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 2015

China Expertise Global Capacity

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

RMB

3,617.2 MILLION

EVOLUTION

To become a world-class investment group underpinned by the twin drivers of "Insurance-oriented Comprehensive Financial Capability" and "Global Industrial Integration Capability Taking Roots in China"

Note to the Cover Design

In the first half of 2015, Fosun's "Insurance + Investment" model achieved unparalleled success and its interim results yielded excellent accomplishments. Fosun's insurance segment continued to expand significantly. Insurance investable assets scaled up further and put a high-speed spin on the insurance segment profit growth. On top of the insurance segment, Fosun's banking and other financial business segment scored notable achievements. In addition to Zhejiang Internet Commerce Banking officially commenced operation, Fosun announced to acquire 100% equity interest in the German private bank H&A in July 2015. In the first half of 2015, Fosun persistently optimized its asset structure, enlarged contribution from light assets with weak cyclicality including integrated finance, health and happy lifestyle segments. Besides, Fosun further expanded its investment footholds in the Internet by embracing the Internet with passion, with a view to creating an Internet ecosystem. With its established capabilities in healthcare, happy & lifestyle, logistics and commodity industries, Fosun encouraged cross-industry integration and proactively promoted connection of industries with insurance and finance, thereby creating cross-industry integration operation platform unique to Fosun one after another and achieving exponential enhancement of all-round competitiveness based on industrial strength.

"Evolution" implies "Progress and Transformation". "Progress" refers to upgrades to the general landscape and further developments of the platforms. "Transformation" is to identify and address weaknesses during the course of integration in an effort to enhance product identity and competitiveness. "Evolution" is the driver that propels Fosun's journey of evolving into an intelligent and vital entity that iterates exploration of its intrinsic value with a purpose to excel.

Looking ahead, Fosun will persistently adhere to value investing discipline and dance with cyclicality on the value floor, as well as identify mismatch of value opportunities around the world and put cross bull-bear low-risk high-yield growth model into practice, with a view to evolving into an intelligent and vital entity.

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FINANCIAL SUMMARY

	For the six months ended 30 June	
In RMB million	**2015**	**2014**
Revenue	***29,739.0***	*24,795.9*
Integrated Finance	***5,778.3***	*2,656.0*
Insurance	***5,331.0***	*2,182.3*
Investment	***169.6***	*328.5*
Asset Management	***259.6***	*145.2*
Banking and Other Financial Business	***18.1***	—
Industrial Operations	***24,098.2***	*22,213.5*
Health	***7,319.6***	*5,502.2*
Happy Lifestyle	**—**	—
Steel	***11,639.4***	*13,065.6*
Property Development and Sales	***4,199.2***	*2,777.0*
Resources	***940.0***	*868.7*
Eliminations	***(137.5)***	*(73.6)*
Profit attributable to owners of the parent	***3,617.2***	*1,833.9*
Integrated Finance	***3,360.5***	*(146.5)*
Insurance	***1,789.4***	*114.5*
Investment	***1,130.8***	*(410.7)*
Asset Management	***364.4***	*92.4*
Banking and Other Financial Business	***75.9***	*57.3*
Industrial Operations	***779.0***	*2,461.9*
Health	***580.7***	*405.2*
Happy Lifestyle	***207.6***	*173.8*
Steel	***(209.6)***	*55.8*
Property Development and Sales	***161.5***	*1,654.6*
Resources	***38.8***	*172.5*
Unallocated expenses	***(478.9)***	*(431.7)*
Eliminations	***(43.4)***	*(49.8)*
Earnings per share-basic *(in RMB)*	**0.51**	0.28
Earnings per share-diluted *(in RMB)*	**0.50**	0.28

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". Fosun is dedicated to making a major stride towards becoming a world-class investment group underpinned by the twin drivers of "insurance-oriented comprehensive financial capability" and "global industrial integration capability taking roots in China". Today, Fosun's businesses include two major segments, integrated finance and industrial operations.

INTEGRATED FINANCE

The Group's integrated finance business includes four key segments, namely insurance, investment, asset management, banking and other financial business.

Insurance[Note]

The Group's insurance segment mainly includes Fosun Insurance Portugal (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 (its principal scope of business includes insurance businesses such as life insurance, health insurance, casualty insurance and reinsurance of the above-mentioned insurance businesses), Peak Reinsurance (its principal scope of business includes providing life and non-life reinsurance as well as investing its investable assets), Ironshore (which is a global insurance company focusing on specialty insurance), MIG (a professional property and casualty insurer and insurance administration services company focused on specialty niche markets) and Phoenix Holdings (mainly engaged in business such as insurance, asset management, mutual fund management, provident fund management, and residence centers for senior citizens).

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. The investment business includes four major parts, namely strategic investment, private equity investment and venture capital investment (PE/VC investment), secondary market investment and capital contribution to the Group's asset management business as a limited partner (LP investment).

Note: As at the end of the Reporting Period, the transactions in relation to acquisitions of equity interest in MIG, Phoenix Holdings and the remaining 80% equity interest in Ironshore had not yet closed.

Asset Management

Under asset management segment, the Group engages in raising and managing funds from third parties and collects management fee and shares of 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 CMF, (ii) Qualified Foreign Limited Partner Fund, namely Carlyle-Fosun, (iii) RMB Private Equity Fund, (iv) Star Capital, (v) Shanghai Xinghong Phase I Equity Investment Fund Partnership L.P., (vi) Real Estate series funds of Forte, and (vii) Foreign Currency Denominated Real Estate Funds.

Banking and Other Financial Business

We have indirect shareholdings in two private banks, Kleinwort Benson and BHF-BANK, through investing in BHF Kleinwort Benson, and own the entire or partial equity interest in Fosun Finance Company, Zhejiang Internet Commerce Banking, Hani Securities, Chuangfu Finance Leasing and Hangzhou Financial Investment Leasing. This business segment will further increase our integrated financial capabilities to consolidate domestic and overseas financial resources.

INDUSTRIAL OPERATIONS

The Group's industrial operations include five key segments, namely health, happy lifestyle, steel, property development and sales, and resources.

Health

We operate businesses of the health segment principally through a subsidiary, Fosun Pharma, as well as a joint venture, Starcastle Senior Living. Fosun Pharma is a leading healthcare company in China listed on the Shanghai Stock Exchange (Stock Code: 600196) and the Hong Kong Stock Exchange (Stock Code: 02196). 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. Starcastle Senior Living is a joint venture company established by the Group and Fortress Investment Group LLC for the purpose of developing properties for senior citizens in China.

Happy Lifestyle

We operate happy lifestyle industries adapting to the living way of middle class through acquiring shareholdings in Yuyuan, Club Med, Atlantis, Studio 8, Bona, Cirque du Soleil and Silver Cross.

Steel

We operate the steel business principally through a subsidiary, Nanjing Nangang, and an associate Tianjin Jianlong. Nanjing Iron & Steel, the main subsidiary of Nanjing Nangang, is listed on the Shanghai Stock Exchange (Stock Code: 600282). 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 is one of the few steel product producers in China with the ability to produce 9% Ni steel, its 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. Tianjin Jianlong is a large enterprise group which integrates resources, steel, shipping, and mechanical and electrical equipment.

Property Development and Sales

We operate our property development and sales business principally through Forte, The Bund Finance Center, Dalian Donggang and Resource Property.

Resources

We engage in the production, development and sales of natural resources such as iron ore, petroleum and natural gas through our subsidiaries, Hainan Mining and ROC. Hainan Mining is a listed company on the Shanghai Stock Exchange (Stock Code: 601969), its core business includes mining and sales of iron ore. ROC is one of the main independent upstream oil and gas companies in Australia and has established petroleum and natural gas mining businesses in China, Southeast Asia and Australia.

BUSINESS HIGHLIGHTS

HIGHLIGHT I: FURTHER SCALED UP INSURANCE INVESTABLE ASSETS, PUT A HIGH-SPEED SPIN ON THE INSURANCE SEGMENT PROFIT GROWTH

Fosun's insurance segment continued to expand rapidly, and its strategy of "Insurance-oriented Comprehensive Financial Capability" was brought to a significantly higher level

- Insurance investable assets reached a record high of RMB142.745 billion, up significantly by 33.68% when compared with that of the end of 2014. For the first half of 2015, the net profit attributable to owners of the parent generated from the insurance segment reached another record high of RMB1.789 billion, up by 1,462.8% when compared with the corresponding period of last year;
- Fosun has completed its acquisition of 100% equity interest in the US labor insurer MIG in July 2015 and 20% equity interest in the US specialty insurance company Ironshore in the first half of 2015, and announced its plan to acquire the remaining 80% equity interest in Ironshore. In addition, Fosun announced its plan to acquire 52.31% equity interest of Israeli insurer and financial service provider Phoenix Holdings.

Achieved diversification in currency mix for its investable assets, giving Fosun better resistance against the impact from foreign exchange volatility

- In the first half of 2015, the largest portion of Fosun's investable assets is denominated in Euro, at 45.2% of the total, followed by USD which accounts for 34.8%, and RMB at 10.1%, HKD at 5.5%, GBP at 1.6% and JPY at 1.4% accordingly.

Drawing expertise from Fosun's investment capabilities and knowledge, enhancing its insurance segment return significantly in strict compliance with the relevant laws and regulations of its invested insurers

- Fosun's insurance segment's total investment returns attributable to parent reached 4.0% for the first half of 2015, up by 1.3 percent points when compared with the corresponding period in 2014. Return on equity ("**ROE**") (before non-controlling interests) of insurance segment is 12.8% for the first half of 2015.

HIGHLIGHT II: FOCUSING ON HUMAN DEMANDS FOR HEALTH AND HAPPY LIFESTYLE, DEVELOPING GLOBAL ECOSYSTEM, EXPANDING INDUSTRY SCALE RAPIDLY

Stable growth for the business of the health and happy lifestyle segments

- As at 30 June 2015, the total assets from the health and happy lifestyle segments surpassed RMB60 billion to a record high of RMB60.119 billion, up by 40.8% when compared with 31 December 2014, contributing to 17.0% to the Group's total assets. Net assets reached to RMB28.205 billion, up by 13.9% when compared with 31 December 2014, contributing to 29.9% to the Group's total net assets. The net profit attributable to owners of the parent generated from the health and happy lifestyle segments reached RMB788 million, up by 36.1% year-on-year.

Developing and integrating a global health and happy lifestyle ecosystem

- Acquired the global premium tourism chain Club Med and the Portuguese high-end medical services group Luz Saúde;
- Invested in the UK leisure tourism group Thomas Cook Group plc, the quintessence of Canada – Cirque du Soleil, and the UK high-end nursery brand Silver Cross etc.;
- Fosun Pharma, a subsidiary of Fosun, completed an investment in the US innovative biopharmaceutical company Ambrx, Inc., which will generate substantial synergies with the current research and development ("**R&D**") system and platform of Fosun Pharma.

HIGHLIGHT III: PERSISTENTLY OPTIMIZING ASSET STRUCTURE, ENLARGING CONTRIBUTION FROM LIGHT ASSETS WITH WEAK CYCLICALITY INCLUDING INTEGRATED FINANCE, HEALTH AND HAPPY LIFESTYLE SEGMENTS ETC., CONTINUOUSLY LOWERING GEARING

Continued to optimize asset structure

- The proportion of assets from the integrated finance, health and happy lifestyle segments to the Group's total assets expanded to 65.1%, amounting to RMB230.033 billion, up by 12.0% when compared with 31 December 2014;
- The net profit attributable to owners of the parent generated from these segments rose significantly by 8.6 times, surpassed RMB4 billion reaching RMB4.149 billion.

Scored major progresses in the integrated finance segment

- Completed the acquisition of 20% equity interest of the US specialty insurance company Ironshore, and announced its plan to acquire the remaining 80% equity interest in Ironshore;
- Fosun also announced to acquire 52.31% of the outstanding issued capital of the Israeli insurer and financial service provider Phoenix Holdings. Phoenix Holdings ranked fourth and third in life and non-life insurance in terms of market shares in Israel, respectively. Its assets under management amounted to approximately USD41.88 billion;
- In June 2015, Zhejiang Internet Commerce Banking officially commenced operation. Zhejiang Internet Commerce Banking is one of the first batch of private-sector banks in China. Fosun, as the second largest shareholder, owns a 25% stake;
- In July 2015, Fosun announced to acquire 100% equity interest in the German private bank H&A. H&A is one of the largest independent private banks in Germany. Its assets under management amounted to approximately Euro43 billion;
- Fosun invested in Guangzhou Fosun Yuntong Small Loan Co., Ltd.. This is an Internet small loan company with a nationwide operating license. Fosun will base on this platform and its industrial capabilities to further develop supply chain finance. This company is currently under establishment.

Tapped the opportunities afforded by the favorable stock market during the first half of 2015, made a conscientious move to beef up its capital, lowered the gearing ratio, and further strengthened its resilience against volatility

- In the first half of 2015, Fosun expanded its issued capital by 12.16% and issued 838 million new shares, thereby enriched its net assets. Meanwhile, the invested enterprises of Fosun or the funds under its management completed four IPOs, and two listing projects through backdoor or merger;
- Fosun's net gearing ratio lowered to 63.5% in the first half of 2015, down by a sharp 9.8 percentage points from the end of 2014. The Group's ROE rose significantly to 12.8%, up 4 percentage points year-on-year.

HIGHLIGHT IV: EMBRACING THE INTERNET WITH PASSION, CREATING AN INTERNET ECOSYSTEM, AND PROMOTING THE STAR PLAN

Further expanding its investment footholds in the Internet

- Fosun and its managed funds added RMB1.83 billion in new Internet investment assets;
- Adhering to the "industry's leader or uniqueness" principle;
- Investing in one of the first approved private-sector banks Zhejiang Internet Commerce Banking, Dianping.com with over 200 million mobile client-end users and active users, and the world's largest Internet diagnosis healthcare platform Guahao.com with 82 million subscribers;
- Cainiao has nine projects under construction, with the GFA approximately 1.1 million sq.m.

Actively building customer and enterprise cloud

- The FosunLink currently covers over 27,000 employees from the Group and its 100 invested companies;
- Fosun also internally launched a one-stop health services platform – Xingyikang with current registered users totaled more than 220,000.

Promoting O2O transformation in all invested companies

- Fosun Pharma formed a strategic cooperation with Guahao.com, jointly developed pharmaceutical e-commerce by way of a joint venture, JXDYF.com, to initiate deep cooperation and online & offline O2O development;
- Fosun is now actively promoting happy lifestyle e-commerce transformation, with online products of Club Med, Folli Follie, Secret Recipe, Yuyuan to be launched one after another.

Promoting the Star Plan

- Developing Fosun Big Data Platform.

HIGHLIGHT V: ENHANCEMENT OF ALL-ROUND COMPETITIVENESS BASED ON INDUSTRIAL STRENGTH

With its established capabilities in health, happy lifestyle, logistics and commodity industries, Fosun encourages cross-industry integration and proactively promotes connection of industries with insurance and finance, capabilities of creating environments that facilitated integration of industries and insurance into hive cities, creating cross-industry integration operation platform unique to Fosun one after another.

Hive cities recorded great achievements

- As at 30 June 2015, Fosun together with its managed funds and its invested companies with controlling and minority interests, launched a cumulative total of 18 hive cities in four major categories, including healthcare hive, financial services hive, culture & tourism hive and logistics & trade hive, with a total GFA for these hive cities exceeded 6.3 million sq.m.

Other industries of Fosun undergo deep connection or transformation based on quality health and happy services capabilities to achieve cross-border integration and develop multi-dimensional competitiveness

- “United Family Insurance”, which is based on the industrial capacity of United Family Hospital, achieved an overall control in insurance costs;
- After the completion of investment in Cirque du Soleil by Fosun, Club Med rapidly connected with Cirque du Soleil which was invested by Fosun, to establish a global partnership to jointly launch projects in its resorts and to unveil a theme park designed by Cirque du Soleil. The first joint project has launched in a Club Med resorts. Furthermore, Club Med has also connected with the UK leisure tourism group Thomas Cook Group plc, and it will help enhance performances in European markets.

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 RMB63,315.0 million, representing an increase of 28.1% from the end of 2014. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB3,617.2 million, representing an increase of 97.2% over the same period of 2014.

ASSET ALLOCATION OF THE GROUP

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

Unit: RMB million

Segment	**Total assets at 30 June 2015**	Total assets at 31 December 2014	Change from the end of 2014
Integrated Finance	**169,914.3**	162,728.5	+ 4.4%
Insurance	**109,348.0**	113,085.3	- 3.3%
Investment	**49,684.3**	40,295.1	+ 23.3%
Asset Management	**5,390.3**	4,360.8	+ 23.6%
Banking and Other Financial Business	**5,491.7**	4,987.3	+ 10.1%
Industrial Operations	**199,142.4**	174,378.9	+ 14.2%
Health	**41,895.5**	35,280.9	+ 18.7%
Happy Lifestyle	**18,223.3**	7,406.3	+ 146.1%
Steel	**50,722.4**	43,533.3	+ 16.5%
Property Development and Sales	**79,625.4**	78,803.6	+ 1.0%
Resources	**8,675.8**	9,354.8	- 7.3%
Eliminations	**(15,530.4)**	(12,274.6)	+ 26.5%
Total	**353,526.3**	324,832.8	+ 8.8%

INTEGRATED FINANCE

The Group's integrated finance business includes the four major segments of insurance, investment, asset management, banking and other financial business.

INSURANCE

The Group's insurance segment mainly includes Fosun Insurance Portugal, Yong'an P&C Insurance, Pramerica Fosun Life Insurance, Peak Reinsurance, Ironshore, MIG and Phoenix Holdings. As at the end of the Reporting Period, the transactions in relation to acquisition of equity interest in MIG, Phoenix Holdings and the remaining approximately 80% equity interest in Ironshore had not yet closed.

The Group regards insurance as a good means to connect Fosun's investment capability to high quality long-term capital. On one hand, the above mentioned 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 may also help the Group to realize higher investment revenue through effective investment practices. As a result, insurance plus investment will be our business cores in the future.

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 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**5,331.0**	2,182.3	+ 144.3%
Profit attributable to owners of the parent	**1,789.4**	114.5	+ 1,462.8%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of insurance segment were mainly attributable to the closing of the Group's acquisition of Fosun Insurance Portugal in May 2014.

Fosun Insurance Portugal

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 multibrand 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. It also has an international presence in 7 countries, distributed in 3 continents (Europe, Asia and Africa). The Group owns 84.986% equity interest of Fidelidade and 80.0% equity interest for each of Multicare and Fidelidade Assistência respectively.

During the Reporting Period, Fosun Insurance Portugal reached a gross premium income of Euro2,222.9 million, a solvency adequacy ratio of 161.8% and the net profit attributable to owners of the parent reached Euro182.2 million. Its investable assets totaled Euro13,849.3 million, the Non-life business net combined ratio was 99.8% and the comprehensive investment return (non-annualized) reached 3.1% during the Reporting Period.

Note: Financial data of Luz Saúde is included in that of Fidelidade as disclosed in the Management Discussion and Analysis section, however the financial data of Luz Saúde is classified to the health segment of the Company.

International business of Fosun Insurance Portugal continues to reveal stability in more mature markets (e.g. Spain, France), and also has a strong growth in Africa, reaching overall Euro114.8 million in direct insurance premiums, an increase of 28.0% when compared to the corresponding period of last year, mostly due to the strong performance of Universal Seguros S.A., a subsidiary in Angola.

Fosun Insurance Portugal's strong positioning and levels of service in the Portuguese market allowed it to win several distinguished awards in 2015, such as Seguradora com a Melhor Reputação (Best Reputation Insurance Company), Marktest Reputation Index 2014 and Marca de Confiança (Most Trusted Brand). Fosun Insurance Portugal continues to work actively with the Group's teams in the investment management area in order to benefit from Fosun's strong expertise and obtain better returns with prudent and responsible investment strategy.

Yong'an P&C Insurance

The Group holds 19.93% equity interest in Yong'an P&C Insurance. Yong'an P&C Insurance is a national insurance company headquartered in Xi'an and operates all types of non-life insurance business. Yong'an P&C Insurance has taken the initiative to promote adjustment and transformation in 2015. It has discontinued certain less efficient businesses and optimized business portfolio from its own initiative, increased per capita production capacity; reduced the claim settlement cost; enhanced innovative development; and actively explored Internet applications. During the Reporting Period, Yong'an P&C Insurance recorded gross premium income of RMB4,000.2 million, net profit of RMB527.8 million, investable assets of RMB10,201.3 million, net combined ratio of 98.9%, solvency adequacy ratio of 273.1% and comprehensive investment return (non-annualized) of 7.6%.

Pramerica Fosun Life Insurance

The Group holds 50% equity interest in Pramerica Fosun Life Insurance. Pramerica Fosun Life Insurance was founded in September 2012 and had ever since adhered strongly to the business strategy of multiple sales channels—tied Agency, bancassurance, worksite marketing, alternative distributions, and e-commerce. Overall performance of Pramerica Fosun Life Insurance grew steadily. Pramerica Fosun Life Insurance positions itself as a "Health manager for life" and rolls out the "Happiness Guardian" annuity product to complement with the Group's resources of real estate for the elderly and plan a better after-retirement life for high net worth customers. Today, Pramerica Fosun Life Insurance possesses a comprehensive set of product lines spanning life insurance, accident insurance, critical illness insurance, universal life insurance, and health insurance.

During the Reporting Period, the new annualized premium income and the total premium of Pramerica Fosun Life Insurance reached RMB51.3 million and RMB376.0 million respectively (both including universal life insurance policyholders' deposits). During the Reporting Period, Pramerica Fosun Life Insurance recorded gross written premium income of RMB27.1 million, net loss of RMB44.1 million, investable assets of RMB1,327.1 million, solvency adequacy ratio of 2,267.1%, and comprehensive investment return (non-annualized) of 3.8%.

Peak Reinsurance

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, Peak Reinsurance further expanded its global businesses and brands, with its total premium incomes from Europe and North America accounting for 26.6% of the business portfolio, increased by 19.5 percentage points as compared with 7.1% over the same period of last year. Peak Reinsurance also successfully cooperated with the Shanghai Typhoon Institute under the China Meteorological Administration to study the characteristics of tropical cyclone activities in the northwest Pacific Ocean and the South China Sea and their impact on the insurance market. During the Reporting Period, Peak Reinsurance recorded gross premium income of USD177.7 million, net profit of USD84.5 million, net combined ratio of 102.7% which decreased by 18.9 percent points as compared with the same period of last year, solvency adequacy ratio of 1,239.7%, investable assets of USD904.1 million, and comprehensive investment return (non-annualized) of 11.8%.

Ironshore

In February 2015, the Group has completed the acquisition of approximately 20% of the total outstanding ordinary shares of Ironshore. The purchase price was USD16.62 per share in cash, representing an aggregate transaction value of approximately USD466.6 million. In May 2015, the Group entered into a merger agreement with Ironshore, pursuant to which the Group has agreed to acquire all of the interests in Ironshore that the Group does not already own. The merger consideration is expected to be not more than approximately USD2,098.0 million. The determination of the merger consideration is principally based on Ironshore's 31 December 2014 shareholders' equity of USD1,839.8 million increased at 8% per annum to the closing date. The acquisition is currently in the progress of obtaining regulatory approval. Ironshore is a global specialty insurance company operating principally in Bermuda, United States, Lloyd's and Ireland. Its management team has in-depth experience in the insurance industry, broad industry network and outstanding ability to operate a large enterprise, and is regarded highly by peers in the industry.

During the Reporting Period, Ironshore's gross premium income reached USD1,130.7 million, net profit attributable to owners of the parent reached USD58.6 million. Its net combined ratio was 93.1%, the solvency adequacy ratio was 169.0% (as at 31 December 2014). The investable assets was USD4,996.4 million, and the comprehensive investment return (non-annualized) reached 1.1%.

MIG

In December 2014, the Group entered into a merger agreement with MIG at a purchase price of USD8.65 per share, representing an aggregate transaction value of approximately USD433.0 million to acquire its 100% equity interest. MIG is a professional property and casualty insurer and insurance administration services company focused on niche markets. MIG markets and underwrites specialty property and casualty insurance programs and products on both an admitted and non-admitted basis through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agencies, that values service, has specialized knowledge and focused expertise. The acquisition was completed in July 2015 and MIG was delisted and ceased trading on the New York Stock Exchange.

During the Reporting Period, MIG recorded gross premium income of USD362.8 million, net profit of USD13.7 million, net combined ratio of 100.8%, solvency adequacy ratio of 190.5%, investable assets of USD1,580.7 million, and comprehensive investment return (non-annualized) of 0.9%.

Phoenix Holdings

In June 2015, the Group and Delek Group Ltd. entered into a share purchase agreement to acquire 52.31% equity interest of Phoenix Holdings in Isreal at a purchase price of USD462 million together with interest accrued at 4.75% per annum for the period from 30 September 2014 to the closing date. Total transaction amount is expected to be no more than USD489 million. Phoenix Holdings is mainly engaged in businesses such as insurance, asset management, mutual fund management, provident fund management and residence centers for senior citizens. The acquisition is currently in the process of obtaining regulatory approval.

INVESTMENT

The Group adheres to the concept of value investment and follows the model of "Combining China's Growth Momentum with Global Resources" to invest in a series of enterprises benefiting from the growth momentum of China in both domestic and global markets. The Group's investment business is divided into four segments, which are strategic investment, private equity investment and venture capital investment (PE/VC investment), secondary market investment, capital contribution to the Group's asset management business as a limited partner (LP investment).

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**169.6**	328.5	- 48.4%
Profit attributable to owners of the parent	**1,130.8**	(410.7)	N.A.

During the Reporting Period, the decrease in the revenue of investment segment was mainly attributable to the decline of rental revenue of 28 Liberty, due to the reason that 28 Liberty was under renovation in 2015. The substantial increase in profit attributable to owners of the parent of investment segment was mainly attributable to the Group's expansion in investment scale and increase in investment income.

Strategic Investment

The Group's strategic investment includes Focus Media, Cainiao, Lloyds Chambers, 28 Liberty, Zhaojin Mining, Zhongshan Public Utilities, Sanyuan Foods and CNFC Fishery etc..

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 buyout of Focus Media, and jointly issued a formal offer. The privatization and delisting of Focus Media were successfully completed at the end of May 2013. The Group holds 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 as one of the significant shareholders of Focus Media reflects its support to Focus Media and its management team. In 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 200 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.

Cainiao

In May 2013, the Group invested RMB500 million to subscribe for shares in Cainiao, representing 10% of Cainiao's equity interest. 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 2015, Cainiao had commenced construction for 9 projects with a total area of approximately 1,100,000 sq. m. and completed 3 projects in Tianjin, Jinyi of Zhejiang and Haining of Zhejiang. In addition, 8 projects were signed and launched in Guangdong, Chongqing, Hubei, Shaanxi and Sichuan, etc..

Lloyds Chambers

In October 2013, the Group purchased Lloyds Chambers 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. Lloyds Chambers has a sound financing, taxation, property management and corporate governance structure. During the Reporting Period, its rental income was GBP3.6 million. Asset management of the project is being implemented in accordance with the business plan and progress has been achieved in value enhancement.

28 Liberty

In December 2013, the Group completed the acquisition of 28 Liberty, freehold for investment purposes at a purchase price of USD725 million. 28 Liberty, 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. During the Reporting Period, the rental revenue of the project amounted to USD22.8 million.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations and focuses 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 strategies, it aims to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu. It also increased 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 2015 was 11.0 tonnes, representing an increase of 3.8% over the same period of last year and its sales revenue amounted to RMB2,751.0 million, representing a decrease of 10% over the same period of last year.

Zhongshan Public Utilities

In August 2014, the Group acquired 13% of the total share capital of Zhongshan Public Utilities at the price of RMB10.52 per share for a total consideration of approximately RMB1,064.9 million. Zhongshan Public Utilities, being an industry-leading professional integrated 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 the expansion and strengthening of Zhongshan Public Utilities. During the Reporting Period, Zhongshan Public Utilities's net profit attributable to shareholders was RMB939.3 million, an increase of 231.4% over the same period of last year.

Sanyuan Foods

In February 2014, the Group subscribed for 249,617,151 A shares of Sanyuan Foods (the "**A Shares**") at a consideration of approximately RMB1,630 million and Fosun Chuanghong, a fund managed by the Group subscribed for 56,661,562 A Shares at a consideration of approximately RMB370 million representing approximately 16.67% and 3.78%, respectively, of the enlarged number of issued shares of Sanyuan Foods. The private placing of Sanyuan Foods was completed in February 2015. 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.

Facing falling price of international milk and intense competition in the domestic dairy market, Sanyuan Foods actively launched new products, adjusted product structure and strengthened brand awareness. During the Reporting Period, it recorded operating revenue of RMB2,229.7 million which is basically the same as last year, and net profit attributable to owners of the parent amounted to RMB49.6 million.

CNFC Fishery

The Group and three investment funds managed by the Group entered into a share subscription contract with CNFC Fishery in August 2014 and entered into the supplementary agreement to share subscription contract with CNFC Fishery in March 2015 to subscribe for approximately 102 million shares at the price of RMB6.41 per share. After the completion of share issuance, the Group and the three investment funds managed by the Group will hold approximately 14.04% of the shares of CNFC Fishery. 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. The investment is pending approval by the China Securities Regulatory Commission. The final investment amount and proportion of shareholding is subject to the private placement approval of the China Securities Regulatory Commission.

PE/VC

The Group's investments in PE include investments in St. John, Caruso, Dare Shares, etc..

St. John

St. John, a renowned US luxury womenswear brand, was invested by the Group in 2013. As at the end of the Reporting Period, the Company indirectly held 6.7% equity interest in St. John while Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, held 26.7% equity interest in St. John. 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 recruited its senior management, strengthened its management team and operating standards with the assistance of Fosun after its investment in St. John. Fosun also helped set up a Chinese team for St. John to recover the Chinese business for direct operation, and it will continue to provide assistance to St. John in respect of store opening and brand promotions in the future.

For the first half of 2015 financial year (during the period from 1 November 2014 to 30 April 2015), St. John's sales revenue decreased by 9% comparing with the same period of the last year, due to the persistently weak US wholesale market. Under the leadership of the new merchandiser and designer teams, the product designs were obviously enhanced, the 2015 spring products have outperformed. The US retail sales increased by 5.2% and the channel EBITDA increased by 147% comparing with the same period of last year. Since the sales through wholesale channel has been increased by 11%, wholesale business next year is expected to improve. 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 expands 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 made 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. In November 2014, Caruso opened its first global flagship store on 58th Avenue in New York. In the same year, Caruso also signed a letter of intention with the Bund Finance Center, where Caruso's China flagship store will be located in 2016. In January 2015, Caruso's second global flagship was opened in Milan.

Dare Shares

On 12 June 2015, Fuxin Dare Automotive Parts Co., Ltd. ("**Dare Shares**") has successfully listed on the Shenzhen Stock Exchange (stock abbreviation: Dare Shares, stock code: 300473). During the Reporting Period, the financial results of Dare Shares recorded a stable increase with revenue increased by 0.1 % to RMB392.8 million, and net income attributable to shareholders increased by 3.9% to RMB86.3 million. As at 30 June 2015, the Group held 4.67% equity interest in Dare Shares.

VC Investments

Fosun Kinzon Capital team is the Group's investment platform for venture capital investments in Internet. Fosun Kinzon Capital team focuses on startup to early growth stage projects relationship to Mobile-Internet and O2O (including Internet finance, Internet related real estate and automotive, Internet education and on-line travel) and aims to assist the rapid development of invested companies by leveraging the Group's industry background and resources. As at 30 June 2015, Fosun Kinzon Capital team has invested in 32 projects with total investment amount of approximately HKD1,328.7 million.

Secondary Market Investments

The Group's investments in the secondary market include Folli Follie, Perfect World, etc.. For other investments in the secondary market, please refer to "Significant Secondary Market Holdings Held by the Group".

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 2015, 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.

The sales revenue of Folli Follie for the first quarter of its financial year in 2015 amounted to Euro268.6 million, representing an increase of 17.8% over the same period of last year. Its EBITDA was Euro66.3 million, representing an increase of 12.6% over the same period of last year. The operating profit amounted to Euro57.2 million, representing an increase of 6.3% over the same period of last year. The sales of its core brand business increased by 12.9%, EBITDA increased by 13.2% and operating profit increased by 6.1% as compared with the same period of last year. As of the end of the first quarter of its financial year in 2015, Folli Follie had 668 point of sales all over the world, of which nearly 240 were in China. The other two business segments of Folli Follie – wholesale/retail and department stores achieved growth of 41.6% and 18.3% respectively in sales revenue over the same period of last year.

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

Perfect World

The Group has invested in Perfect World since 2012. As at the end of the Reporting Period, the Group held 11.8% equity interest in Perfect World. As of 31 December 2014, Perfect World recorded net revenue of USD619.4 million, representing an increase of 25.9% over the same period of last year, with a net profit attributable to the shareholders of the listed company of USD76.0 million, representing a decrease of 13.1% over the same period of last year. Perfect World has received a privatization offer in January 2015 and will not disclose its financial results of 2015 onwards. Perfect World has notified the U.S. Securities and Exchange Commission of the delisting of its American Depositary Shares on Nasdaq Stock Market and the deregistration of its registered securities in August 2015.

Significant Secondary Market Holdings Held by the Group [1]

No.	Stock Code	Stock Name	Number of Stock (As at 30 June 2015)	Percentage of total share capital	Currency	Accounting Treatment [2]
1	1988.HK	Minsheng Bank[3] (H)	773,019,800	2.12%	HKD	A
2	1398.HK	ICBC (H)	262,087,000	0.07%	HKD	B
	601398.SH	ICBC (A)	387,423,476	0.11%	RMB	A
			18,134,500	0.01%		B
	XS1142380820	ICBC perp	37,725,000	N/A	EUR	B
3	1336.HK	New China Life Insurance (H)	50,081,100	1.61%	HKD	B
			46,534,700	1.49%		A
4	000685.SZ	Zhongshan Public Utilities	101,228,818	13.00%	RMB	B
5	600429.SH	Sanyuan Foods	249,617,151	16.67%	RMB	B
6	SINA	SINA	5,105,268	8.75%	USD	B
	—	SINA Convertible Bonds	383,995	N/A		B
7	FFGRP.GA	Folli Follie	6,669,828	9.96%	EUR	A
8	YOKU	Youku	6,488,041	3.59%	USD	B
			438,197			A
9	YY	YY	1,806,516	3.19%	USD	B
	—	YY Convertible Bonds	609,754	N/A		

Notes:

1. The calculation range covers the stock and similar stock investments of the Group as well as its insurance subsidiaries, excluding stock rights of the Group's industrial subsidiaries and associates, stocks invested by associates and funds.

2. A: Equity investments at fair value through profit and loss; B: Available-for-sale investments.

3. Including derivative interests of 390 million shares.

LP Investments

The Group made investment through capital contribution as a limited partner while proactively developing its asset management business. As of 30 June 2015, the Group committed to contribute a total of RMB5,003.6 million (RMB691.2 million to be contributed by Forte), of which RMB4,154.0 million was actually contributed (RMB691.2 million was contributed by Forte to the Real Estate series funds of Forte).

ASSET MANAGEMENT

During the Reporting Period, 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. Weishi Fund, Fosun Capital, Fosun Chuanghong, Star Capital, Shanghai Sunvision Xicheng Equity Investment Center (Limited Partnership), Shanghai Sunvision Binhe Equity Investment Center (Limited Partnership), Pramerica-Fosun China Opportunity Fund, 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 Group had acquired 60% of equity interest of Resolution Property Investment Management LLP ("**Resolution Property**"), a European real estate capital management company in June 2015.

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 RMB49,593.5 million, of which RMB492.4 million was contributed by the Group through its commitment as a general partner and RMB5,003.6 million was contributed by the Group through its commitment as a limited partner. The management fee derived from the asset management business amounted to RMB259.6 million. In addition, during the Reporting Period, the asset management business of the Group invested in 12 new projects, and increased investment in 1 existing project, with an accumulated investment of RMB3,269.5 million.

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**259.6**	145.2	+ 78.8%
Profit attributable to owners of the parent	**364.4**	92.4	+ 294.4%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of asset management segment were mainly attributable to the expansion of the Group's asset management scale, including the closing of the Group's acquisition of IDERA in May 2014.

IDERA

In May 2014, the Group completed its acquisition of 98% equity interest in IDERA, a Japanese real estate capital management company, for a consideration of JPY6,811.0 million. This investment is an important step of Fosun's pursuit of "insurance + 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 was over JPY128,995.6 million (approximately RMB6,707.8 million). IDERA will become the real estate investment platform of Fosun in the Japanese market and will continue to provide outstanding real estate fund and asset management services for investors in Europe, the US, Asia, Middle East and Japan.

During the Reporting Period, IDERA recorded an unaudited operating revenue of JPY1,755.7 million, net profit of JPY1,217.6 million and net asset book value of JPY9,728.7 million according to the Japanese accounting standards.

Resolution Property

In June 2015, the Group acquired 60% equity interest in Resolution Property, an European real estate capital management company headquartered in London, for a consideration of Euro15.6 million. This investment is an important step of Fosun's pursuit of "insurance + investment" strategy to build its global investment capability. Resolution Property is a leading fund manager focusing on real estate value-added and opportunistic investment in Europe and will become a priority platform of Fosun in the European market for real estate investment. As at the end of the Reporting Period, total funds under its management were approximately RMB7,491.9 million.

Linekong Interactive

The Group completed its investment in Linekong Interactive, a leading mobile game developer and publisher in China, through a fund under its management in January 2014, thereby holding 14.15% equity interest in Linekong Interactive as of 30 June 2015. During the Reporting Period, Linekong Interactive recorded operating revenue of RMB301.0 million, representing an decrease of 17.1% over the same period of last year. The Group's investment in Linekong Interactive is another important project of Fosun in quality Internet content business and a strategic move in its investment in Internet gaming business, particularly the mobile gaming business.

BANKING AND OTHER FINANCIAL BUSINESS

During the Reporting Period, the revenue and profit attributable to owners of the parent of banking and other financial business segment were as follows:

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**18.1**	—	N.A.
Profit attributable to owners of the parent	**75.9**	57.3	+ 32.5%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of banking and other financial business segment were mainly due to the completion of Group's acquisition of 100% equity interest in Hani Securities in July 2014.

Zhejiang Internet Commerce Banking

The Group and other independent third parties received the official reply from China Banking Regulatory Commission in September 2014 to begin preparation for the establishment of Zhejiang Internet Commerce Banking in Hangzhou, Zhejiang Province, PRC. The reply approved the Group's founder qualification for acquiring shares equivalent to 25% of the total share capital of the private bank.

The Group injected registered capital of RMB1,000 million in Zhejiang Internet Commerce Banking. Commenced operation in June 2015, Zhejiang Internet Commerce Banking is a joint-stock commercial bank which provides financial services for small and medium enterprises and individual consumers on the Internet, and operated in the mode of a platform with light assets held for trading. The Group considers that Zhejiang Internet Commerce Banking has investment value as it operates its business on the basis of real economy and real trading backgrounds, and utilizes unique risk control technologies to realize whole process network operation, providing online financing and other financial services for target clients with characteristics of large scale, great volume, intensive operation and information support. Zhejiang Internet Commerce Banking is currently undergoing its internal trial operation.

BHF Kleinwort Benson

BHF Kleinwort Benson is a public company listed in Brussels, Belgium and is the majority shareholder of Kleinwort Benson Group Limited ("**KBG**"), which was invested by the Group in March 2014. The Group and Pramercia-Fosun China Opportunity Fund, a fund managed by the Group, contributed in aggregate of Euro100.6 million in the investment and jointly held 19.18% equity interest in KBG. In September 2014, the Group participated in a stock swap transaction between KBG and BHF Kleinwort Benson, exchanging its shareholding of 19.18% equity interest in KBG into shareholding of 17.46% equity interest in BHF Kleinwort Benson. From August to September of 2014, Fidelidade purchased 2.03% equity interest of BHF Kleinwort Benson in public market. As at the end of the Reporting Period, the Group and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, hold in aggregate equity interest of 19.49% in BHF Kleinwort Benson. BHF Kleinwort Benson wholly owns the private bank BHF-BANK in Germany and the private bank Kleinwort Benson in the United Kingdom.

In March 2015, Fidelidade purchased 8,879,157 ordinary shares of BHF Kleinwort Benson at a price of Euro4.9 per share for a total consideration of Euro43.5 million, while the Group and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, purchased 3,191,099 ordinary shares of BHF Kleinwort Benson at a price of Euro4.9 per share for a total consideration of Euro15.6 million. The Group's direct and indirect equity interest in BHF Kleinwort Benson is expected to increase from 19.49% to 28.61% after the completion of the transaction. As at the end of the Reporting Period, the transaction is currently in the process of obtaining regulatory approval.

Founded in 1854, BHF-BANK is one of the largest independent private banks in Germany and its headquarters is 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 approximately 1,000 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 Euro39.4 billion funds entrusted by its clients and can make investments around the world. 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 United Kingdom, Channel Islands and Cayman Islands. 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.

Fosun Finance Company

Fosun Finance Company officially commenced operations in September 2011. During the Reporting Period, Fosun Finance Company operated in a steady and sound manner and achieved operating revenue of RMB86.9 million, net assets of RMB375.5 million and net profit after tax of RMB57.2 million. As of 30 June 2015, Fosun Finance Company had 124 members in total, with deposits amounting to RMB2,581.3 million and loans amounting to RMB1,880.0 million. Currently, Fosun Finance Company has obtained the loan and entrusted loan business qualification and the interbank lending market business qualification.

Hani Securities

Hani Securities is an important investment of the Group to acquire a financial platform in Hong Kong in July 2014. The Company indirectly holds 100% equity interest in Hani Securities. The acquisition of Hani Securities is of significant importance to the opening up of domestic and overseas funding channels at home and abroad and the enhancement of overseas assets management capability.

Established in 1987, Hani Securities is registered securities broker with a recognized licenses in Hong Kong to deal in securities on behalf of retail customers and corporate customers. During the Reporting Period, Hani Securities owns four types of securities business licenses: dealing in securities (Type 1), advising on securities (Type 4), advising on corporate finance (Type 6) and asset management (Type 9). During the Reporting Period, Hani Securities recorded operating revenue growth of 358.5% over the same period of last year. The Group has started to participate in the Shanghai-Hong Kong Stock Connect through Hani Securities and has provided windows for the capital operation of Fosun's assets such as Fosun Insurance Portugal and Peak Reinsurance in the capital market of Hong Kong.

Chuangfu Finance Leasing

Chuangfu Finance Leasing is mainly engaged in automobile finance leasing for corporate and individual customers who need mid to high end automobile related financial services. As 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, the Company, through its subsidiary, acquired an equity stake in Chuangfu Finance Leasing. After completion of the acquisition in February 2014, the Company has a shareholding of 59.4% in Chuangfu Finance Leasing. As of 30 June 2015, the scale of leasing assets of Chuangfu Finance Leasing amounted to RMB487 million, representing an increase of 37.2% comparing to the same period of last year.

Hangzhou Financial Investment Leasing

Hangzhou Financial Investment Leasing is a financing leasing platform jointly established by the Group and Hangzhou Financial Investment Group in June 2013 with an initial registered capital of USD99 million and a positioning of providing finance optimization, financing and vendor marketing services to quality growth-based small and medium sized enterprises and public utility units. With strong financial and industry background of its shareholders, the company pays close attention to the needs of its customers, implements its differentiation strategy and makes full use of the unique functions of financing leasing so as to serve real economy, small and medium sized enterprises and urban construction. As at the end of the Reporting Period, the scale of leasing assets of Hangzhou Financial Investment Leasing amounted to RMB808 million.

INDUSTRIAL OPERATIONS

The industrial operations of the Group include five segments, health, happy lifestyle, steel, property development and sales, and resources. Health segment includes Fosun Pharma, Luz Saúde and Starcastle Senior Living, etc.; happy lifestyle segment includes Yuyuan, Club Med, Atlantis, Studio 8, Bona, Cirque du Soleil and Silver Cross; steel segment includes Nanjing Nangang and Tianjin Jianlong; property development and sales segment includes Forte, The Bund Finance Center, Dalian Donggang and Resource Property, etc.; resources segment includes Hainan Mining and ROC.

HEALTH

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**7,319.6**	5,502.2	+ 33.0%
Profit attributable to owners of the parent	**580.7**	405.2	+ 43.3%

During the Reporting Period, the increase in revenue of health segment was mainly attributable to: 1) Fosun Pharma's rapid business development in aspects of drug manufacturing and R&D, medical services, etc.; and 2) the acquisition of Luz Saúde, by the Group's subsidiary Fidelidade in October 2014. Increase in profit attributable to owners of the parent of health segment was mainly due to Fosun Pharma's sound operation and performance during the Reporting Period.

Fosun Pharma

In 2015, despite the challenge circumstances of an incomplete recovery from the global economic downturn, the slowdown in the growth rate of the domestic economy, the continuing reforms of the medical system in the PRC as well as the slow growth in pharmaceutical manufacturing industry have brought policy opportunities to the development of medical services. During the Reporting Period, Fosun Pharma adhered to its business philosophy of "Innovation for Good Health", focused on its core pharmaceutical healthcare businesses, committed to product innovation and management improvement, actively promoted the strategies of organic growth, external expansion and integrated development, and thereby maintaining the growth of the principal businesses.

During the Reporting Period, Fosun Pharma realized revenue of RMB5,871.4 million, representing an increase of 6.7% when compared with the same period of last year. The increase in the revenue of Fosun Pharma was mainly attributable to the growth in revenue from the business segments of manufacturing, distribution of medical devices and healthcare services. In the first half of 2015, Fosun Pharma recorded profit before tax of RMB1,810.1 million and net profit attributable to owners of the parent of RMB1,303.5 million, representing an increase of 33.2% and 28.1%, respectively, as compared with that in the consolidated financial statements for the corresponding period of 2014 that have been retrospectively adjusted.

During the Reporting Period, the business of pharmaceutical manufacturing and R&D of Fosun Pharma maintained steady growth and the development of its professional operation teams was further strengthened. The sales of Fosun Pharma's major core products in the therapeutic area such as cardiovascular system, central nervous system, blood system, metabolism and alimentary system and anti-tumor areas, maintained rapid growth. Among the new products, the sales of You Di Er (alprostadil dried emulsion), a product in the cardiovascular system therapeutic area, and You Li Tong (febuxostat tablets), a product in the metabolism therapeutic area, had experienced prominent growth. Fosun Pharma continuously increased its investment in the R&D of pharmaceutical products. During the Reporting Period, the R&D expenses of the pharmaceutical manufacturing and R&D segment accounted for 5.7% of the revenue of the pharmaceutical manufacturing and R&D segment.

At the beginning of 2015, Fosun Pharma and Sinopharm completed the integration of the pharmaceutical distribution and retail business including Fosun Pharmaceutical, For Me Pharmacy and Golden Elephant Pharmacy, which optimised its resource allocation. In addition, Fosun Pharma sought to explore new business model through cooperation with Guahao.com Limited (掛號網). During the Reporting Period, Sinopharm, an associate of Fosun Pharma, put continuous efforts in accelerating industry consolidation, expanding distribution network of pharmaceutical products and maintaining rapid growth in business.

Fosun Pharma, based on its substantially completed deployment of its healthcare services business integrating high-end healthcare institutions in the more developed coastal cities and speciality and general hospitals in second-tier and third-tier cities in order to continuously enhance its operating capabilities and profitability. During the Reporting Period, the "Excelsior Tower" (精進樓), a new complex of Chancheng Hospital (禪城醫院), was completed and commenced operation, establishing a foundation for creating the differentiated healthcare service platform. A rehabilitation and body-check hospital initiated by Zhongwu Hospital (鐘吾醫院) has commenced construction, which further diversified the healthcare service platform of Fosun Pharma. Furthermore, the Taizhou Zanyang Medical Care Project (i.e. Taizhou Public Zhedong Medical Care Investment and Management Company Limited (台州市立浙東醫養投資管理有限公司) and its ancillary hospitals) has commenced construction, which will actively explore new healthcare models.

Moreover, Fosun Pharma actively support and facilitate the development and deployment of hospital and clinic network under "United Family Hospital", a leading premium healthcare services brand under Chindex International, Inc.. In the first half of 2015, the United Family Hospital continued to maintain its brand awareness and prominent position in the premium healthcare service area in major cities such as Beijing and Shanghai. During the Reporting Period, Qingdao United Family Hospital commenced its operation and the construction of Guangzhou United Family Hospital was at full steam. In respect of the medical devices segment, Fosun Pharma actively fostered the business development of Alma Lasers Ltd. and enhanced the expansion of the distribution business of Chindex Medical Limited. In particular, the volume of surgery by Da Vinci surgical robotic system experienced a significant increase in the first half of 2015.

Starcastle Senior Living

Starcastle Senior Living is a joint venture jointly established by the Group and Fortress Investment Group LLC, each holding 50% of its equity interest, for the purpose of developing the property market for senior citizens in China. The company's first high-end healthcare project customized for Chinese senior citizens has commenced operations in May 2013. Phase 1 has a total number of 218 units with occupancy rate at 69%.

Luz Saúde

Luz Saúde is one of the largest groups providing healthcare services in the Portuguese market, providing its services through 18 units (eight private hospitals, one national health service hospital under a public private partnership regime, seven private clinics operating day-care regimes and two residences for the elderly) and is present in the north, centre and centre-south of Portugal.

As at the end of the Reporting Period, Fidelidade currently holds 98.4% equity interests of Luz Saúde. In the first half of 2015, Luz Saúde provided 1,179 beds and recorded good operational and financial results due to the growth in the Portuguese private healthcare market and the achievement of some synergies with the insurance business of Fidelidade.

Consolidated operational revenues reached Euro212.8 million, an increase of 5.8% year-on-year, driven both by growth in the private health segment (+6.5%) and in the public health segment (+2.9%). EBITDA reached Euro31.1 million, with an EBITDA margin of 14.6%, a 0.5 percent point increase comparing with the same period of last year, reflecting a margin improvement on the private segment. Net income attributable to shareholders also grew and totalled Euro10.6 million, representing a 21% growth versus 2014.

HAPPY LIFESTYLE

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**—**	—	N.A.
Profit attributable to owners of the parent	**207.6**	173.8	+ 19.4%

During the Reporting Period, the increase in the profit attributable to owners of the parent of happy lifestyle segment was mainly attributable to the earnings from the Group's investment in Yuyuan.

Yuyuan

Yuyuan is mainly engaged in commercial retail, and wholesale and retail of gold and jewelry, and holds certain equity interest in Zhaojin Mining. During the Reporting Period, Yuyuan recorded operating revenue of RMB9,511.5 million, representing a decrease of 5.3% over the same period of last year. Profit before tax was RMB502.2 million and increased by 22.2% year-on-year. The net profit attributable to shareholders of the listed company amounted to RMB410.1 million, representing an increase of 24.2% over the same period of last year. Yuyuan recorded lower operating revenue when compared with the same period of last year mainly due to decreased revenue from the gold and jewelry segment as compared to the same period of last year. Yuyuan recorded increase in net profit for two main reasons: 1) Yuyuan obtained spot gold through lease of gold and gold from the Shanghai Gold Exchange, and at the same time used derivative financial instruments such as gold T+D extended trading, gold forward trading and gold futures trading to hedge transactions and lock costs. As movement of international gold price this year is different from those of last year, temporary changes in fair value gains and losses resulted from holding leased gold and gold T+D trading etc. at the end of the period increased as compared to the same period of last year; 2) through strengthened management of investment projects and financial assets held for trading, investment gains increased this year as compared to the same period of last year.

During the Reporting Period, Yuyuan adhered to its development of 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 promote 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 1,826. The Group will assist Yuyuan to explore the potential value of the large traffic flows, create O2O business model, actively seeking opportunity to consolidate high-quality assets in order to obtain high returns for shareholders.

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, by completing the public offer of Euro24.6 per share in December 2014, Club Med delisted from Euronext in March 2015.

As for its results, despite the continuous decline in Club Med's major European markets, Club Med recorded a net profit for resorts of Euro49.0 million for the first half of its 2015 financial year, which stayed flat as compared to the same period of 2014, 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, its Greater China business will accelerate development under the support of its major brands and the new brand Joyview by ClubMed, and China will become the second largest market after France for Club Med this year.

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 the key construction project of Hainan Province. The project commenced construction in 2013 and will be completed by the end of 2016. As of 30 June 2015, RMB2,687.8 million was invested; this project had obtained the "Fixed Assets Investment Project Certified Report" and "Construction Land Planning Permit" and the first phase of this project had obtained "Construction Works Commencement Permit".

Name of project	Usage	Land area (sq.m.)	GFA (sq. m.)	Ownership of Interests	Land costs (in RMB million)	Development Progress	Expected completion time	Construction and installation costs (in RMB million)
Atlantis	Accommodation, food and beverage, cultural, sports and entertainment	537,420.2	512,653.0	100%	2,091.4	Under Development	2016	596.4

Studio 8

Studio 8 is an important investment made by the Group in the film industry, a significant step for the Group to start the film and television entertainment industry. As at the end of the Reporting Period, the Company had 80% equity interest in the Class A investors of Studio 8, the Group exercises significant influence over the distribution arrangement of movies produced by Studio 8 in the mainland China, Hong Kong, Macau and Taiwan, whereby the Company will build a global media entertainment investment, financing and operating platform with its base in China's culture consumer market and focusing on the global film and television industry. During the Reporting Period, Studio 8 and Columbia TriStar Motion Picture Group, a subsidiary of Sony, co-invested in Billy Lynn's Long Halftime Walk which is directed by Ang Lee. Now it's already finished the shooting and entered into the post-production stage in New York. Besides that, several excellent films are under development and it's expected to announced the greenlight projects soon.

BONA

Investment in Bona is an important strategic move of Fosun Group in the film, television & entertainment industry. At the end of the Reporting Period, the Group and its insurance subsidiaries held a total of 20.11% share in Bona, becoming the second largest shareholder of Bona. In the first half of 2015, the gross box office in China reached RMB20.3 billion, representing a year-on-year increase of 48%. In addition, the Group is expecting that the rapid and robust growth will continue in the long run. Bona has extensive experience in local film production, distribution and cinema operation in China; it has also achieved remarkable performance in recent years and takes the lead in the local film market. Th e Group will consistently integrate resources and complementary advantages to support the sustainable growth of Bona in the future. In June 2015, the Group, together with Mr. Yu Dong, the founder and board chairman and chief executive officer of Bona, and Sequoia Capital China Fund, issued to Bona a non-binding privatization offer. In the first half year of 2015, the box office of movies distributed by Bona, including *The Taking of Tiger Mountain, The Man From Macau 2, Emperor's Holidays*, has reach over RMB2 billion, which ranks top among private-owned enterprises.

Cirque du Soleil

Cirque du Soleil from Canada, was an overseas investment closed by the Group in July 2015. The Group and CMF, a fund managed by the Group, together with Yuyuan jointly held 25% equity interest in Cirque du Soleil. Among which, the Group held approximately 8.02% of its equity interest, and CMF and Yuyuan held approximately 14.14% and 2.83% equity interest, respectively.

Cirque du Soleil is primarily a creative content provider for a wide variety of unique projects. In addition to shows, the company, which has its international headquarters in Montréal, extends its creative talent to other spheres of activity. While maintaining stringent standards of artistic quality and originality, Cirque du Soleil brings to innovative projects the same energy and spirit that characterize each of its shows. Cirque du Soleil is a Quebec-based organisation providing high-quality artistic entertainment. Since its beginning in 1984, almost 160 million spectators in over 330 cities and 48 countries have been thrilled by Cirque du Soleil. In 2015, 18 shows will simultaneously be presented around the world. Cirque du Soleil has been the recipient of many prestigious awards, including the Emmy, Drama Desk, Bambi, ACE, Gémeaux, Félix and Rose d'Or de Montreux.

The Cirque du Soleil investment is another milestone made by the Group in its lifestyle platform after the Club Med's privatization. In the future, the Group, together with TPG VII CDS Holdings and Cirque du Soleil will cooperate to expand the Cirque du Soleil's business in China.

Silver Cross

Silver Cross was an overseas investment made by the Group in June 2015 and the transaction was completed in July 2015. The Company indirectly held 82% of its equity interest through Fosun Industrial Holdings Limited, a wholly-owned subsidiary of the Company.

Silver Cross, which was established in 1877 by William Wilson, has established itself as a leading UK heritage brand. The company incorporates the latest product design with engineering mechanism to offer its customers a range of multifunctional and lightweight strollers alongside its hand-built legacy prams and complemented by its nursery furniture range. Silver Cross has a multichannel distribution network covering UK, Europe, the Middle East, Asia and Asia Pacific regions. In UK, it has a significant retail presence with a strong national retail footprint and an extensive network of over 170 independent retailers. Silver Cross has two major flagship stores in Shanghai and Hong Kong and presence in a number of high-end maternal and infant chain stores. The key growth market like Southeast Asia region has also proved to be very successful for Silver Cross. Silver Cross has won numerous high profile awards such as illustrious Junior Design Award and Which! Best Buy Award.

STEEL

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**11,639.4**	13,065.6	- 10.9%
Profit attributable to owners of the parent	**(209.6)**	55.8	- 475.6%

During the Reporting Period, the decrease in the revenue of steel segment was mainly due to a decrease in Nanjing Nangang's sales price of products, as affected by market fluctuation. The decrease in profit attributable to owners of the parent of steel segment was due to: 1) a decrease in the profit attributable to owners of the parent of Nanjing Nangang, which was in line with the decrease in revenue; and 2) a decrease in share of profit of Tianjin Jianlong.

Nanjing Nangang

As China's steel industry has entered into new normal, the demand for steel continued to wither along with economic downturn. Production of crude steel, despite month-to-month negative growth, still lingers at a high level. With severe oversupply in steel market, decrease in steel price continues to accelerate and the decrease amplitude of the steel price is greater than that of the ore price. With intensifying market competition, the environment of the steel industry does not improve but instead further deteriorates. Steel enterprises have difficulties in operation, differentiation is obvious and the risk of funding chain scission is increasing.

During the Reporting Period, Nanjing Nangang enhanced its competitiveness through a longitudinal process reengineering on the one hand, and on the other hand accelerated enterprise restructuring and development. Since 1 January 2015, Nanjing Nangang has implemented reform of the business department and granted full authorities to all production units to strengthen their market operation awareness and self-management capacity. Internally potentials were tapped for cost efficiency, and externally connection of production with market were promoted to enhance product innovativeness and product competitiveness, which were conducive to integration of production, marketing, research and application and helped customers create value. Meanwhile, Nanjing Nangang accelerated transformation of its business mode from traditional manufacturing to the modern services industry, and headed towards simultaneous development of "Steel + energy efficiency and environmental protection".

During the Reporting Period, Nanjing Nangang produced 4.28 million tonnes of steel, representing a year-on-year increase of 15.8%. Meanwhile, Jin'an Mining, in which Nanjing Nangang owns a controlling stake, produced 520 thousand tonnes of iron concentrate, representing a year-on-year increase of 0.3%.

Tianjin Jianlong

Tianjin Jianlong is the main operating entity for the steel and resources industry of Beijing Jianlong Heavy Industry Group Co., Ltd.. During the Reporting Period, Tianjin Jianlong insisted on low cost strategy, paid attention to the product structure adjustment, strengthened the research and development and product upgrade, which contributed to the decreasing of production costs, realized the overall fairly stable condition of the production, operation and profit for the company.

During the Reporting Period, Tianjin Jianlong produced steel of 7,714.8 thousand tonnes, representing a year-on-year increase of 2.9%; iron concentrate of 1,596.28 thousand tonnes, representing a year-on-year increase of 14.7%; phosphor concentrate of 125.73 thousand tonnes; and sulfur concentrate of 49.76 thousand tonnes.

PROPERTY DEVELOPMENT AND SALES

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**4,199.2**	2,777.0	+ 51.2%
Profit attributable to owners of the parent	**161.5**	1,654.6	- 90.2%

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

Forte

In 2015, China's real estate market continued the upward trend in the second half of 2014, and the successive introduction of a number of government policies to support the property market has played a significant role in promoting the China's real estate market, thereby further warming the property market in the first half of 2015, with the market volume increased significantly.

Against the backdrop of overall improvement in the real estate market in the first half of 2015, Forte seized the opportunity to strive for active investment, accelerated the pace of financing, marketing and internal operation management, and built up the foundation for driving the future growth of the company. With the support of major shareholders, Forte actively accessed domestic and foreign insurance funds and quality, low-cost fundings, whilst relied on industrial resources of major shareholders to integrate resources, obtained low-cost land with support from the government, and enhanced product value through industrial operation, hence resulting in land premium and further improvement in overall profitability.

Forte is cautiously optimistic about the second half of 2015. Attention will be focused on market changes; marketing strategies will be strengthened to capture market opportunities; active and effective measures will be adopted to accelerate the sales rate of new products launched in the market. Through financing facilities provided by all kinds of internal and external channels of the Group system, including domestic and overseas insurance funds, Internet finance, equity funds, corporate bonds and asset securitization of the property management fee, further reduction of the overall financing cost of the Group was realized. Realization of Hive City will be the core strategies of Forte in 2015. Forte is developing towards the same direction as its parent company - Fosun. By integrating global resources and diverse product lines of Fosun, Forte will actively achieve transformation to an enterprise with industrial characteristics, and to seek for breakthrough of light-asset model in the financial context to enhance profitability. Forte is endeavoring to achieve its vision of being "a World Class Real Estate Developer".

Project Development

During the Reporting Period, Forte's GFA under development was approximately 5,828,531.2 sq.m., and attributable GFA amounted to approximately 3,673,979.2 sq.m., representing an increase of approximately 5.9% compared with the same period of last year (Interim period of 2014: attributable GFA of approximately 3,470,719 sq.m.).

During the Reporting Period, the GFA of newly commenced projects was approximately 1,166,811.4 sq.m., and attributable GFA amounted to approximately 832,208.9 sq.m., representing an increase of approximately 72.2% compared with the same period of last year (Interim period of 2014: attributable GFA of approximately 483,272 sq.m.).

During the Reporting Period, the GFA of completed projects was approximately 588,859.8 sq.m., and attributable GFA amounted to approximately 350,449.0 sq.m., representing an increase of approximately 47.1% compared with the same period of last year (Interim period of 2014: attributable GFA of approximately 238,168 sq.m.).

Project Reserves

During the Reporting Period, Forte obtained 2 projects as additional project reserves with planned GFA of approximately 336,959 sq.m. and attributable GFA was approximately 315,559 sq.m., representing an increase of approximately 41.8% compared with the same period of last year (Interim period of 2014: attributable GFA of approximately 222,500 sq.m.).

As at the end of the Reporting Period, Forte owned project reserves with planned GFA of approximately 14,017,454.6 sq.m., and attributable GFA was approximately 9,224,382.8 sq.m., representing a decrease of approximately 10.6% compared with the same period of last year (Interim period of 2014: the attributable GFA was approximately 10,319,297 sq.m.).

Property Sales

During the Reporting Period, Forte realized property contract sales area and contract sales revenue of approximately 448,998.3 sq.m. and RMB6,025.0 million respectively, and attributable contract sales area and contract sales revenue were approximately 322,690.5 sq.m. and RMB4,505.1 million respectively, representing a decrease of approximately 1.4% and a decrease of approximately 2.7% respectively, compared with the same period last year (Interim period of 2014: total attributable contract sales area and contract sales revenue were approximately 327,389 sq.m. and RMB4,631.5 million, respectively).

Property Booked

During the Reporting Period, the property area (booked area) and property amount (booked amount) by Forte were approximately 292,791.0 sq.m. and RMB3,737.8 million respectively. Attributable booked area and booked amount were approximately 221,382.9 sq.m. and RMB2,757.1 million, representing an increase of approximately 3.6% and an increase of approximately 14.4% respectively, compared with the same period of last year (Interim period of 2014: attributable booked area and booked amount of approximately 213,605 sq.m. and RMB2,410.3 million respectively).

As at 30 June 2015, the area and amount sold but not booked were approximately 1,395,603.1 sq.m. and RMB21,798.2 million respectively, and the attributable area and amount sold but not booked were approximately 948,733.9 sq.m. and RMB14,431.0 million respectively, representing a decrease of approximately 14.1% and an increase of approximately 0.8% respectively, compared with the same period of last year (Interim period of 2014: attributable area and amount sold but not booked were approximately 1,104,898 sq.m. and RMB14,314.0 million respectively).

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 is expected to pass acceptance examination upon its completion in 2016. The Bund Finance Center is an experiential finance complex in the Bund financial zone and this project will comprise five different business modes including family wealth management office, corporate headquarters, shopping centre, art gallery and boutique hotel in order to facilitate multiple functions of finance, commerce, tourism, culture and arts under one roof.

During the Reporting Period, the particulars of the project is as follows:

Name of project	Floor	Area (sq. m.)
GFA		425,517
Family wealth management office	S1	80,569
Corporate headquarters	S2	78,297
	N1	10,898
	N2	12,848
	N4	5,263
Commerce		88,509
Hotel		36,331
Art and cultural center		3,959

Dalian Donggang

The project is located in the Donggang District, which will be the Central Business District 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 completion and hence appreciation in its value, Donggang is expected to 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 584,000 sq. m.

The project was launched for sale at the end of 2012 and had achieved contracted sales of approximately RMB1,992.42 million in the end of June 2015. It is estimated that the construction of first phase will be completed in 2015 with overall project completion in 2016.

Name of project	Usage	Land area (sq.m.)	GFA (sq. m.)	Ownership of Interests	Land costs (RMB million)	Development Progress	Expected completion time	Construction and installation costs (RMB million)
The Bund Finance Center	Office, commerce and hotels	45,472	425,517	50%	9,550	Under Development	2016	2,988
Dalian Donggang	Residential, office and hotels	141,600	761,003	64%	3,835	Under Development	2016	1,223

Resource Property

Resource Property is an integrated service provider in the property circulation sector of the Group. Based on the global development strategy of Fosun, Resource Property is dedicated to build an overseas housing purchase and living O2O service platform for Fosun Property sector. It will comprehensively integrate overseas industrial resources of Fosun and work together with the renowned global companies. Taking housing purchase as a starting point, Resource Property is striving to provide Chinese customers with one-stop services covering whole industry chain, including housing purchase, immigration, education, health, finance and other aspects of living abroad. The services offered combine online convenient transaction and offline friendly experience, helping Chinese customers to realize their global living dreams.

RESOURCES

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

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Change over the same period last year
Revenue	**940.0**	868.7	+ 8.2%
Profit attributable to owners of the parent	**38.8**	172.5	- 77.5%

During the Reporting Period, the increase in revenue of resources segment was attributable to the closing of the Group's acquisition of ROC's 100% equity interest in January 2015. The decrease in profit attributable to owners of the parent was mainly due to the decrease in gross profit of Hainan Mining's products, which caused by the decrease in sales price.

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 1,563.0 thousand tonnes in the first half of 2015, representing an increase of 4.7% as compared with the same period of last year. The finished ore production reached 1,592.2 thousand tonnes, representing a decrease of 12.8% as compared with the same period of last year.

ROC

The Company launched a tender offer to ROC in August 2014. In January 2015, ROC was wholly owned by the Group and officially delisted from the Australian Stock Exchange.

From 1 January 2015, 100% of the financial results of ROC has been consolidated into the Company's consolidated financial statements. During the Reporting Period, ROC realized sales income of USD77.5 million, net profit of USD10.9 million, EBITDA of USD48.8 million and net cash inflow from operating activities of USD20.8 million.

The Company intended to utilize ROC as its strategic platform in the oil and gas sector in future. Leveraging on its leading operational and management capabilities and business development potentials, the Company will integrate its existing business bases in the PRC, Southeast Asia and Australia, to capture the global oil and gas investment opportunities under the overall decline in oil price environment, so as to obtain sustainable returns.

RECENT DEVELOPMENT

H&A

In July 2015, the Group entered into an offer to acquire at the minimum 80% of the share capital and voting rights plus one H&A share and voting right for an offer price of Euro682.50 per no-par value ordinary shares of H&A and the maximum amount of consideration payable is expected to be not more than Euro210 million. The offer is currently in the process of obtaining regulatory approvals. The acquisition will enhance the Group's capability of providing financial services in Europe, in the areas of private banking asset management, financial markets and fund custody services, to individual, corporate and institutional clients, particularly targeting small- and mid-cap enterprises.

BHF Kleinwort Benson

In July 2015, the Group issued an offer notice under the takeovers decree in Belgium in relation to its takeover offer in cash for BHF Kleinwort Benson, and the offer period commenced on the same day. The offer price under the proposed offer is Euro5.1 per share of BHF Kleinwort Benson and the maximum aggregate consideration that may be paid will be not more than Euro500 million. Pursuant to the proposed offer, up to 97,596,283 shares of BHF Kleinwort Benson, including 1,007,177 treasury shares of BHF Kleinwort Benson, being all of the issued shares of BHF Kleinwort Benson as at the day before the date of the offer notice which are not held by the offeror or its affiliates or otherwise economically transferred to the offeror or its affiliates. The offer is currently in the process of obtaining regulatory approvals.

FUTURE DEVELOPMENT

Currently, Fosun has adopted CIPC as its new model for investment, which is to select middle-class families and high net worth individuals as clients (Clients), focusing on their consumption and investment demands, through seeking investment opportunities (Investments) worldwide to start opportunistic investments as a small shareholder and gradually to consolidate and merge. Focus on researching and developing highly competitive assets-end and liabilities-end products (Products) to create service experiences that astonish clients and maintain sustainable relationships with clients (Clients) who create frequent and extensive transactions.

Meanwhile, Fosun will continue to identify systematic mismatches and value investing opportunities around the world. These opportunities include (1) the mismatch between reasonably low-priced overseas consumer assets, China's explosive growing and the world's largest and second largest consumer markets, which is the "Combining China's Growth Momentum with Global Resources" investment model that Fosun is proficient in consistently, the key to success rests on helping overseas brands to achieve high growth in China; (2) the mismatch between low-cost capital from the low interest rate environments in Europe, the US and Japan and the high return from RMB and USD assets, the key to success is to identify scalable investment opportunities based on deep and professional industrial capabilities, and to implement Fosun's investment techniques in the invested financial institutions on how to achieve high return by investing RMB and USD assets; and (3) sporadic opportunities from the return of China concept stocks, HK-listed stocks and H-shares to A-shares market and opportunities from Asia-listing of Asia-based assets of global consumer enterprises.

For the prospects of the economy in China, Fosun believes although the economy in China is currently under downward pressure, but transformation of the economy has been successful in several areas such as Shanghai and Zhejiang; if this success in transformation can be replicated and expanded rapidly nationwide, the long-term growth that the transformation of the economy in China brings about is predictable; the corrections in commodity prices have brought about negative sentiments towards the economy in China, but it has lowered costs in the manufacturing sector in China; the RMB devaluation has inflicted negative impact on the capital markets, but will benefit exports from China.

Looking forward, Fosun will constantly foster "Insurance-oriented Comprehensive Financial Capability" and "Global Industrial Integration Capability Taking Roots in China", and steadily and proactively implement the "Insurance + Investment" twin driver core strategy to seek for sustainable development under the global complicated economic environment. Fosun will make investment based on clients' needs, and promote the industry with investment to develop products and services with better content, so as to ultimately serve clients and to create maximum values for the society and shareholders. Fosun and its subsidiaries in industrial and insurance sectors have sufficient capital and are well-prepared for the cross-cycle development. Fosun will persistently adhere to value investing discipline and dance with cyclicality on the value floor, as well as identify mismatch of value opportunities around the world and put cross bull-bear low-risk high-yield growth model into practice, with a view to evolving into an intelligent and vital entity.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB2,007.8 million for the six months ended 30 June 2015 from RMB1,562.7 million for the six months ended 30 June 2014. The increase in net interest expenditures was mainly attributable to the growth in scale of total borrowings. For the six months ended 30 June 2015, the interest rates of borrowings were approximately between 0.44% and 11.0% as compared with approximately between 0.9% and 11.0% for the same period of last year.

TAX

Tax of the Group increased to RMB1,518.3 million for the six months ended 30 June 2015 from RMB759.0 million for the six months ended 30 June 2014. The increase in tax was mainly resulted from the increase in taxable profit from the Group.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

The capital expenditures of the Group mainly consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights and intangible assets. We have been increasing our investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. We continued our commitment in property development, but will adjust our strategy according to market conditions. In order to enhance the optimization of product mix, we have properly invested in the steel segment. With an aim to further strengthen our leading role in the resources industry, we have made extra efforts in the resources segment.

As at 30 June 2015, the Group's capital commitment contracted but not provided for was RMB36,466.0 million, while capital commitment approved but not yet contracted was RMB1,061.5 million. These were mainly committed for property development, construction or purchase of plant and machinery 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 2015, the total debt of the Group was RMB96,999.6 million, representing a slight increase over RMB95,834.2 million as at 31 December 2014, which was mainly due to the increase in borrowings as a result of business expansion of all segments of the Group. As at 30 June 2015, mid-to-long-term debt of the Group[Note] accounted for 43.0% of total debt, as opposed to 51.4% as at 31 December 2014. As at 30 June 2015, cash and bank and term deposits decreased by 8.0% to RMB37,114.5 million as compared with RMB40,338.6 million as at 31 December 2014.

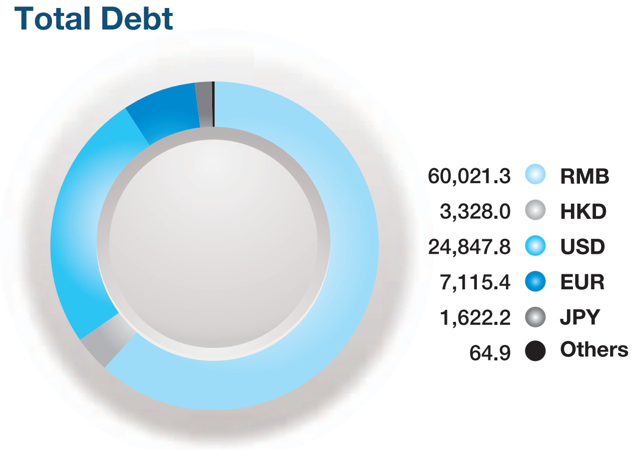
Note: Long-term debt excluded the enterprise bonds issued by Nanjing Nangang with the par value of RMB4,000,000,000. The maturity date is 7 May 2018. According to the offering memorandum of the 2011 Nanjing Nangang Bond, the bond holders are entitled to redeem the bonds at a redemption price equal to the principal amount on the interest payment date of the fifth year since issuance, i.e.,6 May 2016.

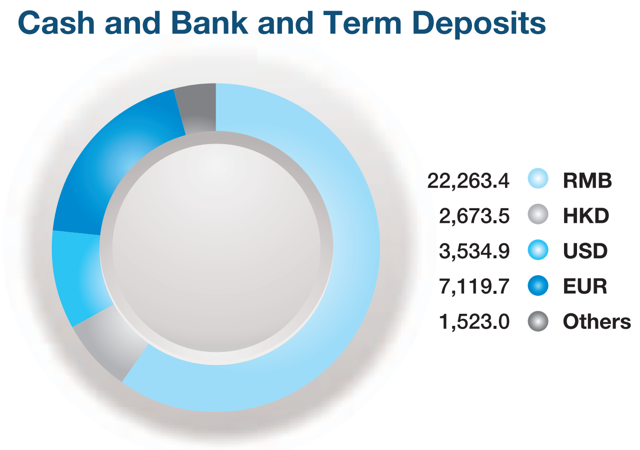
Unit: RMB million

	30 June 2015	31 December 2014
Total debt	**96,999.6**	95,834.2
Cash and bank and term deposits	**37,114.5**	40,338.6

The original denomination of the Group's debt as well as cash and bank and term deposits by currencies, equivalent in RMB, as at 30 June 2015, is summarized as follows:

Unit: RMB million equivalent





TOTAL DEBT TO TOTAL CAPITALISATION RATIO

As at 30 June 2015, the ratio of total debt to total capitalisation was 50.7% as compared with 55.9% as at 31 December 2014. This ratio has decreased as a result of the increase of the total capitalisation. 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.

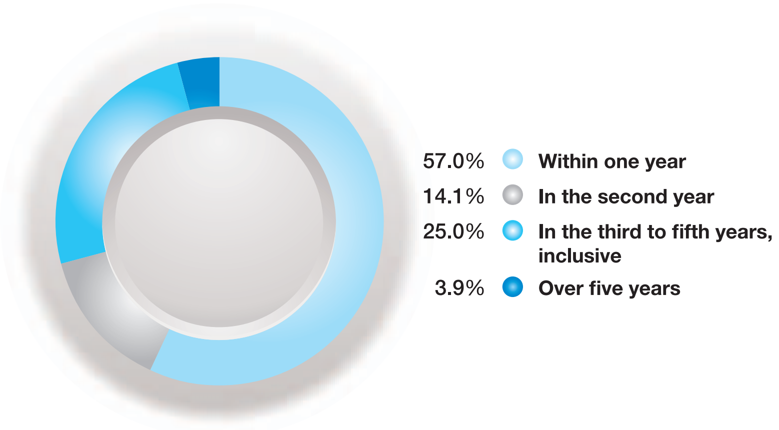
BASIS OF CALCULATING INTEREST RATE

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 2015, 43.3% 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 the outstanding borrowings of the Group due to mature every year would not exceed the expected cash flow of that year and the Group has the re-financing ability for the relevant liabilities in that year.

Outstanding borrowings classified by year of maturity as at 30 June 2015 are as follows:



AVAILABLE FACILITIES

As at 30 June 2015, save for cash and bank and term deposits of RMB37,114.5 million, the Group had unutilized banking facilities of RMB109,289.2 million. The Group has entered into cooperation agreements with various major banks in China. According to these agreements, the banks granted the Group general banking facilities to support its capital needs. Prior approval of individual projects from banks in accordance with bank regulations of China must be obtained before the use of these banking facilities. As at 30 June 2015, available banking facilities under these arrangements totalled RMB184,175.5 million, of which RMB74,886.3 million was utilized.

PLEDGED ASSETS

As at 30 June 2015, the Group had pledged assets of RMB33,294.9 million (31 December 2014: RMB30,629.0 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 RMB2,848.5 million as at 30 June 2015 (31 December 2014: RMB2,657.8 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 2015, EBITDA divided by net interest expenditures was 5.0 times as compared with 3.9 times for the same period in 2014, mainly due to the EBITDA increased by 66.1% 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 while also gives appropriate guidance on the fund management of different segments so as to ensure that risks of the Group are well monitored and financial resources are effectively applied. To maintain multiple financing channels, the Group tries to finance from different channels through banks and capital markets. Finance arrangements are organised to meet the needs of business development and match the Group's cash flow.

Foreign currency exposure

Since the Group conducts its business mainly in Mainland China, RMB is also the functional and presentation currency. Most of the Group's revenue is received in RMB, with part of it converted into foreign currencies for the purchase of imported raw materials. Since the exchange rate reform in July 2005, the exchange rate of RMB against USD has appreciated steadily. However, we are uncertain of the stability of RMB in the future. The cost of conversion of RMB into foreign currencies will be subject to the fluctuation of the exchange rate of RMB.

While the launching of global strategy, the Group held the proportion of assets 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 conditions, results and businesses of the Group. These forward-looking statements are the Group's expectation or beliefs on 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 STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June 2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
REVENUE		**29,739,022**	24,795,877
Cost of sales		**(21,874,913)**	(19,024,154)
Gross profit		**7,864,109**	5,771,723
Other income and gains	5	**9,059,361**	2,913,860
Selling and distribution expenses		**(1,685,039)**	(1,402,764)
Administrative expenses		**(5,599,642)**	(2,950,425)
Other expenses		**(1,849,137)**	(1,113,694)
Finance costs	6	**(2,234,776)**	(1,760,225)
Share of profits and losses of:			
Joint ventures		**(15,581)**	1,159,680
Associates		**856,938**	865,025
PROFIT BEFORE TAX	7	**6,396,233**	3,483,180
Tax	8	**(1,518,315)**	(759,040)
PROFIT FOR THE PERIOD		**4,877,918**	2,724,140
Attributable to:			
Owners of the parent		**3,617,176**	1,833,873
Non-controlling interests		**1,260,742**	890,267
		4,877,918	2,724,140
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the Period (RMB)	9	**0.51**	0.28
Diluted			
– For profit for the Period (RMB)	9	**0.50**	0.28

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**4,877,918**	2,724,140
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**3,196,251**	757,422
Reclassification adjustments for gains included in the consolidated statement of profit or loss		
– gain on disposal	**(2,687,054)**	(845,788)
Income tax effect	**(213,852)**	(32,722)
	295,345	(121,088)
Change in other life insurance contract liabilities due to potential gains on financial assets	**369,734**	—
– Income tax effect	**293**	—
	370,027	—
Share of other comprehensive loss of joint ventures	**—**	(2,642)
Share of other comprehensive (loss)/income of associates	**(113,556)**	2,519
Exchange differences on translation of foreign operations	**(659,985)**	(22,881)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(108,169)**	(144,092)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**—**	—
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(108,169)**	(144,092)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,769,749**	2,580,048
Attributable to:		
Owners of the parent	**3,673,635**	1,713,990
Non-controlling interests	**1,096,114**	866,058
	4,769,749	2,580,048

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	41,048,534	36,037,896
Investment properties		17,610,829	16,883,890
Prepaid land lease payments		3,034,234	2,921,393
Exploration and evaluation assets		178,285	156,846
Mining rights		665,909	784,882
Oil and gas assets		1,333,194	1,512,206
Intangible assets		2,559,372	2,226,693
Goodwill		9,520,329	6,842,031
Investments in joint ventures		8,316,142	7,589,150
Investments in associates		31,748,766	26,976,404
Available-for-sale investments		69,969,400	60,849,499
Properties under development		11,465,372	13,671,828
Loan receivable		1,567,979	1,296,977
Prepayments, deposits and other receivables		4,530,110	3,862,611
Deferred tax assets		4,568,949	4,372,070
Inventories		64,624	87,722
Policyholder account assets in respect of unit-linked contracts		3,711,109	3,769,975
Insurance and reinsurance debtors		51,655	68,099
Reinsurers' share of insurance contract provisions		463,592	481,360
Term deposits		379,934	147,815
Total non-current assets		212,788,318	190,539,347
CURRENT ASSETS			
Cash and bank		36,734,552	40,190,807
Investments at fair value through profit or loss		15,277,127	14,867,194
Trade and notes receivables	11	7,687,079	6,371,003
Prepayments, deposits and other receivables		14,926,022	7,619,585
Inventories		6,523,914	6,252,883
Completed properties for sale		10,319,037	7,626,912
Properties under development		21,295,385	23,429,966
Loans receivable		3,355,089	843,086
Due from related companies		5,353,701	5,249,357
Available-for-sale investments		14,969,964	16,388,314
Policyholder account assets in respect of unit-linked contracts		1,053,985	1,535,931
Insurance and reinsurance debtors		2,478,328	2,063,919
Reinsurers' share of insurance contract provisions		707,686	624,909
		140,681,869	133,063,866
Non-current assets/assets of a disposal group classified as held for sale		56,127	1,229,570
Total current assets		140,737,996	134,293,436

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	55,052,949	46,389,197
Loans from related companies		193,000	193,000
Trade and notes payables	14	22,325,499	19,590,569
Accrued liabilities and other payables		30,089,327	23,289,484
Tax payable		4,911,097	3,210,555
Finance lease payables		78,357	119,110
Deposit from customers		1,274,133	1,696,120
Due to the holding company		1,412,193	673,617
Due to related companies		2,757,138	3,118,393
Derivative financial instruments		78,958	65,670
Unearned premium provisions		3,036,946	2,860,227
Provision for outstanding claims		5,628,903	6,534,777
Provision for unexpired risks		461,093	438,465
Financial liabilities for unit-linked contracts		895,685	1,104,752
Investment contract liabilities		7,188,163	8,929,945
Other life insurance contract liabilities		1,469,295	1,561,511
Insurance and reinsurance creditors		1,444,622	1,453,267
		138,297,358	121,228,659
Liabilities directly associated with the assets classified as held for sale		—	589,118
Total current liabilities		138,297,358	121,817,777
NET CURRENT ASSETS		2,440,638	12,475,659
TOTAL ASSETS LESS CURRENT LIABILITIES		215,228,956	203,015,006
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	41,427,421	46,766,499
Convertible bonds	13	326,261	2,485,546
Finance lease payables		131,292	148,117
Deferred income		463,492	311,683
Other long term payables		4,743,624	3,944,791
Deferred tax liabilities		6,909,258	6,577,690
Provision for outstanding claims		7,846,778	7,622,616
Financial liabilities for unit-linked contracts		3,869,399	4,201,132
Investment contract liabilities		44,099,480	43,042,687
Other life insurance contract liabilities		11,158,540	12,229,753
Total non-current liabilities		120,975,545	127,330,514
Net assets		94,253,411	75,684,492

	Notes	**30 June 2015 RMB'000 (Unaudited)**	31 December 2014 RMB'000 (Audited)
EQUITY			
Equity attributable to owners of the parent			
Share capital		**26,425,973**	16,281,011
Equity component of convertible bonds		**91,193**	721,171
Other reserves		**36,797,812**	31,477,882
Proposed final dividend	15	**—**	928,359
		63,314,978	49,408,423
Non-controlling interests		**30,938,433**	26,276,069
Total equity		**94,253,411**	75,684,492

Guo Guangchang
Director

Ding Guoqi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the parent												
	Issued Capital** 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 2015 (audited)	16,281,011	(443,540)	3,229,375	1,259,885	–	1,171,059	721,171	27,685,745	(1,424,642)	928,359	49,408,423	26,276,069	75,684,492
Total comprehensive (loss)/income for the Period	–	–	–	252,970	–	314,508	–	3,617,176	(511,019)	–	3,673,635	1,096,114	4,769,749
Acquisition of subsidiaries (note 16)	–	–	–	–	–	–	–	–	–	–	–	340,598	340,598
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	466,166	466,166
Placing of shares***	7,288,395	–	–	–	–	–	–	–	–	–	7,288,395	–	7,288,395
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(736,398)	(736,398)
Transfer from retained profits	–	–	955,575	–	–	–	–	(955,575)	–	–	–	–	–
Final dividend declared	–	–	–	–	–	–	–	(106,744)	–	(928,359)	(1,035,103)	–	(1,035,103)
Share of other reserve of associates	–	–	–	–	–	11,026	–	–	–	–	11,026	(27,842)	(16,816)
Disposal of partial interests in a subsidiary without losing control	–	–	–	–	–	1,882,193	–	–	–	–	1,882,193	4,264,016	6,146,209
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(152,314)	–	–	–	–	(152,314)	(663,571)	(815,885)
Disposal of subsidiaries	–	–	–	–	–	6,821	–	–	–	–	6,821	(80,654)	(73,833)
Deemed disposal of partial interests in a subsidiary	–	–	–	–	–	2,134	–	–	–	–	2,134	(2,134)	–
Deemed acquisition of additional interests in subsidiaries	–	–	–	–	–	(3,951)	–	–	–	–	(3,951)	3,951	–
Fair value adjustment on the stock redemption option granted to non-controlling shareholders of a subsidiary	–	–	–	–	–	755	–	–	–	–	755	205	960
Conversion of convertible bonds to ordinary shares (note 13)	2,856,567	–	–	–	–	–	(629,978)	–	–	–	2,226,589	–	2,226,589
Equity-settled share-based payments	–	–	–	–	–	6,375	–	–	–	–	6,375	1,913	8,288
At 30 June 2015 (unaudited)	26,425,973	(443,540)*	4,184,950*	1,512,855*	–	3,238,606*	91,193	30,240,602*	(1,935,661)*	–	63,314,978	30,938,433	94,253,411

* These reserve accounts comprise the consolidated reserves of RMB36,797,812,000 (31 December 2014: RMB31,477,882,000) in the consolidated statement of financial position.

** During the Period, according to the share award scheme announced by the Company on 26 March 2015, the Company issued and allotted 4,620,000 new shares at nil consideration which were awarded to selected participants and will be vested based on certain vesting conditions.

*** During the Period, the Company completed the placing of 465,000,000 shares at the placing price of HKD20.00 per share.

	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	—	—	—	—	—	—	—	—	—	—	—	—	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 RMB26,965,735,000 (31 December 2013: RMB25,733,056,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Note	For the six months ended 30 June 2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		3,854,811	431,062
Net cash outflow from operating activities of foreign insurance business		—	(310,467)
Interest paid		(418,112)	(575,996)
Tax paid		(1,167,426)	(1,105,535)
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES		2,269,273	(1,560,936)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment, prepaid land lease payments, intangible assets, mining rights, exploration and evaluation assets and oil and gas assets		(2,942,473)	(2,665,915)
Increase of investment properties		(885,658)	—
Purchase of available-for-sale investments and investments at fair value through profit or loss		(37,103,805)	(3,804,744)
Proceeds from disposal of available-for-sale investments and investments at fair value through profit or loss		28,160,934	1,740,461
Proceeds from disposal of items of property, plant and equipment, intangible assets, and land use rights		270,445	298,717
Disposal of subsidiaries		384,442	(1,041,539)
Disposal of partial interests in a subsidiary		7,184,466	—
Proceeds from disposal or partial disposal of associates and joint ventures		1,019,554	243,185
Proceeds from disposal of non-current assets held for sale		300,000	134,105
Acquisition of subsidiaries	16	(4,844,778)	(8,405,607)
Acquisition and establishment of associates, and joint ventures		(5,795,640)	(797,236)
Dividends and interests received from available-for-sale investments, investments at fair value through profit or loss and associates		1,553,071	615,139
Shareholder loans (provided to)/received from joint ventures and associates		(2,543,503)	804,800
Decrease/(increase) in pledged bank balances and time deposits with original maturity of more than three months		4,077,997	(2,699,866)
Decrease in restricted cash in escrow account for an investment		—	425,961
Prepayments for proposed acquisitions		(1,380,257)	(235,076)
Interest received		394,057	129,987
Net cash inflow from investing activities of foreign insurance business		—	2,868,298
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(12,151,148)	(12,389,330)

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	**466,166**	1,757,540
New bank and other borrowings	**41,752,575**	37,269,171
Repayment of bank and other borrowings	**(38,772,904)**	(18,297,163)
Proceeds from rights issue	**—**	3,886,511
Proceeds from placing of shares	**7,288,395**	—
Dividends paid to non-controlling shareholders of subsidiaries	**(736,398)**	(1,153,260)
Acquisition of additional interests in subsidiaries	**(926,012)**	(1,943,834)
Interest paid	**(2,085,566)**	(1,792,851)
Net cash outflow from financing activities of foreign insurance business	**—**	(2,756,563)
Others	**(57,578)**	(21,214)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**6,928,678**	16,948,337
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,953,197)**	2,998,071
Cash and cash equivalents at beginning of the period	**25,890,353**	12,501,071
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**22,937,156**	15,499,142
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
CASH AND BANK BALANCES AT END OF THE PERIOD	**37,114,486**	33,033,308
Less: Pledged bank balances and term deposits with original maturity of more than three months	**(9,756,474)**	(16,556,850)
Required reserve deposits	**(255,663)**	(262,835)
Restricted presale proceeds of properties	**(828,973)**	(714,481)
Restricted cash in escrow account	**(3,336,220)**	—
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**22,937,156**	15,499,142

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 operation and investment in insurance business and various other investments, asset management, banking and other finance business (collectively referred to as the integrated finance sector), the manufacture and sale of pharmaceutical and healthcare products, the wholesale and retail of gold and jewellery, tourism and entertainment industries, the manufacture and sale of iron and steel products, property development, mining and ore processing of various metals (collectively referred to as the industrial operations).

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 2015 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2015 (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 2014.

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 2014, 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 2015 noted below.

Several new standards and amendments apply for the first time in 2015. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

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

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

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

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*

HKAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment has had no significant impact on the Group.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

HKFRS 2 *Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition;
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.

HKFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 (or HKAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

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

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

HKFRS 8 *Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are "similar".
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in HKFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 4 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.

HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in HKAS 16 and HKAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment has had no significant impact on the Group.

HKAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment has had no significant impact on the Group.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

HKFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within HKFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of HKFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

The amendment has had no significant impact on the Group.

HKFRS 13 *Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 (or HKAS 39, as applicable). The amendment has had no significant impact on the Group.

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

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

HKAS 40 *Investment Property*

The description of ancillary services in HKAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that HKFRS 3, and not the description of ancillary services in HKAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on HKFRS 3, not HKAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

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 nine reportable operating segments as follows:

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

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

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

(iv) Banking and other finance business segment comprises the operation of and investment in the banking, securities and finance leasing industries.

Insurance segment, investment segment, asset management segment and banking and other financial business segment listed above all belong to one integrated finance sector of the Group.

(v) Health segment engages in the research and development, manufacturing, sale and trading of pharmaceutical and medical products and providing healthcare services;

(vi) Happy lifestyle segment comprises, principally the operation and investments in the wholesale and retail of gold and jewellery, tourism and entertainment industries;

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

(viii) Property development and sales segment engages in the development and sale of properties; and

(ix) Resources segment engages in the mining and ore processing of various metals and the oil and gas exploration.

Health segment, happy lifestyle segment, steel segment, property development and sales segment and resources segment listed above all belong to one industrial operation sector of the Group.

4. OPERATING SEGMENT INFORMATION *(Continued)*

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

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

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

Six months ended 30 June 2015 (unaudited)

	Integrated Finance				Industrial Operation						
	Insurance RMB'000	Investment RMB'000	Asset management RMB'000	Banking and other financial business RMB'000	Health RMB'000	Happy lifestyle RMB'000	Steel RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:											
Sales to external customers	5,331,029*	166,006	216,632	18,128	7,237,614	—	11,639,443	4,190,247	939,923	—	29,739,022
Inter-segment sales	—	3,615	42,963	—	81,987	—	—	8,943	—	(137,508)	—
Other income and gains	3,028,200	2,628,571	281,806	18,070	651,302	200,697	144,139	220,865	16,442	(3,007)	7,187,085
Total	8,359,229	2,798,192	541,401	36,198	7,970,903	200,697	11,783,582	4,420,055	956,365	(140,515)	36,926,107
Segment results	1,282,009	2,105,142	424,054	6,801	1,473,935	162,772	421,706	402,828	82,668	34,365	6,396,280
Interest and dividend income	1,339,106	386,144	56,760	92,380	58,240	—	92,790	116,017	18,955	(288,116)	1,872,276
Unallocated expenses											(478,904)
Finance costs	(40,530)	(1,501,271)	(15,201)	(453)	(251,987)	(13,307)	(454,441)	(140,762)	(32,761)	215,937	(2,234,776)
Share of profits and losses of											
– Joint ventures	(22,054)	(3,573)	(2)	7,209	(10,748)	—	(4,117)	17,704	—	—	(15,581)
– Associates	163,014	47,988	—	(2,372)	625,601	58,114	(75,016)	39,609	—	—	856,938
Profit/(loss) before tax	2,721,545	1,034,430	465,611	103,565	1,895,041	207,579	(19,078)	435,396	68,862	(37,814)	6,396,233
Tax	(609,723)	41,207	(5,619)	(21,665)	(317,418)	—	(253,720)	(330,670)	(27,428)	6,721	(1,518,315)
Profit/(loss) for the Period	2,111,822	1,075,637	459,992	81,900	1,577,623	207,579	(272,798)	104,726	41,434	(31,093)	4,877,918

4. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2014 (unaudited)

	Integrated Finance				Industrial Operation						
	Insurance RMB'000	Investment RMB'000	Asset management RMB'000	Banking and other financial business RMB'000	Health RMB'000	Happy lifestyle RMB'000	Steel RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:											
Sales to external customers	2,182,313*	324,854	102,249	—	5,502,224	—	13,065,596	2,769,192	849,449	—	24,795,877
Inter-segment sales	—	3,616	42,963	—	—	—	—	7,761	19,227	(73,567)	—
Other income and gains	320,502	201,523	7,907	3,640	492,081	81,337	120,141	580,731	22,139	(17,680)	1,812,321
Total	2,502,815	529,993	153,119	3,640	5,994,305	81,337	13,185,737	3,357,684	890,815	(91,247)	26,608,198
Segment results	(444,086)	172,390	67,069	(12,759)	962,871	75,099	467,688	825,472	399,399	35,742	2,548,885
Interest and dividend income	652,785	233,404	11,729	82,526	73,565	—	77,985	56,623	3,648	(90,726)	1,101,539
Unallocated expenses											(431,724)
Finance costs	—	(884,771)	(5)	(946)	(186,906)	—	(513,311)	(210,765)	(23,670)	60,149	(1,760,225)
Share of profits and losses of											
– Joint ventures	(26,750)	(4,647)	(329)	4,254	(10,834)	—	5,998	1,191,988	—	—	1,159,680
– Associates	60,425	86,107	—	581	498,253	98,744	35,354	85,561	—	—	865,025
Profit/(loss) before tax	242,374	(397,517)	78,464	73,656	1,336,949	173,843	73,714	1,948,879	379,377	5,165	3,483,180
Tax	(91,475)	(26,982)	(3,858)	(16,324)	(201,408)	—	9,213	(309,718)	(91,865)	(26,623)	(759,040)
Profit/(loss) for the Period	150,899	(424,499)	74,606	57,332	1,135,541	173,843	82,927	1,639,161	287,512	(21,458)	2,724,140

* The sales to external customers of the insurance segment can be further analysed as follows:

	For the six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Gross premiums written	**6,286,584**	2,368,222
Less: Premiums ceded to reinsurers and retrocessionaires	**(646,749)**	(168,331)
Net premiums writtened	**5,639,835**	2,199,891
Change in unearned premium provisions, net reinsurance	**(308,806)**	(17,578)
Net earned premiums	**5,331,029**	2,182,313

4. OPERATING SEGMENT INFORMATION *(Continued)*

Total segment assets and liabilities as at 30 June 2015 and 31 December 2014 are as follows:

Segment assets:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Insurance	109,347,991	113,085,328
Investment	49,684,256	40,295,104
Assets management	5,390,317	4,360,798
Banking and other financial business	5,491,697	4,987,290
Health	41,895,525	35,280,887
Happy lifestyle	18,223,328	7,406,263
Steel	50,722,427	43,533,306
Property development and sales	79,625,376	78,803,649
Resources	8,675,812	9,354,796
Eliminations*	(15,530,415)	(12,274,638)
Total consolidated assets	353,526,314	324,832,783

Segment liabilities:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Insurance	92,340,065	97,021,498
Investment	63,950,357	60,896,293
Assets management	1,094,987	1,027,684
Banking and other financial business	2,639,073	3,547,280
Health	18,722,382	16,233,275
Happy lifestyle	13,191,631	1,686,515
Steel	33,107,518	31,811,156
Property development and sales	56,842,830	55,844,568
Resources	1,824,505	2,262,524
Eliminations*	(24,440,445)	(21,182,502)
Total consolidated liabilities	259,272,903	249,148,291

* 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	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Other income		
Interest income	428,365	251,240
Dividends and interests from available-for-sale investments	1,240,470	701,898
Dividends from investments at fair value through profit or loss	203,441	148,401
Rental income	165,322	46,475
Sale of scrap materials	2,526	5,605
Government grants	241,250	107,287
Consultancy and other service income	55,420	30,712
Insurance commissions	110,272	53,332
Exchange gains, net	412,205	—
Others	33,096	35,278
	2,892,367	1,380,228
Gains		
Gain on disposal of subsidiaries*	233,853	70,900
Gain on disposal of associates	38,942	33,877
Gain on disposal of partial interests in associates	341,320	125,141
Gain on disposal of property, plant and equipment	2,414	—
Gain on disposal of available-for-sale investments	4,544,018	709,604
Gain on disposal of investments at fair value through profit or loss**	157,811	50,136
Gain on fair value adjustment of investment properties	164,359	501,742
Gain on fair value adjustment of investments at fair value through profit or loss	589,769	—
Gain on fair value adjustment of derivative financial instruments	4,671	—
Gain on disposal of non-current assets held for sale	89,707	41,178
Gain on bargain purchase	130	1,054
	6,166,994	1,533,632
Other income and gains	9,059,361	2,913,860

* The disposal of the subsidiaries during the Period includes: (i) Shanghai Forte Land Co., Ltd. ("Forte") through its subsidiaries, disposed 100% equity interest of Shanghai Quecheng Real Estate Development Co., Ltd. and Shanghai Lan Sheng Development Co., Ltd.; (ii) Forte, through one of its subsidiaries disposed 40% equity interests and lost control of Beijing Tongying Real Estate Development Co., Ltd. and Beijing Tongda Real Estate Development Co., Ltd.; (iii) Nanjing Nangang Iron & Steel United Co., Ltd. ("Nanjing Nangang") through one of its subsidiary, disposed 70% equity interest of Jiangsu Basketball Club Co., Limited.; (iv) Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") disposed 53.13% equity interest in Beijing Golden Elephant Pharmacy Medicine Chain Company Limited, 97% equity interest in Shanghai Fosun Pharmaceutical Company Limited and 99.76% equity interest in Shanghai For Me Yixing Pharmacy Chain-Store Company Limited.

** During the Period, gain on disposal of investments at fair value through profit or loss did not include the gain on fair value adjustment of the above investments recognised in consolidated profit and loss statement in prior years amounted to RMB931,942,000.

6. FINANCE COSTS

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total interest expenses	**2,488,625**	2,239,385
Less: Interest capitalized, in respect of bank and other borrowings	**(480,823)**	(676,723)
Interest expenses, net	**2,007,802**	1,562,662
Bank charges and other finance costs	**226,974**	197,563
Total finance costs	**2,234,776**	1,760,225

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	**21,874,913**	19,024,154
Depreciation of items of property, plant and equipment	**1,247,423**	893,413
Amortisation of:		
Prepaid land lease payments	**19,166**	23,724
Mining rights	**17,450**	25,385
Intangible assets	**96,067**	44,163
Oil and gas assets	**238,053**	—
(Reversal)/provision for impairment of:		
Trade and other receivables	**(26,833)**	36,502
Inventories	**85,086**	40,854
Completed property for sale	**118,163**	—
Property, plant and equipment	**90,758**	2,614
Available-for-sale investments	**36,394**	24,145
Investments in joint ventures	**16,573**	—
Mining rights	**101,523**	—
Loss on fair value adjustment of 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
Exchange losses, net	**—**	140,884

8. TAX

The major components of tax expenses for the six months ended 30 June 2015 and 2014 are as follows:

		For the six months ended 30 June	
	Notes	**2015 RMB'000 (Unaudited)**	2014 RMB'000 (Unaudited)
Current – Portugal, Hong Kong and others	(1)	**709,334**	204,124
Current – Mainland China			
– Income tax in Mainland China for the Period	(2)	**749,558**	529,036
– LAT in Mainland China for the Period	(3)	**204,299**	113,162
Deferred		**(144,876)**	(87,282)
Tax expenses for the Period		**1,518,315**	759,040

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 2014: 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 2014: 16%).

The provision of income tax of Fidelidade - Companhia de Seguros, S.A., Multicare - Seguros de Saúde, S.A. and Fidelidade Assistência - Companhia de Seguros, S.A. (collectively referred to as "Portuguese Insurance Group"), subsidiaries incorporated in Portugal acquired by the Group in 2014, is based on a rate of 30.3% (six months period ended 30 June 2014: 31.5%).

(2) The provision for Mainland China current income tax is based on a statutory rate of 25% (six months ended 30 June 2014: 25%) of the assessable profits of the Group as determined in accordance with the Enterprise Income Tax Law of the PRC which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which were 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 the mentioned 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 RMB165,044,000 (six months ended 30 June 2014: RMB117,751,000). In addition, based on the latest understanding of the LAT regulations from the State Administrative of Taxation, the Group made an additional LAT provision in the amount of RMB49,959,000 (six months ended 30 June 2014: RMB28,572,000) in respect of the sales of properties up to 30 June 2015 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 RMB10,704,000 (six months ended 30 June 2014: RMB33,161,000) was reversed to the interim condensed consolidated statement of profit or loss 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 7,109,048,484 (six months ended 30 June 2014: 6,527,337,178 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	
	2015 **RMB'000** **(Unaudited)**	2014 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**3,617,176**	1,833,873
Interest on convertible bonds	**77,676**	102,033
Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds	**3,694,852**	1,935,906

	Number of shares For the six months ended 30 June	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings per share calculation	**7,109,048,484**	6,527,337,178
Effect of dilution – weighted average number of convertible bonds	**308,830,939**	387,500,000
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**7,417,879,423**	6,914,837,178
Basic earnings per share (RMB)	**0.51**	0.28
Diluted earnings per share (RMB)	**0.50**	0.28

10. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment RMB'000
Carrying value at beginning of the Period (audited)	36,037,896
Additions	1,460,774
Acquisition of subsidiaries (note 16)	5,196,451
Disposals	(104,308)
Depreciation charge for the Period	(1,247,423)
Impairment for the Period	(90,758)
Exchange alignment	(204,098)
Carrying value at end of the Period (unaudited)	41,048,534

As at 30 June 2015, the Group's property, plant and equipment with a net carrying value of RMB1,162,621,000 (31 December 2014: RMB1,445,097,000), 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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Trade receivables	3,929,714	3,610,965
Notes receivable	3,757,365	2,760,038
	7,687,079	6,371,003

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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	2,663,051	2,794,853
91 - 180 days	945,552	517,066
181 - 365 days	301,771	288,425
1 - 2 years	99,141	87,219
2 - 3 years	13,417	10,537
Over 3 years	33,978	23,498
	4,056,910	3,721,598
Less: Provision for impairment of trade receivables	(127,196)	(110,633)
	3,929,714	3,610,965

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

	Credit terms
Steel segment	0 to 90 days
Resources segment	0 to 90 days
Health segment	90 to 180 days
Property development and sales segment	30 to 360 days

At 30 June 2015, the Group's trade and notes receivables with a carrying amount of approximately RMB2,591,921,000 (31 December 2014: RMB1,155,019,000) were pledged to secure bank loans, as set out in note 12 to the interim condensed consolidated financial statements.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		**1,589,536**	1,774,510
Secured		**26,034,510**	20,240,487
Unsecured		**34,194,224**	35,719,497
		61,818,270	57,734,494
Enterprise bonds and corporate bonds	(2)	**7,806,480**	9,040,838
Private placement note	(3)	**2,985,019**	4,077,554
Senior notes	(4)	**2,177,975**	4,012,143
Medium-term notes	(5)	**6,574,396**	4,577,850
Short-term commercial papers	(6)	**6,361,858**	2,996,451
Other borrowings, secured	(7)	**3,237,894**	3,944,760
Other borrowings, unsecured	(7)	**5,518,478**	6,771,606
Total		**96,480,370**	93,155,696
Portion classified as:			
Current		**55,052,949**	46,389,197
Non-current		**41,427,421**	46,766,499
Total		**96,480,370**	93,155,696

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 RMB198,068,000 (31 December 2014: RMB166,764,000), plant and machinery amounting to RMB484,350,000 (31 December 2014: RMB786,843,000), mining infrastructure amounting to RMB480,203,000 (31 December 2014: RMB491,490,000), investment properties situated in Mainland China amounting to RMB6,558,167,000 (31 December 2014: RMB5,433,000,000), prepaid land lease payments amounting to RMB1,168,494,000 (31 December 2014: RMB587,199,000), properties under development amounting to RMB15,896,395,000 (31 December 2014: RMB12,847,293,000), completed properties for sale amounting to RMB3,822,847,000 (31 December 2014: RMB4,852,833,000), trade and notes receivables amounting to RMB2,591,921,000 (31 December 2014: RMB1,155,019,000), an investment in a joint venture amounting to RMB540,070,000 (31 December 2014: RMB533,294,000), an investment in an available-for-sale entity amounting to RMB839,595,000 (31 December 2014: RMB802,922,000), and investments in subsidiaries.

No investment at fair value through profit or loss (31 December 2014: RMB2,922,103,000) was pledged to secure the interest bearing bank and other borrowings.

Bank balances amounting to RMB714,834,000 (31 December 2014: RMB50,207,000) were pledged to secure the interest-bearing bank and other borrowings.

The Group's interest-bearing bank and other borrowings amounting to RMB1,589,536,000 (31 December 2014: RMB1,774,510,000) were guaranteed by Fosun Holdings Limited which is the holding company of the Group.

The bank loans bear interest at rates ranging from 0.44% to 8.80% (31 December 2014: 0.52% to 8.50%) per annum.

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

Notes: *(continued)*

(2) Enterprise and corporate bonds

On 27 February 2009, Nanjing Nangang 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"). As at 30 June 2015, the remaining principal amount of RMB1,235,000,000 will be repaid on 27 February 2016.

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 6 May 2011, Nanjing Nangang, through one of its subsidiaries 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 "2011 Nangang Bond"). The interest will be paid annually in arrears and the maturity date is 7 May 2018. According to the offering memorandum of the 2011 Nangang Bond, the bond holders are entitled to redeem the bonds at a redemption price equal to the principal amount on the interest payment date of the fifth year since issuance, i.e.,6 May 2016. As at 30 June 2015, the carrying amount of 2011 Nangang bond of RMB3,981,905,000 was classified as current liabilities in the interim condensed consolidated financial statements of the Group because Nanjing Nangang did not have an unconditional right to defer settlement of the liability for at least twelve months after 30 June 2015.

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 3 April 2015, Fosun Group issued three-year private placement notes with the par value of RMB1,000,000,000 and the effective interest rate is 5.82% per annum. The interest will be paid annually in arrears and the maturity date is 3 April 2018.

(4) Senior notes

On 30 January 2013, Sparkle Assets Limited, a direct subsidiary of Fosun Industrial Holdings Limited, issued seven-year senior notes with the par value of USD400,000,000 and an effective interest rate of 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.

On 24 October 2014, Fosun Group issued three-year medium-term notes with a par value of RMB2,000,000,000 and an effective interest rate of 5.26% per annum. The interest is paid annually in arrears and the maturity date is 24 October 2017.

On 5 March 2015, Fosun Group issued three-year medium-term notes with a par value of RMB2,000,000,000 and an effective interest rate of 5.21% per annum. The interest is paid annually in arrears and the maturity date is 5 March 2018.

(6) Short-term commercial papers

On 26 September 2014, Fosun Pharma issued short-term commercial paper with a par value of RMB1,000,000,000 and an effective interest rate of 5.15% per annum. The interest is payable at the maturity date which is 26 September 2015.

On 26 December 2014, Fosun Group issued short-term commercial paper with a par value of RMB2,000,000,000 and an effective interest rate of 5.69% per annum. The interest is payable at the maturity date which is 26 December 2015.

On 11 May 2015, Fosun Group issued short-term commercial paper with a par value of RMB2,000,000,000 and an effective interest rate of 4.51% per annum. The interest is payable at the maturity date which is 11 May 2016.

On 14 January 2015, Nanjing Iron & Steel Co., Ltd issued short-term commercial paper with a par value of RMB300,000,000 and a coupon rate of 6.50% per annum. The interest is payable at the maturity date which is 14 January 2016.

On 24 April 2015, Nanjing Iron & Steel Co., Ltd issued short-term commercial paper with a par value of RMB1,000,000,000 and a coupon rate of 5.80% per annum. The interest is payable at the maturity date which is 24 April 2016.

(7) The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 5.89% to 11.00% (31 December 2014: 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").

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.

During the Period, certain convertible bonds with the principal amount of HKD3,385,000,000 were converted to 338,500,000 ordinary shares of the Company at the conversion price of HKD10 per share.

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

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Liabilities component at the beginning of the Period (audited)	**2,485,546**	2,319,675
Interest expense	**77,676**	207,618
Interest paid	**(15,830)**	(46,055)
Conversion into equity	**(2,226,589)**	—
Exchange realignment	**5,458**	4,308
Liability component	**326,261**	2,485,546

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

14. TRADE AND NOTES PAYABLES

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Trade payables	**11,589,139**	11,700,971
Notes payable	**10,736,360**	7,889,598
	22,325,499	19,590,569

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

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	**4,950,390**	6,528,179
91 - 180 days	**1,593,829**	1,010,306
181 - 365 days	**2,562,390**	1,751,277
1 - 2 years	**1,292,770**	728,176
2 - 3 years	**441,717**	669,800
Over 3 years	**748,043**	1,013,233
	11,589,139	11,700,971

15. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2014: Nil).

The proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2014 was declared payable and approved by the shareholders at the annual general meeting of the Company on 28 May 2015.

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 March 2015, Gaillon Invest II, an indirectly owned subsidiary of the Company, acquired 98.29% of the equity interests in Club Méditerranée SA ("Club Med"), and was entitled to compulsorily acquire all of the equity interests in Club Med in accordance with relevant laws and regulations, at a total consideration of EUR916,664,000 (equivalent to RMB6,240,832,000). The acquisition was undertaken to further develop the global happy lifestyle business of the Group.

In March 2015, Forte through its wholly-owned subsidiary Shanghai Forte Investment Management Co., Ltd. ("Forte Investment") acquired the remaining 50% equity interests in Shanghai Mushen Property Development Co., Ltd., Shanghai Hugang Property Development Co., Ltd., Shanghai Gangrui Property Development Co., Ltd., Shanghai Tengxing Property Development Co., Ltd., Shanghai Shunfu Investment Development Co., Ltd. and Shanghai Fusheng Investment Development Co., Ltd. (collectively referred to as the "Gangling Project") at a consideration of RMB283,000,000. Before the acquisition, Forte Investment held 50% equity interest in Gangling Project, which were accounted for as investment in joint ventures. The major assets of Gangling Project are properties under development and completed properties for sale located in Shanghai, 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)	5,196,451
Investments in associates	130,459
Available-for-sale investments	56,836
Intangible assets	353,115
Deferred tax assets	134,251
Cash and cash equivalents	497,915
Trade and notes receivables	589,233
Due from related companies	34,953
Prepayments, deposits and other receivables	1,811,107
Loan receivable	239,502
Inventories	226,235
Completed properties for sale	755,870
Properties under development	56,400
Non-current assets held for sale	55,623
Subtotal carried forward	10,137,950

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	10,137,950
Interest-bearing bank and other borrowings	(1,265,560)
Trade and notes payables	(1,055,233)
Accrued liabilities and other payables	(2,674,008)
Tax payable	(179,576)
Deferred income	(151,102)
Due to related companies	(42,878)
Deferred tax liabilities	(388,456)
Other long term payables	(272,952)
Total identifiable net assets at provisional fair values*	4,108,185
Non-controlling interests	(340,598)
Total net assets acquired	3,767,587
Gain on bargain purchase of a subsidiary	130
Goodwill on acquisition	3,046,386
	6,814,103
Satisfied by:	
Cash	5,142,015
Investments at fair value through profit or loss	1,384,563
Investment in an associate	4,415
Investment in joint ventures	283,110
Cash consideration unpaid	—
	6,814,103

* The reassessment of the fair value of the identifiable assets and liabilities of Club Med 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 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 RMB58,702,000 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.

16. ACQUISITION OF SUBSIDIARIES *(Continued)*

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

	RMB'000 (Unaudited)
Cash consideration	(5,142,015)
Payment of unpaid cash consideration as at 31 December 2014	(200,678)
Cash and bank balances acquired	497,915
Net outflow of cash and cash equivalents included in cash flows from investing activities	(4,844,778)
Transaction costs of the acquisitions included in cash flows from operating activities	(58,702)
	(4,903,480)

(iii) Acquisition of subsidiaries accounted for as a business combination subsequent to 30 June 2015:

In July 2015, the Group has completed the acquisition of 100% equity interest of Meadowbrook Insurance Group, Inc. ("MIG") at the purchase price of USD8.65 per share, representing an aggregate transaction value of approximately USD433 million. MIG is accounted for as a subsidiary of the Group after the completion of the acquisition and was delisted and ceased trading on the New York Stock Exchange. The acquisition was undertaken to further develop the global insurance business of the Group. The information of the fair values of the identifiable assets and liabilities of the above subsidiary as at the date of acquisition is not available at the date of the approval of these interim condensed consolidated financial statements.

17. COMMITMENTS

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

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Contracted, but not provided for:		
In respect of:		
Plant and equipment	**1,314,367**	1,701,623
Properties under development	**11,149,011**	16,374,753
Investment properties	**46,503**	—
Investments	**23,956,079**	14,285,765
	36,465,960	32,362,141
Authorised, but not contracted for:		
In respect of:		
Plant and equipment	**83,859**	126,486
Investment properties	**893,675**	—
Investments	**84,000**	2,829,050
	1,061,534	2,955,536

18. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Guarantees given to bank loans of:		
Related parties	269,831	223,000
	269,831	223,000
Qualified buyers' mortgage loans*	2,578,660	2,434,754
	2,848,491	2,657,754

* As at 30 June 2015, the Group provided guarantees of approximately RMB2,578,660,000 (31 December 2014: RMB2,434,754,000) 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	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Associates:		
Sales of pharmaceutical products	460,608	362,232
Purchase of pharmaceutical products	62,655	77,996
Sales of other products	980	—
Purchase of other products	19,764	—
Rental income	305	17
Service fee	293	1,997
Transportation fee	77,923	67,546
Interest income	17,600	2,217
Interest expense	5,904	1,194
Deposits from related companies	606,966	318,443
Bank loan guarantees provided	55,631	23,000
Non-controlling shareholders of the subsidiaries of the Group:		
Rental fee	9,192	8,938
Interest income	—	3,971
Bank loan guarantees received	935,447	724,210

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	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other related parties:		
Sales of pharmaceutical products	**1,503**	3,086
Purchase of pharmaceutical products	**20**	6
Sales of other products	**80,089**	98,698
Purchase of other products	**359**	147
Interest income	**125,772**	157,677
Interest expense	**3,865**	1,466
Service income	**10,496**	42,689
Rental income	**604**	429
Rental fee	**7,637**	—
Notional interest	**—**	4,911
Loan to related parties	**80,000**	—
Deposits from related companies	**354,758**	159,694
Bank loan guarantees received	**1,589,536**	738,336
Bank loan guarantees provided	**214,200**	518,000

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	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**33,616**	33,526
Pension scheme contributions	**189**	166
Total compensation paid to key management personnel	**33,805**	33,692

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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)	**30 June 2015 RMB'000 (Unaudited)**	31 December 2014 RMB'000 (Audited)
Financial assets				
Available-for-sale investments	**73,897,998**	67,742,925	**73,897,998**	67,742,925
Loans receivable (non-current portion)	**1,567,979**	1,296,977	**1,567,979**	1,296,977
Investments at fair value through profit or loss	**15,277,127**	14,867,194	**15,277,127**	14,867,194
	90,743,104	83,907,096	**90,743,104**	83,907,096
Financial liabilities				
Interest-bearing bank and other borrowings	**96,480,370**	93,155,696	**96,140,094**	93,020,297
Convertible bonds	**326,261**	2,485,546	**701,350**	3,503,939
Financial liabilities included in other long-term payables	**2,973,260**	3,391,172	**2,973,260**	3,391,172
Finance lease payables	**209,649**	267,227	**209,649**	267,227
Derivative financial instruments	**78,958**	65,670	**78,958**	65,670
	100,068,498	99,365,311	**100,103,311**	100,248,305

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 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 financial liabilities included in other long term payables, 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 financial liabilities included in other long term payables, finance lease payables and interest-bearing bank and other borrowings as at 30 June 2015 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 2015, 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 2015, 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 RMB11,041,366,000 (31 December 2014: RMB9,494,888,000). 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 RMB828,900,000 were derecognised and the relevant gain on disposal amounted to RMB1,227,969,000 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 2015:

Unobservable inputs and sensitivity analysis for Level 3 assets

The financial assets 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 Foshan City Chancheng District Central Hospital Co., Ltd ("Chancheng Hospital", an indirect subsidiary of the Group) during the 24-month period subsequent to the acquisition as stated on the agreement. The amount recognised as at 30 June 2015 was RMB27,720,000 (31 December 2014: RMB27,720,000) 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 amounted to RMB57,780,000 (31 December 2014: RMB60,299,000) is EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of Alma Lasers in 12 months ended 30 June 2015 and cash and bank balances of Alma Lasers as at 30 June 2015.

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 2015 (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	43,322,971	23,993,556	6,581,471	73,897,998
Investments at fair value through profit or loss	12,198,521	3,007,730	70,876	15,277,127
	55,521,492	27,001,286	6,652,347	89,175,125

As at 31 December 2014 (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	11,086,712	50,338,046	6,318,167	67,742,925
Investments at fair value through profit or loss	13,074,122	1,766,229	26,843	14,867,194
	24,160,834	52,104,275	6,345,010	82,610,119

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 period/year are as follows:

	For the six months ended 30 June 2015 RMB'000	2014 RMB'000
At 1 January	6,345,010	—
Addition	813,498	6,345,010
Fair value adjustment	126,522	—
Disposal	(134,948)	—
Exchange alignment	(497,735)	—
	6,652,347	6,345,010

Assets for which fair values are disclosed:

As at 30 June 2015 (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)	—	1,567,979	—	1,567,979

As at 31 December 2014 (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)	—	1,296,977	—	1,296,977

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

Fair value hierarchy *(Continued)*

Liabilities measured at fair value:

As at 30 June 2015 (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	—	—	85,500	85,500
Derivative financial instruments	—	78,958	—	78,958
	—	78,958	85,500	164,458

As at 31 December 2014 (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	—	—	88,019	88,019
Derivative financial instruments	—	65,670	—	65,670
	—	65,670	88,019	153,689

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

	For the six months ended 30 June 2015 RMB'000	2014 RMB'000
Amounts included in other long-term liabilities:		
At 1 January	88,019	99,804
Total losses recognised in the statement of profit or loss included in finance costs	(2,519)	—
Addition	—	15,935
Reclassification	—	(27,720)
	85,500	88,019

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 2015 (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	12,466,104	83,673,990	—	96,140,094
Convertible bonds	701,350	—	—	701,350
Financial liabilities included in other long-term payables	—	2,887,760	—	2,887,760
Finance lease payables	—	209,649	—	209,649
	13,167,454	86,771,399	—	99,938,853

As at 31 December 2014 (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	9,079,979	83,940,318	—	93,020,297
Convertible bonds	3,503,939	—	—	3,503,939
Due to related companies (non-current portion)	—	—	—	—
Financial liabilities included in other long-term payables	—	3,303,153	—	3,303,153
Finance lease payables	—	267,227	—	267,227
	12,583,918	87,510,698	—	100,094,616

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

(i) In July 2015, Fosun Industrial Holdings Limited ("Fosun Industrial Holdings", a direct wholly-owned subsidiary of the Company) entered into an offer with Hauck & Aufhäuser Privatbankiers KGaA ("H&A") to acquire at the minimum 80% of the share capital and voting rights plus one ordinary share and voting right of H&A ("H&A Shares"), and potentially up to 100% of the H&A Shares, for an offer price of Euro682.5 per H&A Shares and the maximum amount of consideration payable is expected to be not more than Euro210 million. The offer has been accepted by a number of shareholders which hold more than 80% of the registered ordinary shares in H&A as of 7 July 2015 (German time). The acquisition is currently in the process of obtaining regulatory approvals. H&A will be accounted for as a subsidiary of the Group since the completion of the acquisition.

(ii) On 24 July 2015, Billion Eastgate (Luxembourg) S.à r.l., ("Billion Eastgate", an indirect wholly-owned subsidiary of the Company) entered into an offer notice under the takeovers decree in Belgium in relation to its takeover offer in cash for up to 97,596,283 shares (including 1,007,177 treasury shares) of BHF Kleinwort Benson Group SA ("BHF"). The offer price is Euro5.1 per share and the maximum aggregate consideration will be not more than Euro500 million. The prospectus for the offer is currently in the process of obtaining regulatory approvals. BHF will be accounted for as a subsidiary of the Group since the completion of the acquisition.

(iii) In December 2014, Miracle Nova II (US), LLC (an indirect wholly-owned subsidiary of the Company) entered into a merger agreement with Meadowbrook Insurance Group, Inc. ("MIG") at the purchase price of USD8.65 per share, representing an aggregate transaction value of approximately USD433 million to acquire its 100% equity interest. The acquisition was completed in July 2015 and MIG was delisted and ceased trading on the New York Stock Exchange. MIG is accounted for as a subsidiary of the Group after the completion of the acquisition.

22. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation and comparative amounts have been restated to reflect the change of the reporting segments of the Group.

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 on 28 August 2015.

INTERIM DIVIDEND

The Board has resolved not to declare or distribute any 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.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 25 March 2015 (the "**Share Award Scheme**").

The purposes of the Share Award Scheme are (i) to align the interests of the eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and (ii) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

On 26 March 2015, the Board resolved to award an aggregate of 4,620,000 Award Shares (the "**Award Shares**") to 71 selected participants under the Share Award Scheme, of which, (i) 2,430,000 Award Shares would be awarded to 52 selected participants by way of issue and allotment of new Shares pursuant to the general mandate; and (ii) 2,190,000 connected Award Shares would be awarded to 19 connected selected participants by way of issue and allotment of new Shares pursuant to the specific mandate. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the Award Shares shall be transferred to the selected participants upon expiry of the respective vesting period. As at the end of the Reporting Period, the Award Shares have already been fully issued.

PLACING AND SUBSCRIPTION OF SHARES

On 12 May 2015, the Company entered into a placing and subscription agreement with Fosun Holdings, Morgan Stanley & Co. International plc, UBS AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited, CMB International Capital Limited, Hani Securities and CLSA Limited (the "**Placing Agents**") (the "**Agreement**").

Each of the Placing Agents has agreed to act as a placing agent to procure purchasers for (or failing which, to purchase itself, other than with respect to Hani Securities) the 465,000,000 Shares held by Fosun Holdings at the price of HKD20.00 per placing share pursuant to the Agreement. The Company has also conditionally agreed to allot and issue and Fosun Holdings has also conditionally agreed to subscribe for 465,000,000 new Shares at the price of HKD20.00 per subscription share (the "**Subscription Shares**") pursuant to the Agreement.

On 20 May 2015, the Company has allotted and issued 465,000,000 Subscription Shares to Fosun Holdings pursuant to the Agreement. The Company was benefited from the subscription of 465,000,000 Subscription Shares by Fosun Holdings (the "**Top-up Subscription**"). The Top-up Subscription enlarged the capital base of the Company and enabled the Company to further expand its business and operations. The Top-up Subscription also increased the liquidity of the Shares after the participation of more institutional investors in the Company.

The aggregate gross proceeds and net proceeds from the Top-up Subscription were approximately HKD9,300 million and HKD9,243 million, respectively. As at the date of this report, the Company has utilized the net proceeds from the Top-up Subscription (1) approximately HKD4,262 million for repayment of loans and early redemption of USD bond; (2) approximately HKD4,788 million for investment (including mergers and acquisitions in the insurance industry); and (3) approximately HKD193 million for general operating capital.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had approximately 60,000 employees.

The human resources team of the Group constantly strengthened its own capability establishment, defined business orientation, cultivated market sensitivity of strategy, enhanced effective enforcement and serving awareness, gave weight to development of our employees and team building, upheld and promoted the cultural value of "Self-improvement, Teamwork, Performance and Contribution to Society"（「修身、齊家、立業、助天下」）, and effectively implemented the corporate strategic development from concept to implementation of conduct code.

According to the Group's strategic development requirement, Fosun Management Institute implemented certain measures to meet the needs of investment staff of the Group including sharing and exchanging relevant experience and skill relating to the Group's strategy which enhanced immediacy of strategic learning and simultaneously lowered learning cost of staff; and implementing a directed, timely and systemically talent cultivation proposal which enables the Group to own a better and stronger talent reserve for every key position. Through innovative and rich training channels combining internet platform, online and on-site, we could help our team building by implementing human resources assessment system "Organization Red Yellow Green Light"(「組織紅黃綠燈」).

In respect of staff performance management, we built up and strengthened the performance tracking and talents assessment system, and retained outstanding employees and eliminated under-performed employees through regular assessment by utilizing financial, pre-investment and post-investment data to complete regular performance tracking of our team, and we also concerned about serving capability of function departments via the satisfactory survey and employee engagement survey of function departments. Through such measures, the Group's talent structure was further optimized and the Group could always remain energetic.

In respect of employee remuneration and incentives, we optimized the remuneration structure and implemented the share award scheme. Along with business development, we improved and established Fosun's overall incentives system through having various incentives for different departments, such as the investment teams, funds and function supporting platforms. Targeting the overall information system, we introduced the EHR system to connect with the management system of investment group, and further improved the system establishment of project-based assessment incentives.

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

As at 30 June 2015, 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	71.29%
Ding Guoqi	Ordinary	14,259,320	Individual	0.18%
Qin Xuetang	Ordinary	4,472,640	Individual	0.06%
Wu Ping[(2)]	Ordinary	8,635,280	Individual	0.11%
Zhang Shengman	Ordinary	10,000	Individual	0.00%
Zhang Huaqiao	Ordinary	10,000	Individual	0.00%
David T. Zhang	Ordinary	10,000	Individual	0.00%

(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(3)	114,075	Individual	0.01%
			920,641,314	Corporate	48.25%
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(3)	114,075	Individual	0.01%
Fan Wei(4)	Fosun International Holdings	Ordinary	5,000	Individual	10.00%
Qin Xuetang	Fosun Pharma	A Shares(3)	114,075	Individual	0.01%

Notes:

(1) According to Divisions 7 and 8 of Part XV of the SFO, Mr. Guo Guangchang is deemed to hold 5,510,793,609 shares by his ownership both of Fosun Holdings and Fosun International Holdings.

(2) Mr. Wu Ping has resigned as an executive Director with effect from 10 July 2015.

(3) A share represents the stocks listed on the Shanghai Stock Exchange.

(4) Mr. Fan Wei has resigned as a non-executive Director with effect from 10 July 2015.

(5) Mr. Chen Qiyu was appointed as an executive Director with effect from 10 July 2015. He is deemed to hold 4,023,000 Shares, representing 0.05% of the total issued Shares as of 30 June 2015. In addition, he also holds 114,075 A shares of Fosun Pharma, representing 0.01% of the total issued A shares of Fosun Pharma as of 30 June 2015.

Mr. Xu Xiaoliang was appointed as an executive Director with effect from 10 July 2015. He is deemed to hold 190,000 Shares, representing 0.00% of the total issued Shares as of 30 June 2015.

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

As at 30 June 2015, so far as was known to the Directors, the following 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)	71.29%
Fosun International Holdings(1)	5,510,793,609(2)	71.29%

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 2015, 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 2014 annual report are set out below:

(1) Change in the significant positions held within the Group

Name of Director	Date of change	Change of Position
Ding Guoqi	12 January 2015	resigned as director each of Fidelidade, Multicare and Fidelidade Assistência
Wang Qunbin	13 February 2015	appointed as director of Ironshore
Chen Qiyu[(1)]	10 July 2015	appointed as executive Director
Xu Xiaoliang[(1)]	10 July 2015	appointed as executive Director
Fan Wei[(1)]	10 July 2015	resigned as non-executive Director
Wu Ping[(1)]	10 July 2015	resigned as executive Director

Note:

(1) Please refer to the announcement of the Company dated 10 July 2015 for details.

(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
Ding Guoqi	2 June 2015	director of Shanghai Ganglian E-Commerce Holdings Co., Ltd. (Stock Code: 300226.SZ)	—
Zhang Huaqiao	9 February 2015	—	independent non-executive director of Sinopec Oilfield Service Corporation (Stock Code: 01033.HK)
	13 May 2015	non-executive director and chairman of China Smartpay Group Holdings Limited (Stock Code: 08325.HK)	executive director and chairman of China Smartpay Group Holdings Limited
	10 June 2015	director of Nanjing Central Emporium Co., Ltd. (Stock Code: 600280.SH)	—

(3) Changes in Directors' remuneration with effect from 1 January 2015

Unit: RMB million

Name of Director	Date of changes	Remuneration	Performance related bonus[(1)]	Fee
Guo Guangchang	1 January 2015	4.6	3.1	—
Liang Xinjun	1 January 2015	4.4	3.0	—
Wang Qunbin	1 January 2015	4.4	3.0	—
Ding Guoqi	1 January 2015	3.6	2.5	—
Qin Xuetang	1 January 2015	3.5	2.4	—
Wu Ping[(2)]	1 January 2015	3.4	2.3	—
Fan Wei[(2)]	1 January 2015	1.52	—	—
Yang Chao	1 January 2015	—	—	0.55[(3)]

Notes:

(1) To be determined based on internal appraisal of various performance indicators.

(2) Mr. Wu Ping and Mr. Fan Wei have resigned as Directors with effect from 10 July 2015.

(3) Unit: HKD million.

(4) Mr. Chen Qiyu does not receive any salary for acting as the executive Director.

Mr. Xu Xiaoliang is entitled to a remuneration of RMB2,580,000 per annum, and also entitled to an annual discretionary performance bonus determined by the internal regulation of the Company.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao. 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. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

COMPLIANCE WITH THE CG CODE

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiry has been made to each of the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period. The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the above mentioned written guidelines by the relevant employees of the Company was noted by the Company.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Guo Guangchang *(Chairman)*
Liang Xinjun *(Vice Chairman and Chief Executive Officer)*
Wang Qunbin *(President)*
Ding Guoqi
Qin Xuetang
Chen Qiyu (appointed as Director on 10 July 2015)
Xu Xiaoliang (appointed as Director on 10 July 2015)
Wu Ping (resigned as Director on 10 July 2015)

NON-EXECUTIVE DIRECTOR

Fan Wei (resigned as Director on 10 July 2015)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhang Shengman
Zhang Huaqiao
David T. Zhang
Yang Chao

AUDIT COMMITTEE

Zhang Shengman *(Chairman)*
Zhang Huaqiao
David T. Zhang
Yang Chao

REMUNERATION COMMITTEE

Zhang Huaqiao *(Chairman)*
Liang Xinjun
Zhang Shengman
David T. Zhang
Yang Chao

NOMINATION COMMITTEE

David T. Zhang *(Chairman)*
Wang Qunbin
Zhang Shengman
Zhang Huaqiao
Yang Chao

COMPANY SECRETARY

Sze Mei Ming

AUTHORISED REPRESENTATIVES

Qin Xuetang
Ding Guoqi

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

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

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

FORMULA

EBITDA	=	profit for the period + tax + net interest expenditures + depreciation and amortisation
Total debt	=	current and non-current interest-bearing borrowings + convertible bonds + loans from related parties
Net debt	=	total debt – cash and bank and term deposits
Total capitalization	=	equity attributable to owners of the parent + non-controlling interests + total debt
Interest coverage	=	EBITDA / net interest expenditures
Net gearing ratio	=	net debt / net assets
ROE	=	profit attributable to owners of the parent for the period x 2 / [(opening balance of equity attributable to owners of the parent + ending balance of equity attributable to owners of the parent) / 2]

ABBREVIATIONS

BHF-BANK	BHF-BANK AG, a wholly-owned subsidiary of BHF Kleinwort Benson
BHF Kleinwort Benson	BHF Kleinwort Benson Group SA (formerly known as RHJ International SA), a limited liability company organized under Belgian law, the shares of which are listed on Euronext Brussels with stock code BHFKB
the Board	the board of Directors
Bona	Bona Film Group Limited
Cainiao	Cainiao Network Technology Co., Ltd.
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
Chuangfu Finance Leasing	Chuangfu Finance Leasing Shanghai Co., Ltd.
Club Med	Club Méditerranée SA
CMF	China Momentum Fund, L.P.
CNFC Fishery	CNFC Overseas Fishery Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 000798
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência - Companhia de Seguros, S.A. (formerly known as Cares - Companhia de Seguros, S.A.)
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.)
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Finance Company	Shanghai Fosun High Technology Group Finance Co., Ltd.
Fosun Holdings	Fosun Holdings Limited
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assistência
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
H&A	Hauck & Aufhäuser Privatbankiers KGaA
Hainan Mining	Hainan Mining Co., Ltd.
Hangzhou Financial Investment Leasing	Hangzhou Financial Investment Leasing Co., Ltd.
Hani Securities	Hani Securities (H.K.) Limited
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.

Ironshore	Ironshore Inc.
Jin'an Mining	Anhui Jin'an Mining Co., Ltd.
JPY	Japanese yen, the lawful currency of Japan
Kleinwort Benson	Keinwort Benson Bank Limited, a wholly-owned subsidiary of BHF Kleinwort Benson
Linekong Interactive	Linekong Interactive Group Co., Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 08267
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE - SGPS, SA), a company listed on the Euronext Lisbon with stock code: LUZ
MIG	Meadowbrook Insurance Group, Inc., a corporation incorporated in Michigan, the United States and its shares were delisted and ceased trading on the New York Stock Exchange in July 2015
Minsheng Bank	China Minsheng Banking Corp., Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 01988 and A shares are listed on the Shanghai Stock Exchange with stock code 600016
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.
New China Life Insurance	New China Life Insurance Company Ltd., whose A shares are listed on the Shanghai Stock Exchange with stock code 601336 and whose H shares are listed on the Hong Kong Stock Exchange with stock code 01336
Peak Reinsurance	Peak Reinsurance Company Limited
Perfect World	Perfect World Co., Ltd.
Phoenix Holdings	Phoenix Holdings Ltd., a company incorporated under the laws of the State of Israel
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
Reporting Period	the six months ended 30 June 2015
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RMB	Renminbi, the lawful currency of the PRC
ROC	Roc Oil Company Limited, the shares of which delisted from the Australian Securities Exchange in January 2015
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange with stock code 600429
SFO	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
Shares	the shares of the Company
Silver Cross	Silver Cross Nurseries Limited
Sinopharm	Sinopharm Group Co. Ltd. whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099
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
Tianjin Jianlong	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
USD	United States dollars, the lawful currency of the United States
Weishi Fund	Shanghai Fosun Weishi 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., a company whose A shares are listed on the Shanghai Stock Exchange with stock code 600655
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 01818
Zhejiang Internet Commerce Banking	Zhejiang Internet Commerce Banking Co., Ltd.
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 000685

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