4.0	2.8
Liang Xinjun	1 January 2013	4.0	2.7
Wang Qunbin	1 January 2013	4.0	2.7
Fan Wei	1 January 2013	4.0	—
Ding Guoqi	1 January 2013	3.4	2.1
Qin Xuetang	1 January 2013	3.4	2.0
Wu Ping	1 January 2013	3.4	2.0

* To be determined based on internal appraisal of various performance indicators.

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

The interim results of the Company for the Reporting Period are unaudited but have been reviewed by the Audit Committee of the Company along with this 2013 interim report of the Company.

COMPLIANCE WITH THE CG CODE

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions of the CG Code as set out in Appendix 14 to the Listing Rules. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Fan Wei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhang Shengman
Andrew Y. Yan
Zhang Huaqiao
David T. Zhang

AUDIT COMMITTEE

Zhang Shengman *(Chairman)*
Andrew Y. Yan
Zhang Huaqiao
David T. Zhang

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Zhang Huaqiao *(Chairman)*
Wang Qunbin
Zhang Shengman
Andrew Y. Yan

COMPANY SECRETARY

Sze Mei Ming

AUTHORISED REPRESENTATIVES

Qin Xuetang
Ding Guoqi

AUDITORS

Ernst & Young

LEGAL ADVISOR AS TO HONG KONG LAW

Herbert Smith Freehills LLP

LEGAL ADVISOR AS TO PRC LAW

Chen & Co. Law Firm

PRINCIPAL BANKERS

China Development Bank
Agricultural Bank of China
Industrial and Commercial Bank of China
China Construction Bank
Bank of Communications
Standard Chartered Bank
Bank of China
China Merchants Bank
Shanghai Pudong Development Bank
The Bank of East Aisa
Union Bank of Switzerland
Bank of Beijing
Bank of Shanghai
International Finance Corporation

REGISTERED OFFICE

Room 808, ICBC Tower
3 Garden Road
Central
Hong Kong

PRINCIPAL OFFICE

No. 2 East Fuxing Road
Shanghai 200010
PRC

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

STOCK CODE

00656

WEBSITE

http://www.fosun.com

GLOSSARY

FORMULA

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

DEFINITION

AXA PE	ACF II Investment S.à r.l., AXA Capital Fund LP, AXA Co-investment IV, FCPR and AXA Co-investment IV-B, FCPR
the Board	the board of Directors
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Club Med	Club Méditerranée S.A.
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.)
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Holdings	Fosun Holdings Limited
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd.
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Minsheng Bank	China Minsheng Banking Corp., Ltd.
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd.
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd.
Peak Reinsurance	Peak Reinsurance Company Limited
Perfect World	Perfect World Co., Ltd.
PIPE	Private Investment In Public Equity
Pramerica-Fosun China Opportunity Fund	Pramerica-Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.

PRC	the People's Republic of China
Reporting Period	the six months ended 30 June 2013
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
QFLP	Qualified Foreign Limited Partner
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanjiaowulin	Shanxi Coking Coal Group Wulin Coal Coke Development Co., Ltd.
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.
Star Capital	Shanghai Star Equity Investment L.P.
Star Capital Management	Shanghai Star Capital Investment Management Co., Ltd.
Starcastle Senior Living	Starcastle Senior Living Corporation
Top Managers	Mr. Henri Giscard d'Estaing and Mr. Michel Wolfovski
USD	United States dollars, the lawful currency of the United States
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zendai	Shanghai Zendai Property Limited
Zhaojin Mining	Zhaojin Mining Industry Co.,Ltd.

China

Expertise Global

Capacity