FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

Interim Report 2014

China Expertise Global Capacity

Profit attributable to owners of the parent

1,833.9 RMB million

To become a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "industrial-rooted global investment capability"

Since the beginning of 2014, Fosun's insurance segment has been taking on a good shape, its investment segment has also been gathering strengths. Fosun adheres comprehensively to the Warren Buffett's development model. Excluding the investment in the US insurance company Ironshore Inc. in August 2014, of which the acquisition has not yet been closed and completed, Fosun's insurance segment comprises four companies, namely Yong'an P&C Insurance, Pramerica Fosun Life Insurance, Peak Reinsurance and Fosun Insurance Portugal, constituting a comprehensive insurance platform covering property and casualty, life, re-insurance and general insurance. In the first half of 2014, Fosun's insurance funds available for investments was close to RMB120 billion, its "insurance-oriented comprehensive financial capability" enhanced significantly. Besides investing in the insurance segment, Fosun also extended its footholds to the comprehensive financial area including banking, real estate capital management, etc. In the first half of 2014, Fosun succeeded in investing in one of the largest independent private banks in Europe, BHF-BANK of Germany, and also successfully completed the acquisition of a Japanese real estate capital management company IDERA, thereby enhancing Fosun's comprehensive financial capabilities significantly.

On the other side, Fosun's investment segment has also been gathering strengths. Fosun accomplished a number of successful large-scale global value investment cases based on its deep industrial footholds in China. During the first half of 2014, Fosun sped up establishment of localized investment capabilities in overseas markets. It proactively invested in local platform entities, put together local partner teams in Europe, the US, Japan, Hong Kong, Southeast Asian countries and regions. Ripping benefits from the significant acceleration of globalization of China's growth momentum, Fosun completed many investments across Asia, Europe and North America, etc.

To achieve coherence, we need to enable constant communication and exchanges, whereas integration represents combination, synchronization and harmonization. "Coherence & Integration" are fundamentals for the beginning and growth of life. Looking forward, Fosun aims at adopting "Coherence & Integration" as our ideology. Through integrated and seamlessly connected cross-platform investment, operation and management, this allows resources flow without boundaries and enables Fosun to become a vital entity with sustaining growth.

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FINANCIAL SUMMARY

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

BUSINESS OVERVIEW

Fosun has been persistently taking roots in China and investing in China's growth fundamentals. It has been actively implementing its investment model of "Combining China's Growth Momentum with Global Resources", with a view to making a major stride towards becoming a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "industrial-rooted global investment capability". Today, Fosun's businesses include insurance, industrial operations, investment and asset management.

INSURANCE

The Group's insurance segment mainly includes Fosun Portugal Insurance (the largest insurance group in Portugal which occupies a leading market share in the businesses of life insurance and general insurance and has a diversified distribution platform and a brand portfolio highly recognized by the market); Yong'an P&C Insurance (an insurance company headquartered in Xi'an with a nationwide presence, which operates all kinds of non-life insurance business); Pramerica Fosun Life Insurance, which focuses on insurance businesses such as life insurance, health insurance, casualty insurance and reinsurance of the above-mentioned insurance; and Peak Reinsurance, which focuses on providing non-life and life reinsurance business.

INDUSTRIAL OPERATIONS

Our principal industrial companies include Fosun Pharma, Forte, Nanjing Nangang and Hainan Mining.

FOSUN PHARMA

We operate pharmaceuticals and healthcare businesses principally 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 diagnosis products and medical devices. Fosun Pharma has established a leading position in the pharmaceutical distribution sector through its shareholding in Sinopharm.

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 Hainan, etc. Forte holds a 16.34% equity interest in Zendai, a company listed on the Hong Kong Stock Exchange (00755.HK).

NANJING NANGANG

We operate steel business principally 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 principal products include medium and heavy steel plates, high strength ship plates, boilers 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.

HAINAN MINING

We engage in iron ore production and operation principally 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 expand its scale and improve its industry position.

Insurance

Industrial Operations

Investment

INVESTMENT

We adhere to our unique investment model of "Combining China's Growth Momentum with Global Resources" and capture investment opportunities 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

Under assets management business, the Group engages in raising & managing funds from third parties and collects management fee and shares investment gains. We act as a general partner of the funds that we manage. At present, we mainly manage (i) US dollar fund, namely, Pramerica-Fosun China Opportunity Fund and China Momentum Fund, L.P., (ii) Qualified Foreign Limited Partner Fund, namely Carlyle-Fosun, (iii) RMB Private Equity Fund, (iv) Star Capital, (v) Xinghong Fund, (vi) Real Estate series funds of Forte, and (vii) Japanese Yen Real Estate Funds.

Asset Management

FOSUN'S ACHIEVEMENTS

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

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

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

- *Completed the Fosun Insurance Portugal transaction and commenced a total of 14 equity and debt investment projects including Bona, REN, etc., with a total investment amount of approximately Euro460 million;*
- *Invested in one of the Europe's largest independent private banks German BHF-BANK and became its second largest shareholder;*

- *Acquired a Japanese property fund management company IDERA;*
- *Invested in Ironshore, an insurance company, in August 2014. After the completion of the acquisition, Fosun will be its largest shareholder.*

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

- High entry point in the movie entertainment industry: investing in Studio 8, Bona, and signed a strategic cooperation agreement with Shanghai Film Group Co., Ltd.;
- Mobile internet: after investing in Focus Media, Perfect World, Linekong Interactive etc., we expanded our investment scope to cover mobile gaming, marketing, social networking, office, education, entertainment, finance and healthcare sectors. The Group has a total of 18 PE & VC projects in the internet sector, amounted to about RMB1,850 million;
- Commerce and Tourism: CITS, Club Med, Atlantis project and Yuyuan, with new investment totalling about RMB635 million during the Reporting Period.

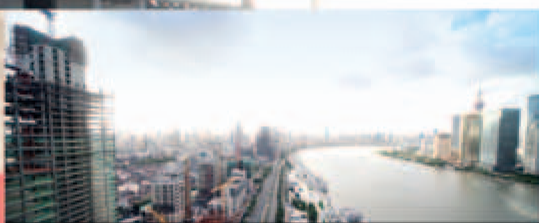
Property businesses fully migrated to the hive city development model

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

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

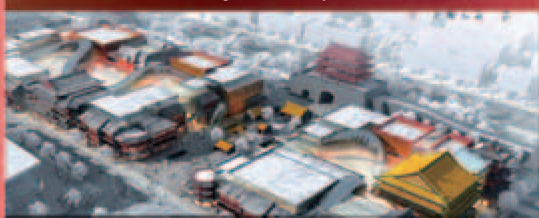
- 20.45% stake in Sanyuan Foods;
- 13% stake in Zhongshan Public Utilities;
- 14.23% stake in CNFC Fishery.

Transformation of Traditional Property Businesses: Full Landing of "Hive Community" Products pioneered by Fosun

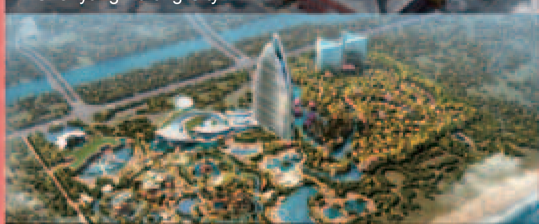


• The Bund Finance Center

• Starcastle Senior Living Community



• Shenyang Yulong City



• Atlantis Resort in Sanya, Hainan

• Xiangyang Tianmao City

Hive Community

can be further classified into 5 business models:

1 Financial Services Hive

Case studies: Lloyds Chambers in London, One Chase Manhattan Plaza in New York, The Bund Finance Center

2 Healthcare Hive

Case studies: Starcastle Senior Living Community, United Family Hospital

3 Culture & Entertainment Hive

Case studies: Orstar City Complex, Yuyuan, Shenyang Yulong City

4 Travel & Leisure Hive

Case studies: Atlantis Resort in Sanya, Hainan, Club Med

5 Logistics & Trade Hive

Case studies: Meihao Plaza, Xiangyang Tianmao City, Cainiao

Implementing the new model of urbanization is a major highlight of the Central Government, and a major driver of the sustaining economic development in China. Hive Community is a product integrated Fosun's industrial resources and through a public-private partnership ("PPP") model to assist local governments in the construction of core urban functions, with a key feature of "industry-backed urban development and urban-industry integration". Through providing core urban functions required by the cities, Fosun is able to take a lead in introducing its core industrial resources and to further introduce ancillary industries that support the core industries, with a view to promoting "Urban-Industry integration" by establishing a 24-hour plus 3-in-1 vibrant community for work, consumption and living, as well as introducing living and consumption services industries. The Hive Community products, therefore, provide clear and distinctive functions with active dispersal of peripheral services. They also provide adequate and diverse job opportunities (no more dormant cities, ghost cities), seeking to constitute functional communities that drive employment by industries. As such, a new model of communities which is self-sufficient and built with flexible combination of modules comprising different functions are established.

Fosun integrates various financial functions to establish urban and regional financial centres. With the Group's global investment network in insurance, banking, securities, equity investment and asset management, Fosun Property operates in 3 business lines, namely financial building, financial centre and financial city.

Fosun brings together urban healthcare services to establish a healthcare landmark for the city. With Fosun Pharma's capability throughout the entire industrial chain from research and development and manufacturing, retailing and sales, equipment for diagnosis, hospital services to senior care and healthcare, Fosun Property joins hands with Fosun Pharma to closely cooperate with a number of international outstanding enterprises including Fortress Investment Group LLC, a leading senior care investment group in USA; United Family Healthcare, the number one medical brand in China serving foreigners; and Alma Lasers Ltd., the world's leading high-end medical and aesthetic device manufacturer originated in Israel; with a view to working together to proactively develop the two core projects, namely Fosun urban healthcare complex and Fosun healthcare city.

Fosun strives to explore distinctive urban culture on its three categories of business lines namely urban complex, commercial/tourism/culture complex and urban culture district, which brings together under one roof a variety of different functions including offices, commercial, hotels, entertainment, leisure and residential.

Fosun focuses on the travel and leisure demand upon urban upgrades. With Fosun's capability of exploring natural and cultural resources, the endowed city shall perfectly fulfill modern consumption demand. Since 2010, the Group has invested in Club Med, the French premium leisure resort hotel chain and also kicked off the development of the world's third ultimate high-end hotel and ocean theme park Atlantis Resort in Sanya, Hainan. These allow Fosun Property to become the preferred partner in urban tourism resources development. Given the ever increasing consumers' demand for high quality life in China, Fosun Property started operating its "tourist town" business around key cities and scenic areas.

Fosun gathers urban logistics and trade features for facilitating close interactions using internet e-commerce. As the strategic partner of Alibaba, Fosun accurately seizes the trend of increasing internet consumption in China and optimizes internet networking in its property development. As such, Fosun currently operates 3 lines namely Zhihui City, Tianmao City and Meihao Plaza.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

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

ASSET ALLOCATION OF THE GROUP

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

Unit: RMB million

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

INSURANCE


Yong'an P&C Insurance
Fosun Insurance Portugal
Peak Reinsurance
Pramerica Fosun Life Insurance

INSURANCE

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

Since 2007, the Group has been putting great efforts in the development of insurance business. In addition to our investments in Yong'an P&C Insurance, in 2012, Pramerica Fosun Life Insurance and Peak Reinsurance invested by the Group also obtained operation approval and certificate of authorization from regulatory authorities, and commenced operations in Shanghai and Hong Kong respectively. The Group completed the acquisition of an 80% equity interest in Fosun Insurance Portugal in May 2014, with a substantial increase in insurance assets. The Group regarded the development of insurance business as a good means to connect Fosun's investment capability to high quality long-term capital. On one hand, the abovementioned four insurance companies can improve their profits from underwriting by leveraging on the Group's extensive industrial operations experience and expertise in insurance and finance, and on the other hand also realize higher investment revenue through the effective investment practices. As a result, insurance plus investment will be our business cores to focus on in the future.

Fosun Insurance Portugal

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

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

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

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

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

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

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

Fosun Insurance Portugal Investment Portfolio - Asset Allocation:

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

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

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

REN

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

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

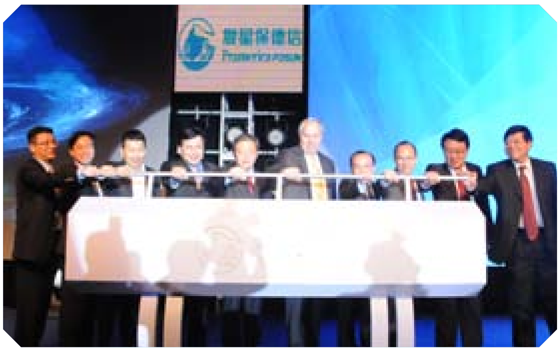
REN has the right to operate National Electricity Transmission Network and National Natural Gas Transmission Network of Portugal on a monopoly basis. Its overall operations are stable, which enables it to effectively resist short-term economic fluctuations. REN emphasizes return on equity and has a stable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

BONA

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

Yong'an P&C Insurance

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



Pramerica Fosun Life Insurance

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

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

Peak Reinsurance

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

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

Unit: RMB million

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

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

INDUSTRIAL OPERATIONS

INDUSTRIAL OPERATIONS

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

Fosun Pharma

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

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

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

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

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

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

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

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

Unit: RMB million

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

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

Forte

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

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

Project Development

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

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

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

Development projects in the first half of 2014

City	GFA (sq.m.)	
	Total	Attributable
Shanghai	738,822	410,062
Nanjing	671,708	455,586
Wuxi	411,380	277,613
Hangzhou	779,958	396,432
Cixi	446,200	312,340
Ningbo	68,312	45,086
Tianjin	61,524	43,067
Datong	177,352	177,352
Taiyuan	97,755	78,204
Changchun	68,809	68,809
Chengdu	140,001	89,211
Chongqing	299,620	218,833
Changsha	87,989	87,989
Wuhan	704,997	448,270
Hainan	210,003	63,001
Xi'an	204,530	102,265
Fuyang	151,316	75,658
Dongyang	431,167	120,942
Total	**5,751,444**	**3,470,719**

Project Reserves

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

Newly added project reserves in the first half of 2014

Unit: sq.m.

City	Project Name	Planned GFA	Attributable GFA	Equity interest of the company	Usage
Beijing	Land parcel IX-02 in Tongzhou Canal Core District	89,000	89,000	100%	commercial & office
Beijing	Land parcel IX-06 in Tongzhou Canal Core District	133,500	133,500	100%	commercial & office
Total		**222,500**	**222,500**		

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

Project reserves (as at 30 June 2014)

Unit: sq.m.

City	Project reserves		Undeveloped		Under development	
	Total	Attributable	Total	Attributable	Total	Attributable
Shanghai	1,718,379	1,012,735	979,557	602,673	738,822	410,062
Nanjing	1,303,107	862,046	683,128	455,020	619,979	407,026
Wuxi	490,742	317,294	79,362	39,681	411,380	277,613
Hangzhou	850,814	507,625	171,700	171,700	679,114	335,925
Tianjin	701,368	701,368	701,368	701,368	—	—
Datong	379,797	379,797	202,445	202,445	177,352	177,352
Taiyuan	553,155	442,524	455,400	364,320	97,755	78,204
Changchun	68,809	68,809	—	—	68,809	68,809
Chengdu	2,637,757	1,586,225	2,497,756	1,497,014	140,001	89,211
Chongqing	1,585,357	1,019,830	1,314,791	830,051	270,566	189,779
Changsha	216,881	216,881	128,892	128,892	87,989	87,989
Wuhan	1,734,200	1,108,030	1,029,203	659,760	704,997	448,270
Hainan	517,920	155,376	307,917	92,375	210,003	63,001
Xi'an	2,103,172	1,051,586	1,898,642	949,321	204,530	102,265
Fuyang	37,354	18,677	—	—	37,354	18,677
Cixi	529,200	370,440	83,000	58,100	446,200	312,340
Ningbo	68,312	45,086	—	—	68,312	45,086
Dongyang	828,766	232,468	397,599	111,526	431,167	120,942
Beijing	222,500	222,500	222,500	222,500	—	—
Total	**16,547,590**	**10,319,297**	**11,153,260**	**7,086,746**	**5,394,330**	**3,232,551**

Property Sales

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

Contract sales area and sales revenue in the first half of 2014

City	Project Name	Attributable Area (sq.m.)	Attributable Revenue (RMB million)	Total Area (sq.m.)	Total Revenue (RMB million)	Equity Interest of the Group
Shanghai	Yi He Hua Cheng	1,985	72.7	3,969	145.3	50.00%
Shanghai	Patio	305	8.7	555	15.8	55.00%
Shanghai	Forte Jinshiwan	3,866	25.6	3,866	25.6	100.00%
Shanghai	Forte Leading Mansion	2,333	24.4	4,666	48.9	50.00%
Shanghai	Gubei New City	3,121	8.7	6,243	17.4	50.00%
Shanghai	ShanghaiCorporate Campus	2,035	37.8	3,071	57.1	66.25%
Shanghai	Di Jie (Forte vanke energy mall, Legend of the sea)	30,258	1,008.6	75,645	2,522	40.00%
Shanghai	Xingguang Yu	5,694	274.7	11,387	549.4	50.00%
Shanghai	Others	1,527	11.4	1,565	12.9	
Tianjin	Windsor Villa	6,621	74.1	9,459	105.9	70.00%
Chongqing	Forte Mountain	2,882	26.4	5,764	52.8	50.00%
Chongqing	The Villa in the Flower Island	7,304	76.3	7,304	76.3	100.00%
Chongqing	Others	3,099	14.1	3,099	14.1	
Chengdu	Gorgeous Lakeside	3,601	22.3	3,601	22.3	100.00%
Chengdu	Forte Times	10,343	49.9	10,343	49.9	100.00%
Chengdu	Forte Kingdom Fragrance(1)	6,887	64.5	10,214	96.3	100.00%
Chengdu	Unusual Luxury	1,782	22.8	3,564	45.5	50.00%

City	Project Name	Attributable Area (sq.m.)	Attributable Revenue (RMB million)	Total Area (sq.m.)	Total Revenue (RMB million)	Equity Interest of the group
Hangzhou	Invaluable City	1,681	36.2	2,241	48.3	75.00%
Hangzhou	Forte Uptown	4,029	42.8	6,715	71.3	60.00%
Hangzhou	Huang Long He Mountain	1,680	30.8	1,680	30.8	100.00%
Fuyang	Forte Times	965	12.7	1,930	25.4	50.00%
Cixi	Royal Mansion	1,492	15.9	2,131	22.7	70.00%
Wuhan	Forte International East Lake	69,175	930.9	98,822	1,329.8	70.00%
Wuhan	Joy Town Residence	17,210	126.9	49,172	362.7	35.00%
Changsha	Great Seal of the Lord(2)	8,116	113.2	8,146	113.6	100.00%
Taiyuan	Forte Dongshan International	6,443	55.0	8,054	68.7	80.00%
Datong	Heraldry of Power	9,547	79.6	9,547	79.6	100.00%
Nanjing	Graceful Oasis	19,901	239.2	48,598	584.1	40.95%
Nanjing	Ronchamp Villa	2,211	31.5	2,211	31.5	100.00%
Nanjing	Glorious Time	23,281	455.3	23,281	455.3	100.00%
Nanjing	Palais Luxueux(3)	12,622	272.1	13,866	298.8	100.00%
Wuxi	Australian Garden	5,766	38.6	11,531	77.1	50.00%
Wuxi	Joy Town Residence	11,837	93.4	14,797	116.7	80.00%
Changchun	Natural City	28,093	175.6	28,093	175.6	100.00%
Xi'an	Yotown	300	1.5	316	1.6	95.00%
Xi'an	Chief Park City	9,349	56.8	18,698	113.6	50.00%
Dongyang	Zhejiang Treasure Mansion	46	0.8	165	2.7	28.05%
Total		**327,389**	**4,631.5**	**514,311**	**7,866.8**	

Property Booked

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

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

Booked area and booked amount of properties in the first half of 2014

City	Project Name	Attributable Area (sq.m.)	Attributable Revenue (RMB million)	Total Area (sq.m.)	Total Revenue (RMB million)
Changchun	Natural City	46,902	326.1	46,902	326.1
Tianjin	Windsor Villa	26,253	256.8	37,504	366.8
Hangzhou	Invaluable City	9,425	113.1	12,566	150.8
Fuyang	Forte Times	1,251	15.4	2,503	30.7
Nanjing	Glorious Time	5,947	103.3	5,947	103.3
Nanjing	Ronchamp Villa	4,883	71.5	4,883	71.5
Nanjing	PalaisLuxueux	19,604	447.1	19,604	447.1
Wuxi	Joy Town Residence	1,253	6.9	1,566	8.6
Wuxi	Australian Garden	1,057	7.8	2,114	15.5
Shanghai	Patio	3,315	2.6	6,027	4.7
Shanghai	Yi He Hua Cheng	2,611	95.9	5,221	191.7
Shanghai	Aromatic Villa	3,553	113.4	4,442	141.7
Shanghai	Shanghai Corporate Campus	3,544	61.5	5,350	92.8
Shanghai	Forte Leading Mansion	2,662	25.2	5,323	50.3
Shanghai	Gubei New City	3,121	8.70	6,243	17.4
Shanghai	Di Jie (Forte vanke energy mall, Legend of the sea)	182	0.60	455	1.5
Shanghai	Others	2,109	12.6	2,108	11.7
Taiyuan	Forte Dongshan International	1,464	16.8	1,830	21.0
Changsha	Great Seal of the Lord(2)	5,405	96.7	5,501	97.8
Wuhan	Forte International East Lake	9,064	61.2	12,947	87.4
Chengdu	Gorgeous Lakeside	4,042	26.6	4,042	26.6
Chengdu	Forte Times	11,663	114.6	11,663	114.6
Chengdu	Forte Kingdom Fragrance(1)	11,642	112.1	15,410	147.3
Chongqing	Forte Uptown Forte Times	1,084	5.8	1,084	5.8
Chongqing	The Villa in the Flower Island	13,908	133.6	13,908	133.6
Chongqing	Forte Mountain	17,315	172.0	34,630	344.0
Xi’an	Yotown	300	1.6	316	1.6
Dongyang	Zhejiang Treasure Mansion	46	0.8	165	2.7
Total		**213,605**	**2,410.3**	**270,254**	**3,014.6**

Notes:

(1) In May 2014, the equity interest increased from 51% to 100% and the contract sales area and contract sales revenue were calculated by weighted average method.

(2) In February 2014, the equity interest increased from 84% to 100% and the contract sales area and contract sales revenue were calculated by weighted average method.

(3) In June 2014, the equity interest increased from 90% to 100% and the contract sales area and contract sales revenue were calculated by weighted average method.

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

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

Unit: RMB million

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

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

Nanjing Nangang

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

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

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

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

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

Unit: RMB million

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

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

Hainan Mining

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

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

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

Unit: RMB million

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

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

INVESTMENT


Investments in Strategic Associates
Other Investments
PE
Secondary Market Investments
LP Investments

INVESTMENT

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

Investments in Strategic Associates

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

Yuyuan

Yuyuan is mainly engaged in commercial retail, and wholesale and retail of gold and jewellery, and it holds certain equity interests in Zhaojin Mining. During the Reporting Period, Yuyuan recorded operating revenue of RMB10,038 million, representing a decrease of 25.3% over the same period of last year. Total net profit was RMB411 million, decreased by 42.3% year-on-year. The profit attributable to shareholders of the listed company amounted to RMB330.2 million, representing a decrease of 36.84% over the same period of last year. Yuyuan recorded lower operating revenue and net profit when compared with the same period of last year due to two reasons. Firstly, the drastic fall in gold price during the first half of 2013 had stimulated consumption, leading to a significant growth in sales of gold products in the first half of 2013 and resulted in a relatively high base figure. Secondly, as Yuyuan Gold and Jewellery Group obtained spot gold by gold leasing and through the Shanghai Gold Exchange, the extended period for gold T+D transactions and financial derivatives such as gold forward transactions and gold futures trading were also utilized for hedging to fix the costs. Since the international gold price trend in the first half of the year was in the reverse direction when compared with the same period of last year, resulting in a lower temporary gain/loss on changes arising from gold leasing and gold T+D transactions as at the end of the Reporting Period when compared with the same period of last year.

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

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

Jianlong Group

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

Shanjiaowulin

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

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

PE

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

Zhaojin Mining

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

Focus Media

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

St. John

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

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

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

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

Caruso

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

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

Kleinwort Benson Group

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

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

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

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

Secondary Market Investments

The Group's investments in the secondary market include Club Med, Folli Follie, Minsheng Bank, Industrial Bank, CITS, Perfect World, Changyuan Group Ltd. ("Changyuan Group"), Sanyuan Foods, Ping An Insurance, Datang Power, etc.

Club Med

Club Med was an important investment of the Group in "combining China's growth momentum with global resources" investment model in 2010. During the Reporting Period, the tender offer made by the Group with Ardian (formerly known as Axa Private Equity) and the top managers of Club Med proceeded after the objections from minority shareholders were overruled. However, on 13 August 2014, following Autorité des marchés financiers (French securities regulatory authority)'s issuance of statement of compliance for a competing bid filed by Global Resorts SAS, an amendment agreement No. 3 to the investment agreement has been entered into among Fosun, Ardian and top managers, pursuant to which the parties to the investment agreement have decided to withdraw the tender offer launched by Gaillon Invest. Fosun will explore any potential options which would serve Fosun's and Club Med's best interests, and Ardian stated that it would also be associated with such considerations, thus the parties to the investment agreement will continue acting in concert for such purposes. As for its results, despite the continuous decline in Club Med's major European markets, Club Med recorded a net profit of Euro16.0 million during the first half of 2014 fiscal year, which stayed flat as compared to that of the same period of 2013, relying on the growth of the emerging markets such as America, China and Russia. After the Group's equity participation in Club Med and forming a strategic alliance with Club Med, the development strategy of Club Med in China has achieved significant progress with stronger ties between the two cooperating parties and increasing synergies from both parties' resources. During the Reporting Period, the third Club Med resort in China opened in Zhuhai. According to Club Med's development plan, China will become the second largest market after France for Club Med by 2015.

Folli Follie

Folli Follie, a globally renowned fashion retail group, was an overseas strategic investment of the Group in 2011. As at the end of June 2014, the Group held 9.96% equity interest and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, held 3.89% equity interest in Folli Follie, amounting to 13.85% equity interest in total.

During the Reporting Period, the sales revenue of Folli Follie for the first quarter of 2014 amounted to Euro228.0 million, representing an increase of 11.2% over the same period of last year. Its profit before tax was Euro49.3 million, representing an increase of 56.0% over the same period of last year. The net profit attributable to owners of the listed company amounted to Euro38.3 million, representing an increase of 43.4% over the same period of last year. The sales of its core brand business increased by 10.4%, EBITDA increased by 25% and operating profit increased by 27%. As of the end of the first quarter of 2014, Folli Follie had 609 point of sales all over the world, of which nearly 220 were in China. The other two business segments of Folli Follie – wholesale/retail and department stores achieved growth of 18.7% and 7.5% respectively in sales revenue over the same period of last years.

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

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

Minsheng Bank

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

Industrial Bank

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

CITS

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

During the Reporting Period, CITS recorded revenue of RMB4,403 million for the first quarter of 2014, representing an increase of 11.8% over the same period of last year, and the net profit attributable to owners of the parent amounted to RMB533 million, representing a growth of 7.4% over the same period of last year.

China International Travel Service Limited, head office under CITS is the largest travel agency in China. According to the National Tourism Administration, CITS ranked first in China for both outbound and inbound travel markets. China Duty Free Group Co., Ltd. under CITS is a nationwide qualified duty-free retailer, and its duty-free shop with an area of 119,000 square meters in Haitang Bay, Sanya, Hainan, the largest one in the world, will open on 1 September 2014.

Perfect World

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

Changyuan Group

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

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

Sanyuan Foods

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

Ping An Insurance

Ping An Insurance is an important investment of the Group in the financial services industry. According to the 2014 interim report of Ping An Insurance, Ping An Insurance recorded operating revenue of RMB236,336 million for the first half of 2014, representing an increase of 24.7% over the same period of last year. The net profit attributable to shareholders of the parent amounted to RMB21,362 million, representing an increase of 19.3% over the same period of last year. The annualized weighted average return on equity for the first half of 2014 was 10.9%, representing an increase of 1.2 percentage points over the same period of last year. As of the end of the second quarter of 2014, the total assets of Ping An Insurance amounted to RMB3,801,225 million, representing an increase of RMB440,913 million and 13.1% over that as at the end of 2013.

Datang Power

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

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

LP Investments

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

Other Investments

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

The Bund Finance Center

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

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

Dalian Donggang

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

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

Atlantis

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

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

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

Hong Kong Clear Water Bay Land

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

Resource Property

Resource Property is an integrated service provider in the property circulation sector of the Group. In the first half of 2014, it overcame the adverse effects brought by the policy of austerity measures in major cities, and maintained a continuous rising trend in its new business development.

Starcastle Senior Living

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

Cainiao

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

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

Lloyds Chambers of London

In October 2013, the Group purchased Lloyds Chambers of London with its partner at a purchase price of GBP64.5 million. The project located at 1 Portsoken Street E1 in the financial district of London and is approximately 300 meters to the historic scenic attraction Tower Bridge. The building is located on a site of 0.68 acre and is comprised of a 9-storey office building and a 1-storey underground structure with a total floor area of 193,450 sq.ft.. During the Reporting Period, the building recorded rental revenue of GBP3.55 million and a profit of GBP1.6 million.

One Chase Manhattan Plaza of New York

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

Chuangfu Finance Leasing

Chuangfu Finance Leasing is engaged in automobile finance leasing for corporate and individual customers who need mid-high end automobile related financial services. As a market leader in its field, the company maintains strategic collaborations with a number of high-end automobile manufacturers and dealers such as BMW Automobile Finance, Audi and Mercedes Benz. In August 2013, Fosun Great China Finance Company Limited, a subsidiary of the Company, acquired an equity stake in Chuangfu Finance Leasing. After completion of the capital increase in February 2014, Fosun Great China Finance Company Limited has a shareholding of 59.4% in Chuangfu Finance Leasing. As of 30 June 2014, the scale of leasing assets of Chuangfu Finance Leasing amounted to RMB355 million, representing an increase of 35.6% over the end of 2013.

Studio 8

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

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

VC Investments

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

ASSET MANAGEMENT

ASSET MANAGEMENT

During the Reporting Period, the global economic recovery remained weak and external economic environment challenges were still severe. The Group continuously expanded the asset management business by upholding the investment philosophy of value investment and "combining China's growth momentum with global resources" and consistently generated long term and stable returns for limited partners.

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

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

IDERA

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

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

Secret Recipe

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

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

Linekong Interactive

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

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

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

Osborne

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

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

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

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

<table>
<tr><th>No.</th><th>Stock code</th><th>Stock name</th><th>Treasury stock</th><th>Percentage of total share capital</th><th>Currency</th><th>Closing Price as at 30 June 2014</th><th>Market Value as at 30 June 2014 (RMB)</th><th>Accounting Treatment</th></tr>
<tr><td>1</td><td>01988.HK</td><td>Minsheng Bank (H)</td><td>634,405,800</td><td>1.86%</td><td>HKD</td><td>7.02</td><td rowspan="2">5,232,247,686</td><td rowspan="6">Fair Value Through Profit and Loss</td></tr>
<tr><td></td><td>600016.SH</td><td>Minsheng Bank (A)</td><td>276,000,000</td><td>0.81%</td><td>RMB</td><td>6.21</td></tr>
<tr><td>2</td><td>FFGRP.GA</td><td>Folli Follie</td><td>6,669,828</td><td>9.96%</td><td>Euro</td><td>29.1</td><td>1,628,431,836</td></tr>
<tr><td>3</td><td>601166.SH</td><td>Industrial Bank</td><td>108,637,124</td><td>0.57%</td><td>RMB</td><td>10.03</td><td>1,089,630,354</td></tr>
<tr><td>4</td><td>601888.SH</td><td>CITS</td><td>19,250,000</td><td>1.97%</td><td>RMB</td><td>33.04</td><td>636,020,000</td></tr>
<tr><td>5</td><td>01336.HK</td><td>New China Insurance (H)</td><td>31,009,800</td><td>0.99%</td><td>HKD</td><td>25.7</td><td rowspan="2">648,560,244</td></tr>
<tr><td></td><td>601336.SH</td><td>New China Insurance (A)</td><td>897,694</td><td>0.03%</td><td>RMB</td><td>21.13</td><td>Available for Sale</td></tr>
<tr><td>6</td><td>PWRD.NASDAQ</td><td>Perfect World</td><td>5,348,292</td><td>10.8%</td><td>USD</td><td>19.63</td><td>645,669,878</td><td rowspan="4">Fair Value Through Profit and Loss</td></tr>
<tr><td>7</td><td>00991.HK</td><td>Datang Power (H)</td><td>261,034,000</td><td>1.96%</td><td>HKD</td><td>3.03</td><td>624,837,086</td></tr>
<tr><td>8</td><td>CU.FP</td><td>Club Med</td><td>3,170,579</td><td>9.35%</td><td>Euro</td><td>19.51</td><td rowspan="2">584,010,684</td></tr>
<tr><td></td><td></td><td>Club Med CB</td><td>366,636</td><td>—</td><td>Euro</td><td>21.14</td></tr>
<tr><td>9</td><td>002412.SZ</td><td>Hansen pharmaceutical</td><td>35,268,594</td><td>11.92%</td><td>RMB</td><td>14.87</td><td>524,443,993</td><td>Associate</td></tr>
<tr><td>10</td><td>600525.SH</td><td>Changyuan Group</td><td>43,175,500</td><td>5.00%</td><td>RMB</td><td>11.04</td><td>476,657,520</td><td>Available for Sale</td></tr>
<tr><td>11</td><td>—</td><td>Others</td><td>—</td><td>—</td><td>—</td><td>—</td><td>8,735,659,312</td><td>—</td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td></td><td></td><td></td><td>20,826,168,592</td><td>—</td></tr>
</table>

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

RECENT DEVELOPMENT

Tom Tailor

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

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

ROC

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

Zhongshan Public Utilities

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

CNFC Fishery

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

Ironshore

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

China Huarong

China Huarong Asset Management Co., Ltd. ("China Huarong") is an important investment of the Group in the financial services, industry and is also an important practice of participation in the state-owned enterprises (SOE) reform. Fosun Insurance Portugal participated in the share issue transaction of China Huarong with an investment amount of approximately RMB1.06 billion. On 27 June 2014, the Group had signed a share subscription agreement and a strategic cooperation framework agreement with China Huarong.

China Huarong is a large financial state-owned enterprise whose establishment was initiated by the Ministry of Finance of the PRC and was transformed from a political non-performing asset disposal company to a comprehensive financial service platform for market-oriented non-performing asset operation and management and covering banking, securities and trust. In 2013, China Huarong realized group profit before provision of RMB19.99 billion, representing an increase of 66.0% as compared to RMB12.06 billion for 2012. As at 31 December 2013, China Huarong had total assets exceeding RMB400 billion, ranking the first among the top four Asset Management Companies (AMC). The Group is optimistic about China Huarong's innovative non-performing asset management operation business model and experience, extensive business network and rich customer resources as well as outstanding management team and professional execution team. The acquisition of a stake in China Huarong also represents Fosun's first participation in the SOE reform at the central-government-owned enterprise level, which will help make the Group more experienced and competitive in future similar investments.

FUTURE DEVELOPMENT

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

FINANCIAL REVIEW

Net Interest Expenditures

Net interest expenditures net of capitalized amounts of the Group increased from RMB1,251.0 million for the six months ended 30 June 2013 to RMB1,562.7 million for the six months ended 30 June 2014. This was mainly attributable to the growth in scale of total borrowings. For the six months ended 30 June 2014, the interest rates of borrowings were approximately between 0.9% and 11.0% while the interest rates of borrowings were approximately between 1.1% and 15.0% for the same period of last year.

Tax

Tax of the Group decreased from RMB821.4 million for the six months ended 30 June 2013 to RMB759.0 million for the six months ended 30 June 2014. The decrease in tax was mainly due to the decrease of taxable profit in industrial operations segment as compared with the same period of 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 2014, the Group's capital commitment contracted but not provided for was RMB12,483.4 million, while capital commitment approved but not yet contracted was RMB1,715.9 million. These were mainly committed for property development, addition of plant and equipment and investments. Details of capital commitment are set out in note 17 to interim condensed consolidated financial statements.

Indebtedness and Liquidity of the Group

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

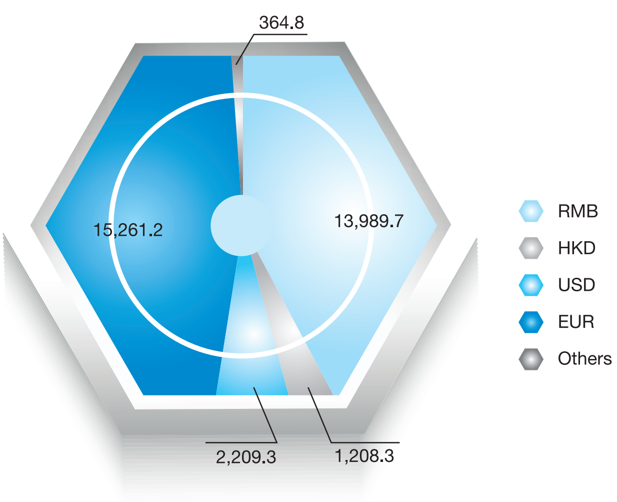
Unit: RMB million

	30 June 2014	31 December 2013
Total debt	**87,532.6**	69,084.4
Cash and bank balances	**33,033.3**	16,387.2

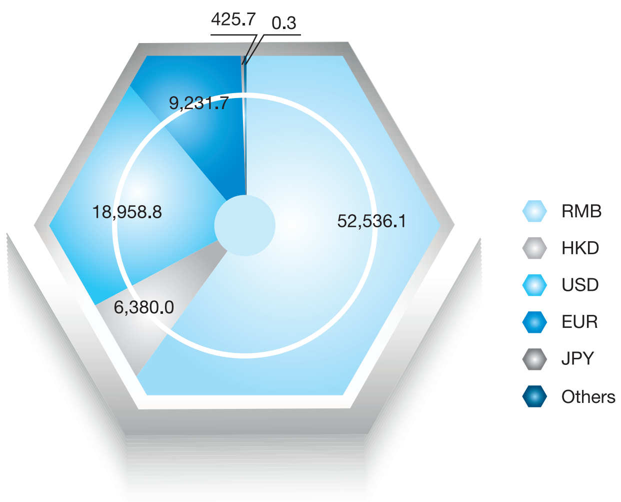
The original denomination of the Group's debt as well as cash and bank balances by currencies, equivalent in RMB, as at 30 June 2014, is summarized as follows:

Unit: RMB million equivalent

Cash and Bank Balances



Total Debt



Total Debt to Total Capitalization Ratio

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

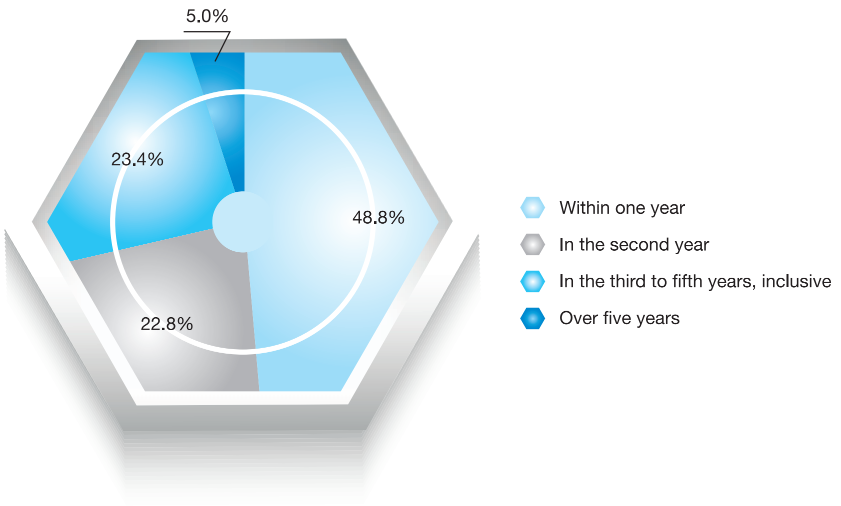
Basis of Calculating Interest Rate

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 2014, 46.1% 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 borrowings in that year.

Outstanding borrowings classified by year of maturity as at 30 June 2014 are as follows:



Available Facilities

Save for cash and bank balances of RMB33,033.3 million as at 30 June 2014, the Group had unutilised banking facilities of RMB103,919.8 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 2014, aggregate available banking facilities under these arrangements was approximately RMB169,437.4 million, of which RMB65,517.6 million has already been utilized.

Pledged Assets

As at 30 June 2014, the Group had pledged assets of RMB27,618.6 million (31 December 2013: RMB25,738.5 million) for bank borrowings. Details of pledged assets are set out in note 12 to interim condensed consolidated financial statements.

Contingent Liabilities

The Group's contingent liabilities of RMB3,092.0 million as at 30 June 2014 (31 December 2013: RMB3,166.4 million), were primarily applied to guarantee the mortgage loans of qualified property buyers. Details of contingent liabilities are set out in note 18 to interim condensed consolidated financial statements.

Interest Coverage

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

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 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.

With the launching of globalization strategy, the proportion of assets held by the group denominated in currencies other than RMB had increased. Financial settlement and currency conversion as at the reporting date of these non-RMB assets may generate a certain amount of foreign exchange losses or gains, thereby affecting the Group's profits or net assets.

Interest rate exposure

The Group uses bank loans and other borrowings to meet its capital expenditure and working capital requirements from time to time and is subject to the risk of interest rate fluctuation. Since a certain amount of the Group's borrowings is provided at floating interest rates which are subject to change by the lenders as required by 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 2014

	Notes	For the six months ended 30 June 2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
REVENUE		24,795,877	23,970,590
Cost of sales		(19,024,154)	(19,187,625)
Gross profit		5,771,723	4,782,965
Other income and gains	5	2,913,860	3,598,968
Selling and distribution costs		(1,402,764)	(1,271,363)
Administrative expenses		(2,950,425)	(1,735,029)
Other expenses		(1,113,694)	(750,744)
Finance costs	6	(1,760,225)	(1,318,340)
Share of profits and losses of:			
Joint ventures		1,159,680	(53,546)
Associates		865,025	594,966
PROFIT BEFORE TAX	7	3,483,180	3,847,877
Tax	8	(759,040)	(821,350)
PROFIT FOR THE PERIOD		2,724,140	3,026,527
Attributable to:			
Owners of the parent		1,833,873	1,691,550
Non-controlling interests		890,267	1,334,977
		2,724,140	3,026,527
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the Period (RMB)	9	0.28	0.26
Diluted			
– For profit for the Period (RMB)	9	0.28	0.26

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	33,461,131	30,215,747
Investment properties		14,757,231	9,896,252
Prepaid land lease payments		2,019,114	1,993,975
Exploration and evaluation assets		16,136	5,189
Mining rights		770,689	794,636
Intangible assets		2,094,546	1,871,056
Goodwill		3,605,737	3,050,328
Investments in joint ventures		7,165,666	6,470,034
Investments in associates		21,837,657	20,369,716
Available-for-sale investments		18,919,629	10,050,291
Properties under development		12,343,364	10,528,713
Loan receivable		2,076,519	3,161,103
Prepayments, deposits and other receivables		949,940	853,654
Inventories		125,997	207,541
Deferred tax assets		4,335,786	2,645,312
Policyholder account assets in respect of unit-linked contracts		621,497	—
Insurance and reinsurance debtors		72,654	—
Reinsurers' share of insurance contract provisions		594,907	—
Term deposits		811,688	—
Total non-current assets		126,579,888	102,113,547
CURRENT ASSETS			
Cash and bank balances		33,033,308	16,387,191
Equity investments at fair value through profit or loss		14,186,071	13,465,979
Trade and notes receivables	11	4,977,613	4,684,199
Prepayments, deposits and other receivables		8,869,617	7,049,612
Inventories		6,529,773	6,313,952
Completed properties for sale		7,116,988	8,949,037
Properties under development		27,177,518	20,331,229
Loans receivable		412,600	100,000
Due from related companies		2,829,637	3,175,550
Available-for-sale investments		72,087,365	—
Policyholder account assets in respect of unit-linked contracts		6,710,696	—
Insurance and reinsurance debtors		1,854,990	341,333
Reinsurers' share of insurance contract provisions		938,382	—
		186,724,558	80,798,082
Non-current assets held for sale		9,793	212,293
Total current assets		186,734,351	81,010,375

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	42,491,548	31,539,941
Loans from related companies		199,745	196,477
Trade and notes payables	14	20,194,394	14,928,283
Accrued liabilities and other payables		25,205,707	19,445,737
Tax payable		2,855,286	2,834,905
Finance lease payables		46,193	46,587
Deposit from customers		1,150,542	1,636,739
Due to the holding company		688,622	3,144,864
Due to related companies		2,238,170	2,392,109
Derivative financial instruments		65,663	—
Unearned premium provisions		2,999,860	207,427
Provision for outstanding claims		7,390,135	318,667
Provision for unexpired risks		370,792	—
Financial liabilities for unit-linked contracts		2,164,631	—
Investment contract liabilities		8,599,670	—
Other life insurance contract liabilities		1,262,962	—
Insurance and reinsurance creditors		1,704,080	67,895
Total current liabilities		119,628,000	76,759,631
NET CURRENT ASSETS		67,106,351	4,250,744
TOTAL ASSETS LESS CURRENT LIABILITIES		193,686,239	106,364,291
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	42,422,995	35,028,323
Convertible bonds	13	2,418,267	2,319,675
Finance lease payables		22,265	43,085
Deferred income		227,481	526,864
Due to related companies		166,072	157,851
Other long term payables		3,523,551	3,220,349
Deferred tax liabilities		5,321,199	3,768,315
Provision for outstanding claims		8,522,596	—
Financial liabilities for unit-linked contracts		5,983,039	—
Investment contract liabilities		43,159,895	—
Other life insurance contract liabilities		14,546,357	—
Total non-current liabilities		126,313,717	45,064,462
Net assets		67,372,522	61,299,829

	Notes	**30 June 2014 RMB'000 (Unaudited)**	31 December 2013 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**16,303,189**	621,497
Reserves		**27,686,906**	38,249,408
Proposed final dividend	15	**—**	757,328
		43,990,095	39,628,233
Non-controlling interests		**23,382,427**	21,671,596
Total equity		**67,372,522**	61,299,829

Guo Guangchang
Director

Ding Guoqi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	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 investment revaluation reserve RMB'000	Capital redemption reserve RMB'000	Other reserve RMB'000	Convertible bonds RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Proposed final dividend RMB'000 (note 15)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014 (audited)	621,497	11,793,716	(443,540)	3,079,315	713,716	1,465	1,001,959	721,171	21,969,291	(587,685)	757,328	39,628,233	21,671,596	61,299,829
Total comprehensive (loss)/income for the Period	—	—	—	—	(83,676)	—	—	—	1,833,873	(36,207)	—	1,713,990	866,058	2,580,048
Acquisition of subsidiaries (note 16)	—	—	—	—	—	—	—	—	—	—	—	—	2,303,707	2,303,707
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	1,757,540	1,757,540
Rights issue of new shares**	3,886,511	—	—	—	—	—	—	—	—	—	—	3,886,511	—	3,886,511
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(1,153,260)	(1,153,260)
Final dividend declared	—	—	—	—	—	—	—	—	—	—	(757,328)	(757,328)	—	(757,328)
Share of other reserve of associates	—	—	—	—	—	—	(49,597)	—	—	—	—	(49,597)	(132,664)	(182,261)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(761,625)	—	—	—	—	(761,625)	(1,312,209)	(2,073,834)
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	(300,537)	(300,537)
Deemed disposal of additional interests in a subsidiary	—	—	—	—	—	—	335,482	—	—	—	—	335,482	(335,482)	—
Fair value adjustment on the stock redemption – option granted to non-controlling shareholders of a subsidiary	—	—	—	—	—	—	(832)	—	—	—	—	(832)	(2,943)	(3,775)
Equity-settled share-based payments	—	—	—	—	—	—	5,733	—	—	—	—	5,733	10,149	15,882
Deemed acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(10,472)	—	—	—	—	(10,472)	10,472	—
Transfer to issued capital***	11,795,181	(11,793,716)	—	—	—	(1,465)	—	—	—	—	—	—	—	—
At 30 June 2014 (unaudited)	16,303,189	—*	(443,540)*	3,079,315*	630,040*	—*	520,648*	721,171*	23,803,164*	(623,892)*	—	43,990,095	23,382,427	67,372,522

* These reserve accounts comprise the consolidated reserves of RMB27,686,906,000 (31 December 2013: RMB38,249,408,000) in the consolidated statement of financial position.

** In May 2014, the Company issued 500,884,371 rights shares at the subscription price of HKD9.76 per share.

*** Pursuant to the transitional provisions for the abolition of the nominal value of share capital included in the new Hong Kong Companies Ordinance which became effective on 3 March 2014, the balances of the share premium and capital redemption reserve as at 3 March 2014 have been transferred to issued capital.

	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 15)	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 (loss)/ income 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	—	—	—	—	—	—	—	—	—	—	—	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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June 2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		431,062	1,694,894
Net cash outflow from operating activities of foreign insurance business		(310,467)	—
Interest paid		(575,996)	(476,759)
Tax paid		(1,105,535)	(1,176,797)
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(1,560,936)	41,338
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment, prepaid land lease payments, intangible assets, mining rights and exploration and evaluation assets		(2,665,915)	(3,416,640)
Purchase of available-for-sale investments and equity investments at fair value through profit or loss		(3,804,744)	(3,519,688)
Proceeds from disposal of available-for-sale investments and equity investments at fair value through profit or loss		1,740,461	3,874,013
Proceeds from disposal of items of property, plant and equipment, intangible assets and land use rights		298,717	259,609
Disposal of subsidiaries		(1,041,539)	119,893
Proceeds from disposal of associates		243,185	86,011
Proceeds from disposal of non-current assets held for sale		134,105	—
Acquisition of subsidiaries	16	(8,405,607)	(1,387,407)
Acquisition and establishment of associates and joint ventures		(797,236)	(2,083,009)
Dividends and interests received from available-for-sale investments, equity investments at fair value through profit or loss and associates		615,139	371,141
Shareholder loans received from/(provided to) joint ventures and associates		804,800	(288,601)
(Increase)/decrease in pledged bank balances and time deposits with original maturity of more than three months		(2,699,866)	543,497
Decrease in restricted cash in escrow account for an investment		425,961	—
Prepayments for proposed acquisitions		(235,076)	(694,246)
Interest received		129,987	199,001
Net cash inflow from investing activities of foreign insurance business		2,868,298	—
Liquidation of subsidiaries		—	(59,400)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(12,389,330)	(5,995,826)

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	1,757,540	60,981
New bank and other borrowings	37,269,171	51,473,711
Repayment of bank and other borrowings	(18,297,163)	(43,242,989)
Proceeds from rights issue	3,886,511	—
Dividends paid to non-controlling shareholders of subsidiaries	(1,153,260)	(771,295)
Acquisition of additional interests in subsidiaries	(1,943,834)	(67,348)
Interest paid	(1,792,851)	(1,383,336)
Net cash outflow from financing activities of foreign insurance business	(2,756,563)	—
Others	(21,214)	(18,164)
NET CASH FLOWS FROM FINANCING ACTIVITIES	16,948,337	6,051,560
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,998,071	97,072
Cash and cash equivalents at beginning of the period	12,501,071	19,196,603
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15,499,142	19,293,675
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
CASH AND BANK BALANCES AT END OF THE PERIOD	33,033,308	21,650,813
Less: Pledged bank balances and term deposits with original maturity of more than three months	(16,556,850)	(1,505,804)
Required reserve deposits	(262,835)	(216,719)
Restricted presale proceeds of properties	(714,481)	(227,449)
Restricted cash in escrow account for an investment	—	(407,166)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15,499,142	19,293,675

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

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.

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 (collectively referred to as the industrial operations), 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 2014 and the related interim condensed consolidated income statements, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2014 (the "Period"), have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

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

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 2013, except for the adoption of revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations), as of 1 January 2014 noted below:

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

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

Investment Entities (Amendments to HKFRS 10, HKFRS 12 and HKAS 27)

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

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

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

Offsetting Financial Assets and Financial Liabilities – Amendments to HKAS 32

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

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to HKAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

HKFRIC 21 *Levies*

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

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

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

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. Forte and its subsidiaries mainly engage in the development and sale of properties in the Mainland China;

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

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

4. OPERATING SEGMENT INFORMATION *(Continued)*

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

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

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

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

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

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

Six months ended 30 June 2014 (unaudited)

	Industrial Operations								
	Pharmaceuticals and healthcare RMB'000	Property RMB'000	Steel RMB'000	Mining RMB'000	Asset management RMB'000	Insurance RMB'000	Investment RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	5,502,224	2,638,997	13,065,596	849,449	59,143	2,182,313	498,155	—	24,795,877
Inter-segment sales	—	—	—	19,227	42,963	—	11,377	(73,567)	—
Other income and gains	492,081	579,953	120,141	22,139	6,899	320,502	288,286	(17,680)	1,812,321
Total	5,994,305	3,218,950	13,185,737	890,815	109,005	2,502,815	797,818	(91,247)	26,608,198
Segment results	962,871	820,588	467,688	399,399	42,414	(444,086)	264,269	35,742	2,548,885
Interest and dividend income	73,565	56,505	77,985	3,648	11,729	652,785	316,048	(90,726)	1,101,539
Unallocated expenses									(431,724)
Finance costs	(186,906)	(210,765)	(513,311)	(23,670)	—	—	(885,722)	60,149	(1,760,225)
Share of profits and losses of									
– Joint ventures	(9,616)	74,515	5,998	—	(329)	(26,750)	1,115,862	—	1,159,680
– Associates	498,253	85,561	1,877	—	—	60,425	218,909	—	865,025
Profit before tax	1,338,167	826,404	40,237	379,377	53,814	242,374	1,029,366	5,165	3,483,180
Tax	(201,408)	(309,718)	9,213	(91,865)	(3,858)	(91,475)	(43,306)	(26,623)	(759,040)
Profit for the Period	1,136,759	516,686	49,450	287,512	49,956	150,899	986,060	(21,458)	2,724,140

4. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2013 (unaudited)

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

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

Segment assets:

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

4. OPERATING SEGMENT INFORMATION *(Continued)*

Segment liabilities:

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

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

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

* During the Period, Fosun Pharma disposed 99.53% equity interest of Chongqing Kangle Pharmaceutical Co., Ltd. and Forte lost control of Zhejiang Dongyang Woodcarving City Co., Ltd., through delegating the voting rights on shareholders meeting to another shareholder and the change of the composition of board of directors.

6. FINANCE COSTS

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

7. PROFIT BEFORE TAX

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

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

8. TAX

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

10. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment RMB'000
Carrying value at beginning of the Period (audited)	30,215,747
Additions	3,386,019
Acquisition of subsidiaries (note 16)	1,162,566
Disposals of subsidiaries	(88,680)
Disposals	(304,034)
Depreciation charge for the Period	(893,413)
Impairment for the Period	(2,614)
Exchange realignment	(14,460)
Carrying value at end of the Period (unaudited)	33,461,131

As at 30 June 2014, the Group's property, plant and equipment with a net carrying value of RMB1,216,938,000 (31 December 2013: RMB1,334,670,000), 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 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Trade receivables	2,983,052	2,839,919
Notes receivable	1,994,561	1,844,280
	4,977,613	4,684,199

11. TRADE AND NOTES RECEIVABLES *(Continued)*

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

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

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

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

At 30 June 2014, the Group's trade and notes receivables with a carrying amount of approximately RMB1,460,301,000 (31 December 2013: RMB610,243,000) were pledged to secure bank loans, as set out in note 12 to the interim condensed consolidated financial statements.

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

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		753,336	1,280,349
Secured		22,088,809	14,012,290
Unsecured		33,441,441	27,310,339
		56,283,586	42,602,978
Enterprise bonds and corporate bonds	(2)	10,931,400	10,920,027
Private placement note	(3)	3,982,872	1,985,025
Senior notes	(4)	4,029,738	3,989,607
Medium-term notes	(5)	2,586,274	2,582,433
Other borrowings, secured	(6)	996,112	543,876
Other borrowings, unsecured	(6)	6,104,561	3,944,318
Total		84,914,543	66,568,264
Portion classified as:			
Current		42,491,548	31,539,941
Non-current		42,422,995	35,028,323
Total		84,914,543	66,568,264

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 RMB208,809,000 (31 December 2013: RMB283,675,000), plant and machinery amounting to RMB505,351,000 (31 December 2013: RMB644,820,000), mining infrastructure amounting to RMB502,778,000 (31 December 2013: RMB406,175,000), investment properties situated in Mainland China amounting to RMB4,088,000,000 (31 December 2013: RMB4,757,000,000), prepaid land lease payments amounting to RMB157,374,000 (31 December 2013: RMB194,687,000), properties under development amounting to RMB12,299,014,000 (31 December 2013: RMB10,963,972,000), completed properties for sale amounting to RMB3,969,274,000 (31 December 2013: RMB5,514,314,000), time deposits with original maturity of more than three months amounting to RMB13,321,000 (31 December 2013: RMB3,387,000), trade and notes receivables amounting to RMB1,460,301,000 (31 December 2013: RMB610,243,000), equity investment at fair value through profit or loss amounting to RMB2,953,965,000 (31 December 2013: RMB1,353,888,000), an investment in a joint venture amounting to RMB540,070,000 (31 December 2013: RMB540,070,000), and investments in subsidiaries.

No inventories (31 December 2013: RMB435,928,000) was pledged to secure the interest bearing bank and other borrowings.

Bank balances amounting to RMB920,391,000 (31 December 2013: RMB30,291,000) were pledged to secure the interest-bearing bank and other borrowings.

The Group's interest-bearing bank and other borrowings amounting to RMB738,336,000 (31 December 2013: RMB1,280,349,000) were guaranteed by Fosun Holding Limited which is the ultimate holding company of the Group, the Group's interest-bearing bank and other borrowings amounting to RMB15,000,000 (31 December 2013: Nil) were guaranteed by a third party.

The bank loans bear interest at rates ranging from 0.90% to 10.00% (31 December 2013: 0.96% to 8.80%) per annum.

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

Notes: *(continued)*

(2) Enterprise and corporate bonds

On 27 February 2009, Nanjing Nangang Iron & Steel United Co., Ltd. issued long-term enterprise bonds with a par value of RMB2,500,000,000 and an effective interest rate of 6.29% per annum (the "2009 Nangang Bond"). According to the offering memorandum of the 2009 Nangang Bond, the bond holders are entitled to redeem the bonds at a redemption price equal to the principal amount by the end of the fourth year since issuance, i.e., 27 February 2013. 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. The interest will be paid annually in arrears.

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.

On 19 March 2014, Fosun Group issued one-year private placement notes with the par value of RMB1,000,000,000 and the effective interest rate is 6.82% per annum. The interest and the principle will be paid together on the maturity date, which is 19 March 2015.

On 30 May 2014, Fosun Group issued one-year private placement notes with the par value of RMB1,000,000,000 and the effective interest rate is 6.52% per annum. The interest and the principle will be paid together on the maturity date, which is 30 May 2015.

(4) 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 the Company, 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.

(5) 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 and the principal will be paid together on 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.

(6) The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 2.55% to 11.00% (31 December 2013: 2.55% to 11.00%) per annum.

13. CONVERTIBLE BONDS

The Issuer, an indirect wholly owned subsidiary of the Company issued convertible bonds in the principal amount of HKD3,875,000,000 (equivelant to RMB3,068,225,000) on 22 November 2013 guaranteed by the Company and certain of its subsidiaries (the "Convertible Bonds"). The Convertible Bonds is convertible into fully-paid ordinary shares of par value HKD0.10 each of the Company. The Convertible Bonds bear interests at the rate of 1.5% per annum payable semi-annually in arrears on May 22 and November 22 in each year. The Convertible Bonds will mature on 22 November 2018 ("Maturity Date"). There was no movement in the number of the Convertible Bonds during the Period.

The principal terms of the Convertible Bonds are as follows:

(a) The Convertible Bonds are convertible at the option of the bond holders into ordinary shares of the Company during the period on or after the 41st day after the 22 November 2013 and seven days prior to the Maturity Date at an initial conversion price of HKD10 per share (subject to adjustments).

(b) The Issuer will at the option of the bond holder of any Convertible Bond, redeem all or some of that holder's Convertible Bonds on 22 November 2016 at their early redemption amount together with interest accrued and unpaid to, but excluding, such date.

(c) At any time after 22 November 2016, the Issuer may, by giving notice to the bond holders, elect to redeem the Convertible Bonds in whole but not in part, if the closing price of the Company's shares traded in Hong Kong Stock Exchange for any 20 out of the 30 consecutive trading days immediately prior to the date upon which notice of such redemption is given, was at least 130% of the applicable early redemption amount divided by the conversion ratio then in effect. Conversion ratio means the principal amount of each bond divided by the conversion price then in effect immediately prior to the date upon which the optional redemption notice is given.

(d) Any convertible bonds not previously redeemed, converted or purchased and cancelled will be redeemed by the Issuer on the Maturity Date at 106.65% of its principal amount together with unpaid accrued interest from and including the immediately preceding interest payment date.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued during the Period have been split into the liability and equity components as follows:

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Liabilities component at the beginning of the Period (audited)	2,319,675	—
Nominal value of convertible bonds issued during the Period/year	—	3,068,225
Equity component	—	(721,171)
Direct transaction costs	—	(30,682)
Liability component at the issuance date	—	2,316,372
Interest expense	102,033	21,864
Interest paid	(23,068)	—
Exchange realignment	19,627	(18,561)
Liability component	2,418,267	2,319,675

The effective interest rate of the liability component is 8.93% per annum.

14. TRADE AND NOTES PAYABLES

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

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

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

15. DIVIDENDS

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

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

16. ACQUISITION OF SUBSIDIARIES

(i) Acquisition of subsidiaries accounted for as business combination

The major acquisition of subsidiaries accounted for as business combination is set out as follows:

In May 2014, Millennium Gain Limited, an indirect wholly-owned subsidiary of the Company, completed acquisition of shares representing 80% of the share capital and voting rights of Portuguese Insurance Group at a consideration of Euro1,037,719,000, equivalent to RMB8,824,032,000. The acquisition was undertaken to further develop the global insurance business of the Group.

In May 2014, Galaxy Wonder Limited, an indirect wholly-owned subsidiary of the Company, acquired a 100% equity interests in Marble Holding Co., Ltd at a consideration of JPY6,811,000,000, equivalent to RMB410,261,000. The major assets of Marble Holdings Co., Ltd is the investment of 98% equity interests in IDERA Capital Management Ltd. The acquisition was undertaken to further develop the asset management business in Japan.

In March 2014, Forte, through its wholly-owned subsidiary Shanghai Forte Investment Management Co., Ltd. ("Forte Investment") acquired the remaining 49% equity interests in Chengdu Honghui Land Co., Ltd ("Chengdu Honghui") at a consideration of RMB792,808,000. Before the acquisition, Forte Investment held 51% equity interests in Chengdu Honghui and accounted for as the joint venture. The major assets of Chengdu Honghui are properties under development and completed properties for sale located in Chengdu, PRC.

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.

The provisional 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 (note 10)	1,162,566
Investments in associates	12,820
Investment properties	3,790,153
Available-for-sale investments	81,624,639
Equity investments at fair value through profit or loss	429,407
Intangible assets	249,094
Prepaid land lease payments	13,591
Deferred tax assets	1,367,146
Cash and bank balances	3,171,624
Trade and notes receivables	80,325
Due from related companies	43,037
Prepayments deposits and other receivables	407,824
Loan receivable	32,816
Inventories	31,202
Completed properties for sale	314,493
Properties under development	884,696
Term deposits	12,184,998
Policyholder account assets in respect of unit-linked contracts	7,619,313
Insurance and reinsurance debtors	1,390,549
Reinsurers' share of insurance contract provisions	1,699,332
Subtotal carried forward	116,509,625

16. ACQUISITION OF SUBSIDIARIES *(Continued)*

(i) Acquisition of subsidiaries accounted for as business combination *(Continued)*

The provisional 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: *(Continued)*

	Fair value recognised on acquisition RMB'000 (Unaudited)
Subtotal brought forward	116,509,625
Interest-bearing bank and other borrowings	(629,361)
Trade and notes payables	(132,316)
Accrued liabilities and other payables	(4,935,554)
Tax payable	(212,444)
Due to related companies	(1,190)
Derivative financials instruments	(50,523)
Deferred tax liabilities	(1,476,250)
Provision for outstanding claims	(15,703,204)
Financial liabilities for unit-linked contracts	(8,653,797)
Investment contract liabilities	(52,317,559)
Unearned premium provisions	(2,710,035)
Provision for unexpired risks	(352,652)
Other life insurance contract liabilities	(16,093,934)
Insurance and reinsurance creditors	(1,385,821)
Total identifiable net assets at provisional fair values*	11,854,985
Non-controlling interests	(2,303,707)
Total net assets acquired	9,551,278
Gain on bargain purchase of a subsidiary	(1,054)
Goodwill on acquisition	553,071
	10,103,295
Satisfied by:	
Cash	9,685,965
Investment in an associate	12,460
Investment in a joint venture	404,870
Cash consideration unpaid	—
	10,103,295

16. ACQUISITION OF SUBSIDIARIES *(Continued)*

(i) Acquisition of subsidiaries accounted for as business combination *(Continued)*

The provisional 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: *(Continued)*

* The reassessment of the fair value of the identifiable assets and liabilities of Portuguese Insurance Group is still undergoing and the information of the fair values of the identifiable assets and liabilities is provisional at the date of the approval of this interim condensed consolidated financial statements. The finalised information will be disclosed in the consolidated financial statements of the Group for the year ended 31 December 2014.

The fair value 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 RMB29,654,000 for these acquisitions. These transaction costs have been expensed and are included in other expenses in the consolidated income statement.

None of the goodwill recognised is expected to be deductible for income tax purposes.

(ii) Acquisition of subsidiaries not accounted for as business combination

During the Period, Sunhill Global Limited, an indirect subsidiary where the Company holds 60% equity interests, acquired 100% equity interests in Clear Water Bay Land Company Limited ("CWB") at a consideration of HKD1,697,603,000, equivalent to RMB1,346,284,000. The major assets of CWB are three pieces of land located in Hong Kong.

The above acquisition has been accounted for as acquisition of assets in the Group's interim condensed consolidated financial statements. The purchase cost of the Group is allocated to the assets and liabilities, respectively on the basis of their relative fair values at the date of purchase.

The allocation of the purchase cost on the basis of the relative fair values of the assets and liabilities acquired as at the date of the purchase are as follows:

	Allocation of Purchase cost RMB'000 (Unaudited)
Cash and bank balances	577
Trade and notes receivables	39
Prepayments deposits and other receivables	11
Properties under development	1,348,181
Trade and notes payables	(36)
Accrued liabilities and other payables	(2,488)
Total purchase costs	1,346,284
Satisfied by:	
Cash	1,346,284
Cash consideration unpaid	—
	1,346,284

16. ACQUISITION OF SUBSIDIARIES *(Continued)*

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

	RMB'000 (Unaudited)
Cash consideration	(11,032,249)
Payment of unpaid cash consideration as at 31 December 2013	(546,320)
Prepayment of cash consideration as at 31 December 2013	761
Cash and bank balances acquired	3,172,201
Net outflow of cash and cash equivalents included in cash flows from investing activities	(8,405,607)
Transaction costs of the acquisitions included in cash flows from operating activities	(29,654)
	(8,435,261)

17. COMMITMENTS

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

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Contracted, but not provided for:		
In respect of:		
Plant and equipment	**2,150,032**	1,430,424
Properties under development	**10,333,355**	4,749,842
Investments	**—**	186,382
	12,483,387	6,366,648
Authorised, but not contracted for:		
In respect of:		
Plant and equipment	**192,672**	232,540
Investments	**1,523,229**	693,986
	1,715,901	926,526

18. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Guarantees given to bank loans of:		
Related parties	541,000	570,000
Third parties	50,000	123,400
	591,000	693,400
Qualified buyers' mortgage loans*	2,501,015	2,473,034
	3,092,015	3,166,434

* As at 30 June 2014, the Group provided guarantees of approximately RMB2,501,015,000 (31 December 2013: RMB2,473,034,000) 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.

19. 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	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Associates:		
Sales of pharmaceutical products	362,232	294,031
Purchase of pharmaceutical products	77,996	85,183
Service income	—	578
Rental income	17	—
Service fee	1,997	4,457
Transportation fee	67,546	54,623
Interest income	2,217	2,878
Interest expense	1,194	741
Deposits from related companies	318,443	146,235
Bank loan guarantees provided	23,000	1,038,000
Non-controlling shareholders of the subsidiaries of the Group:		
Rental fee	8,938	7,971
Interest income	3,971	—
Bank loan guarantees received	724,210	1,044,257

19. RELATED PARTY TRANSACTIONS *(Continued)*

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other related parties:		
Sales of pharmaceutical products	**3,086**	2,137
Purchase of pharmaceutical products	**6**	—
Sales of other products	**98,698**	47,803
Purchase of other products	**147**	279
Interest income	**157,677**	182,291
Interest expense	**1,466**	3,217
Service income	**42,689**	39,587
Rental income	**429**	—
Notional interest	**4,911**	1,557
Loan to related parties	**—**	155,000
Deposits from related companies	**159,694**	509,237
Bank loan guarantees received	**738,336**	1,328,421
Bank loan guarantees provided	**518,000**	380,000

The bank loans were guaranteed by the related companies free of charge. The guarantees were given by the Group for bank loans of the related companies free of charge. In the opinion of the directors, except for guarantees received from and provided to related parties, all related party transactions as set out above were conducted on normal commercial terms.

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**33,526**	28,362
Pension scheme contributions	**166**	168
Total compensation paid to key management personnel	**33,692**	28,530

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Financial assets				
Available-for-sale investments	82,400,894	3,875,800	82,400,894	3,875,800
Loans receivable (non-current portion)	2,076,519	3,161,103	2,076,519	3,161,103
Equity investments at fair value through profit or loss	14,186,071	13,465,979	14,186,071	13,465,979
Policyholder account assets in respect of unit-linked contracts	7,332,193	—	7,332,193	—
	105,995,677	20,502,882	105,995,677	20,502,882
Financial liabilities				
Interest-bearing bank and other borrowings	84,914,543	66,568,264	84,633,750	67,190,011
Convertible bonds	2,418,267	2,319,675	3,590,975	3,051,095
Due to related companies (non-current portion)	166,072	157,851	166,072	157,851
Financial liabilities included in other long-term payables	2,603,892	3,027,991	2,603,892	3,027,991
Finance lease payables	68,458	89,672	68,458	89,672
Derivative financial instruments	65,663	—	65,663	—
Financial liabilities for unit-linked contracts	8,147,670	—	8,147,670	—
Investment contract liabilities	51,759,565	—	51,759,565	—
	150,144,130	72,163,453	151,036,045	73,516,620

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Management has assessed that the fair values of cash and bank balances, term deposits, trade and notes receivables, trade and notes payables, financial assets included in prepayments, deposits and other receivables and insurance and reinsurance debtors, financial liabilities included in other payables and accruals and insurance and reinsurance creditors, current portion of amounts due from related companies and amount due to related companies and the holding company approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of financial liabilities for unit-linked contracts also approximate to their carrying amounts.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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:

The fair values of the non-current portion of due to related companies, financial liabilities included in other long term payables, loan from related companies, finance lease payables and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for non-current portion of due to related companies, financial liabilities included in other long term payables, loan from related companies, finance lease payables and non-current portion of interest-bearing bank and other borrowings as at 30 June 2014 was assessed to be insignificant. The fair value of the convertible bonds is based on the quoted market price which represents the fair value for both the liability and equity component of the convertible bonds and the fair values of listed bonds and senior notes are based on the quoted market price.

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 interest rate swaps. As at 30 June 2014, the fair values of commodity derivative contracts were measured using quoted market price of commodity future contracts while the fair values of interest rate swaps were measured using valuation techniques similar to swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of the commodity derivative contracts and interest rate swaps are the same as their fair values.

The fair values of listed equity investments without a lock-up period and listed debt instruments are based on quoted market prices. The fair values of listed equity investments with a lock-up period have been estimated based on assumptions that are supported by observable market prices and discount for lack of marketability. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

As at 30 June 2014, 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 because 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 RMB8,606,100,000 (31 December 2013: RMB6,174,491,000). 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 Period, the available-for-sale investments whose fair value could not be reliably measured with carrying amount of RMB61,994,000 were derecognised and the relevant gain on disposal amounted to RMB2,349,000 was recognized in the consolidated statement of profit or loss.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2014:

Unobservable inputs and sensitivity analysis for Level 3 assets

The financial assets held by Portuguese Insurance Group which classified in Level 3 primarily correspond to debt securities and investment funds not quoted in an active market.

The fair value of debt securities, which consist of public and corporate bonds, is determined using broker quotes that cannot be corroborated with observable market transactions. Significant unobservable inputs for these bonds would include proprietary cash flow models and issuer spreads, which are comprised of credit, liquidity, and other security-specific features of the bonds. An increase (decrease) in these issuer spreads would result in a lower (higher) fair value. Due to the unobservable nature of these quotes, we do not assess whether applying reasonably possible alternative assumptions would have an impact on the fair value of the Level 3 bonds.

The fair values of investment funds classified in Level 3 are based on net asset value (NAV) reports provided by the management of such funds. Based on the unobservable nature of these NAV's, we do not assess whether applying reasonably possible alternative assumptions would have an impact on the fair value of the Level 3 investment funds.

Unobservable inputs and sensitivity analysis for Level 3 liabilities

As part of the purchases agreement, contingent consideration included in other long-term liabilities is payable, which is dependent on the profit target of Chancheng Hospital during the 24-month period subsequent to the acquisition as stated on the agreement. The amount recognised as at 30 June 2014 was RMB27,720,000 (31 December 2013: RMB55,440,000) which was determined using the discounted cash flow model and is under Level 3 fair value measurement. The consideration is due for final measurement and payment to the former shareholders 2016. At the date of approval of these financial statements, no further significant changes to the consideration are expected.

Projected profit target of Chancheng Hospital is consistent with that estimated when the purchase agreement was signed. Discount rate and discount for own non-performance risk is nil.

A significant decrease in the profit after tax of Chancheng Hospital would result in a significant decrease in the fair value of the contingent consideration liability.

Significant unobservable valuation input for the share redemption option granted to non-controlling shareholders of a subsidiary included in other long-term liabilities is EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of Alma Lasers in 12 months ended 30 June 2014 and cash and bank balances of Alma Lasers as at 30 June 2014.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's 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)

Assets measured at fair value:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Available-for-sale investments	9,302,349	65,533,442	7,565,103	82,400,894
Equity investments at fair value through profit or loss	13,663,615	492,375	30,081	14,186,071
Policyholder account assets in respect of unit-linked contracts	39,455	7,292,738	—	7,332,193
	23,005,419	73,318,555	7,595,184	103,919,158

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Available-for-sale investments	3,469,801	405,999	—	3,875,800
Equity investments at fair value through profit or loss	13,465,979	—	—	13,465,979
	16,935,780	405,999	—	17,341,779

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value: *(Continued)*

The movements in fair value measurements in Level 3 during the year are as follows:

	30 June 2014 RMB'000	31 December 2013 RMB'000
At 1 January	—	—
Addition	7,595,184	—
	7,595,184	—

Assets for which fair values are disclosed:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Loans receivable (non-current portion)	—	2,076,519	—	2,076,519

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Loans receivable (non-current portion)	—	3,161,103	—	3,161,103

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Financial liabilities included in other long-term payables	—	—	77,899	77,899
Derivative financial instruments	7,204	58,459	—	65,663
Financial liabilities for unit-linked contracts	—	8,147,670	—	8,147,670
	7,204	8,206,129	77,899	8,291,232

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Financial liabilities included in other long-term payables	—	—	99,804	99,804

The movements in fair value measurements in Level 3 during the year are as follows:

	30 June 2014 RMB'000	31 December 2013 RMB'000
Amounts included in other long-term liabilities:		
At 1 January	99,804	570,389
Total losses recognised in the statement of profit or loss included in finance costs	5,815	22,109
Addition	—	55,440
Reclassification	(27,720)	(548,134)
	77,899	99,804

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities for which fair values are disclosed:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	21,296,178	63,337,572	—	84,633,750
Convertible bonds	3,590,975	—	—	3,590,975
Due to related companies (non-current portion)	—	166,072	—	166,072
Financial liabilities included in other long-term payables	—	2,525,993	—	2,525,993
Finance lease payables	—	68,458	—	68,458
	24,887,153	66,098,095	—	90,985,248

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	16,387,166	50,802,845	—	67,190,011
Convertible bonds	3,051,095	—	—	3,051,095
Due to related companies (non-current portion)	—	157,851	—	157,851
Financial liabilities included in other long-term payables	—	2,928,187	—	2,928,187
Finance lease payables	—	89,672	—	89,672
	19,438,261	53,978,555	—	73,416,816

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 both financial assets and financial liabilities.

21. EVENTS AFTER THE REPORTING PERIOD

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

22. COMPARATIVE AMOUNTS

The comparative amounts have been reclassified to conform with the current period’s presentation.

23. 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 of the Company on 26 August 2014.

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 2014, the Group employed a total of approximately 37,000 employees. The Group constantly promoted the innovative development of the organizational model to continuously expand the business platform; offered promising career opportunities to actively attract external caliber talents; improved the personnel training system and stepped up efforts in training and promoting outstanding young talents; continually improved the remuneration and incentive system and optimized employee benefits to provide comprehensive protection for employees and their families; enhanced efforts in probation period assessment, annual performance appraisal and talent review to reinforce survival of the fittest employees; enhanced care for employees and provided targeted care programmes for different types of employees; improved the various systems and policies of human resources and increased the human resources information management standard to provide support for the enterprise's talent management.

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

As at 30 June 2014, 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	5,510,793,609[1]	Corporate	79.60%
Ding Guoqi	Ordinary	13,949,320	Individual	0.20%
Qin Xuetang	Ordinary	4,182,640	Individual	0.06%
Wu Ping	Ordinary	8,365,280	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	48.24%
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%

Notes:

(1) Pursuant to Division 7 of Part XV of the SFO, 5,510,793,609 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 2014, 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	5,510,793,609[(2)]	79.60%
Fosun International Holdings[(1)]	5,510,793,609[(2)]	79.60%

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.

(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 2014, 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 2013 annual report are set out below:

(1) New appointments to the positions held within the Group

Name of Director	Date of appointment	Position
Guo Guangchang	15 May 2014	chairman of Fidelidade, Multicare and Cares
Wang Qunbin	15 May 2014	director of Fidelidade, Multicare and Cares
Ding Guoqi	15 May 2014	director of Fidelidade, Multicare and Cares

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

Name of Director	Date of changes	Original position	Current position
Zhang Huaqiao	11 March 2014	non-executive director of China Smartpay Group Holdings Limited (Stock Code: 08325.HK) ("China Smartpay")	non-executive director and chairman of China Smartpay
	17 April 2014	—	independent non-executive director of Yancoal Australia Ltd (Stock Code: YAL.ASX)
	19 June 2014	—	independent non-executive director of Luye Pharma Group Ltd. (Stock Code: 02186.HK)
	24 June 2014	—	independent non-executive director of Ernest Borel Holdings Limited (Stock Code: 01856.HK)
	30 June 2014	independent non-executive director of Fuguiniao Co., Ltd. (Stock Code: 01819.HK)	—
Andrew Y. YAN	17 March 2014	—	independent non-executive director of CPMC Holdings Limited (Stock Code: 00906.HK)
	26 March 2014	independent non-executive director of China Mengniu Dairy Company Limited (Stock Code: 02319.HK)	—
	27 March 2014	—	independent director of BlueFocus Communication Group Co., Ltd. (listed on the Growth Enterprise Board of the Shenzhen Stock Exchange with stock code: 300058)
	29 April 2014	director of China Digital TV Holding Co., Ltd. (listed on the New York Stock Exchange with stock code: STV)	—

Note: China Smartpay is previously known as Oriental City Group Holdings Limited

(3) Changes in Directors' remuneration with effect from 1 January 2014

Unit: RMB million

Name of Director	Date of changes	Remuneration	Performance related bonus*	Fee
Guo Guangchang	1 January 2014	4.2	2.95	—
Liang Xinjun	1 January 2014	4.2	2.85	—
Wang Qunbin	1 January 2014	4.2	2.85	—
Ding Guoqi	1 January 2014	3.57	2.21	—
Qin Xuetang	1 January 2014	3.57	2.10	—
Wu Ping	1 January 2014	3.57	2.10	—
Zhang Shengman	1 January 2014	—	—	0.55#
Andrew Y. Yan	1 January 2014	—	—	0.55#
Zhang Huaqiao	1 January 2014	—	—	0.55#
David T. Zhang	1 January 2014	—	—	0.55#

* To be determined based on internal appraisal of various performance indicators.
# Unit: HKD million

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.

RIGHTS ISSUE

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

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

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

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

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 2014 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, except Mr. Guo Guangchang, the Executive Director and Chairman of the Company, had not attended the annual general meeting of the Company held on 28 May 2014 as required under code provision E.1.2 of the CG Code due to important business engagement. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

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

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

PRINCIPAL BANKERS

China Development Bank
Agricultural Bank of China
Standard Chartered Bank
Bank of China
Industrial and Commercial Bank of China
China Merchants Bank
Shanghai Pudong Development Bank
Hongkong and Shanghai Banking Corporation Limited
China Construction Bank
China CITIC Bank
Hang Seng Bank
Bank of Communications
The Export-Import Bank of China
Industrial Bank

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 + convertible bonds + loans from related parties
Total capitalization	=	equity attributable to owners of the parent + non-controlling interests + total debt
Interest coverage	=	EBITDA/net interest expenditures

DEFINITION

the Board	the board of Directors
Bona	Bona Film Group Limited
Cainiao	Cainiao Network Technology Co., Ltd.
Cares	Cares-Companhia de Seguros, S.A.
Carlye-Fosun	Fosun-Carlye (Shanghai) Equity Investment Fund L.P.
Caruso	Raffaele Caruso S.p.A
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chindex	Chindex International, Inc.
Chuangfu Finance Leasing	GCFL Great China Finance Leasing Co., Ltd.
CITS	China International Travel Service Corporation Limited
Club Med	Club Méditerranée SA
CNFC Fishery	CNFC Overseas Fishery Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange, stock code:000798
the Company	Fosun International Limited
Datang Power	Datang International Power Generation Co., Ltd.
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.

Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Group	Shanghai Fosun High Technology (Group) Co., Ltd
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Cares
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd.
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
Industrial Bank	Industrial Bank Co., Ltd.
Ironshore	Ironshore Inc.
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Jin'an Mining	Anhui Jin'an Mining Co., Ltd.
JPY	Japanese yen, the lawful currency of Japan
Linekong Interactive	Linekong Interactive Entertainment Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Minsheng Bank	China Minsheng Banking Corp., Ltd.
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare-Seguros de Saúde, S.A.
Nanjing 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.
Ping An Insurance	Ping An Insurance (Group) Company of China, Ltd.
Pingrun Investment	Shanghai Pingrun Investment Management Co., Ltd.
Pramerica - Fosun China Opporunity Fund	Pramerica – Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.
PRC	the People's Republic of China
REN	Redes Energéticas Nacionais, SGPS, S.A.

Reporting Period	the six months ended 30 June 2014
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange, stock code: 600429
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.
Starcastle Senior Living	Starcastle Senior Living Corporation
St. John	St. John Knits International, Incorporated
Studio 8	Studio 8, LLC
USD	United States dollars, the lawful currency of the United States
Xinghong Fund	Shanghai Xinghong Phase I Equity Investment Fund Partnership L.P.
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zendai	Shanghai Zendai Property Limited
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd.
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange, stock code: 000685

China

Expertise Global

Capacity