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**復星國際有限公司**  
**FOSUN INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00656)**

**INTERIM RESULTS ANNOUNCEMENT**  
**(UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2015**

**FINANCIAL SUMMARY**

|  | <b>For the six months ended 30 June</b> |             |
|--|---|-------------|
| <i>In RMB million</i>                              | <b>2015</b>                             | <b>2014</b> |
| <b>Revenue</b>                                     | <b>29,739.0</b>                         | 24,795.9    |
| Integrated Finance                                 | <b>5,778.3</b>                          | 2,656.0     |
| Insurance  | <b>5,331.0</b>                          | 2,182.3     |
| Investment   | <b>169.6</b>                            | 328.5       |
| Asset Management                                   | <b>259.6</b>                            | 145.2       |
| Banking and Other Financial Business               | <b>18.1</b>                             | -           |
| Industrial Operations                              | <b>24,098.2</b>                         | 22,213.5    |
| Health   | <b>7,319.6</b>                          | 5,502.2     |
| Happy Lifestyle                                    | -                                       | -           |
| Steel  | <b>11,639.4</b>                         | 13,065.6    |
| Property Development and Sales                     | <b>4,199.2</b>                          | 2,777.0     |
| Resources  | <b>940.0</b>                            | 868.7       |
| Eliminations                                       | <b>(137.5)</b>                          | (73.6)      |
| <b>Profit attributable to owners of the parent</b> | <b>3,617.2</b>                          | 1,833.9     |
| Integrated Finance                                 | <b>3,360.5</b>                          | (146.5)     |
| Insurance  | <b>1,789.4</b>                          | 114.5       |
| Investment   | <b>1,130.8</b>                          | (410.7)     |
| Asset Management                                   | <b>364.4</b>                            | 92.4        |

|  |                |         |
|--|----------------|---------|
| Banking and Other Financial Business       | <b>75.9</b>    | 57.3    |
| Industrial Operations                      | <b>779.0</b>   | 2,461.9 |
| Health                                     | <b>580.7</b>   | 405.2   |
| Happy Lifestyle                            | <b>207.6</b>   | 173.8   |
| Steel                                      | <b>(209.6)</b> | 55.8    |
| Property Development and Sales             | <b>161.5</b>   | 1,654.6 |
| Resources                                  | <b>38.8</b>    | 172.5   |
| Unallocated expenses                       | <b>(478.9)</b> | (431.7) |
| Eliminations                               | <b>(43.4)</b>  | (49.8)  |
| <b>Earnings per share-basic (in RMB)</b>   | <b>0.51</b>    | 0.28    |
| <b>Earnings per share-diluted (in RMB)</b> | <b>0.50</b>    | 0.28    |

## 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

| <b>Segment</b>                          | <b>Total assets at<br/>30 June 2015</b> | Total assets at<br>31 December<br>2014 | Change<br>from<br>the end of<br>2014 |
|---|---|--|--------------------------------------|
| <b>Integrated Finance</b>               | <b>169,914.3</b>                        | 162,728.5                              | +4.4%                                |
| Insurance                               | <b>109,348.0</b>                        | 113,085.3                              | - 3.3%                               |
| Investment                              | <b>49,684.3</b>                         | 40,295.1                               | + 23.3%                              |
| Asset Management                        | <b>5,390.3</b>                          | 4,360.8                                | + 23.6%                              |
| Banking and Other Financial<br>Business | <b>5,491.7</b>                          | 4,987.3                                | + 10.1%                              |
| <b>Industrial Operations</b>            | <b>199,142.4</b>                        | 174,378.9                              | + 14.2%                              |
| Health                                  | <b>41,895.5</b>                         | 35,280.9                               | + 18.7%                              |
| Happy Lifestyle                         | <b>18,223.3</b>                         | 7,406.3                                | + 146.1%                             |
| Steel                                   | <b>50,722.4</b>                         | 43,533.3                               | + 16.5%                              |
| Property Development and<br>Sales       | <b>79,625.4</b>                         | 78,803.6                               | + 1.0%                               |
| Resources                               | <b>8,675.8</b>                          | 9,354.8                                | - 7.3%                               |
| <b>Eliminations</b>                     | <b>(15,530.4)</b>                       | (12,274.6)                             | + 26.5%                              |
| <b>Total</b>                            | <b>353,526.3</b>                        | 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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|---|---|---|
| Revenue  | 5,331.0                                     | 2,182.3                                     | + 144.3%                                    |
| Profit attributable to owners<br>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.

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.

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.

#### ***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 assisted living business. 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<br>six months<br>ended<br>30 June 2015 | For the<br>six months<br>ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|--|--|---|
| Revenue  | 169.6  | 328.5  | - 48.4%                                     |
| Profit attributable to owners of<br>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 RMB1.63 billion 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 <sup>(1)</sup>**

| No. | Stock Code   | Stock Name                       | Number of Stock<br>(As at 30 June 2015) | Percentage of total share capital | Currency | Accounting Treatment <sup>(2)</sup> |
|-----|--------------|----------------------------------|---|-----------------------------------|----------|-------------------------------------|
| 1   | 1988.HK      | Minsheng Bank <sup>(3)</sup> (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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|---|---|---|
| Revenue  | 259.6                                       | 145.2                                       | + 78.8%                                     |
| Profit attributable to owners of<br>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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|---|---|---|
| Revenue  | 18.1  | -   | N.A.  |
| Profit attributable to owners of<br>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 Pramerica-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 Co., Ltd. (**“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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same period<br>last year |
|--|---|---|---|
| Revenue  | 7,319.6                                     | 5,502.2                                     | + 33.0%                                     |
| Profit attributable to owners of<br>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 research and development ("R&D"), medical services, etc.; and 2) the acquisition of Luz Saúde, S.A., 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 (alprostadiol 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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|---|---|---|
| Revenue  | -   | -   | N.A.  |
| Profit attributable to owners of<br>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. The 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 China Momentum Fund (“**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, Géméaux, 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 Nurseries Limited (“**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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same<br>period last year |
|--|---|---|---|
| Revenue  | 11,639.4                                    | 13,065.6                                    | - 10.9%                                     |
| Profit attributable to owners of<br>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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same period<br>last year |
|--|---|---|---|
| Revenue  | 4,199.2                                     | 2,777.0                                     | + 51.2%                                     |
| Profit attributable to owners of<br>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<br>six months ended<br>30 June 2015 | For the<br>six months ended<br>30 June 2014 | Change over<br>the same period<br>last year |
| Revenue  | 940.0                                       | 868.7                                       | 8.2%  |
| Profit attributable to owners of<br>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 Hauck & Aufhäuser Privatbankiers KGaA (“**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***

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 customer needs, and promote the industry with investment to develop products and services with better content, so as to ultimately serve customers and to achieve the aim to create values for the society and shareholders.

## **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.

## **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<sup>Note</sup> 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.

## **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.

## **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.

## **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.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | For the six months ended 30 June |                  |
|--|----------------------------------|------------------|
|  | 2015                             | 2014             |
|  | RMB'000                          | RMB'000          |
|  | (Unaudited)                      | (Unaudited)      |
| <b>PROFIT FOR THE PERIOD</b>   | <u>4,877,918</u>                 | <u>2,724,140</u> |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                                  |                  |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>        |                                  |                  |
| 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  | <u>(213,852)</u>                 | <u>(32,722)</u>  |
|  | 295,345                          | (121,088)        |
| Change in other life insurance contract liabilities due to potential gains on financial assets       | 369,734                          | -                |
| - Income tax effect  | <u>293</u>                       | <u>-</u>         |
|  | 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  | <u>(659,985)</u>                 | <u>(22,881)</u>  |
| <b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>       | <u>(108,169)</u>                 | <u>(144,092)</u> |
| <b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b> | <u>-</u>                         | <u>-</u>         |
| <b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>   | <u>(108,169)</u>                 | <u>(144,092)</u> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <u>4,769,749</u>                 | <u>2,580,048</u> |
| Attributable to:   |                                  |                  |
| Owners of the parent   | 3,673,635                        | 1,713,990        |
| Non-controlling interests  | <u>1,096,114</u>                 | <u>866,058</u>   |
|  | <u>4,769,749</u>                 | <u>2,580,048</u> |

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  |             | <b>30 June<br/>2015<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2014<br/>RMB'000<br/>(Audited)</b> |
|--|-------------|---|---|
|  | <b>Note</b> |   |   |
| <b>NON-CURRENT ASSETS</b>  |             |   |   |
| Property, plant and equipment  |             | 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<br>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  |             | <u>379,934</u>                                      | <u>147,815</u>  |
| Total non-current assets   |             | <u>212,788,318</u>                                  | <u>190,539,347</u>                                    |
| <b>CURRENT ASSETS</b>  |             |   |   |
| 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  | 9           | 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<br>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                           |             | <u>707,686</u>                                      | <u>624,909</u>  |
|  |             | 140,681,869   | 133,063,866   |
| Non-current assets/assets of a disposal group<br>classified as held for sale |             | <u>56,127</u>                                       | <u>1,229,570</u>                                      |
| Total current assets   |             | <u>140,737,996</u>                                  | <u>134,293,436</u>                                    |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

|  |             | <b>30 June<br/>2015<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2014<br/>RMB'000<br/>(Audited)</b> |
|--|-------------|---|---|
|  | <b>Note</b> |   |   |
| <b>CURRENT LIABILITIES</b>   |             |   |   |
| Interest-bearing bank and other borrowings                                     |             | 55,052,949  | 46,389,197  |
| Loans from related companies   |             | 193,000   | 193,000   |
| Trade and notes payables   | 10          | 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  |             | <u>1,444,622</u>                                    | <u>1,453,267</u>                                      |
|  |             | 138,297,358   | 121,228,659   |
| Liabilities directly associated with<br>the assets classified as held for sale |             | <u>-</u>  | <u>589,118</u>  |
| Total current liabilities  |             | <u>138,297,358</u>                                  | <u>121,817,777</u>                                    |
| <b>NET CURRENT ASSETS</b>  |             | <u>2,440,638</u>                                    | <u>12,475,659</u>                                     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                   |             | <u>215,228,956</u>                                  | <u>203,015,006</u>                                    |
| <b>NON-CURRENT LIABILITIES</b>   |             |   |   |
| Interest-bearing bank and other borrowings                                     |             | 41,427,421  | 46,766,499  |
| Convertible bonds  |             | 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                                      |             | <u>11,158,540</u>                                   | <u>12,229,753</u>                                     |
| Total non-current liabilities  |             | <u>120,975,545</u>                                  | <u>127,330,514</u>                                    |
| <b>Net assets</b>  |             | <u><u>94,253,411</u></u>                            | <u><u>75,684,492</u></u>                              |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

|  |             | <b>30 June<br/>2015<br/>RMB'000<br/>(Unaudited)</b> | <b>31 December<br/>2014<br/>RMB'000<br/>(Audited)</b> |
|--|-------------|---|---|
|  | <b>Note</b> |   |   |
| <b>EQUITY</b>                                      |             |   |   |
| <b>Equity attributable to owners of the parent</b> |             |   |   |
| 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                            | 11          | -   | 928,359   |
|  |             | <u>63,314,978</u>                                   | <u>49,408,423</u>                                     |
| <b>Non-controlling interests</b>                   |             | <u>30,938,433</u>                                   | <u>26,276,069</u>                                     |
| <b>Total equity</b>                                |             | <u>94,253,411</u>                                   | <u>75,684,492</u>                                     |

## **1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 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 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.

### **1.2 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:

## **1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **1.2 New standards, interpretations and amendments adopted by the Group (continued)**

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.

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.

**1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.2 New standards, interpretations and amendments adopted by the Group (continued)**

***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.

***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 3 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.

**1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.2 New standards, interpretations and amendments adopted by the Group (continued)**

**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.

**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.



## **2. SEASONALITY OF OPERATIONS**

The Group's operations are not subject to seasonality.

## **3. 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;
- (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.

### **3. 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.

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2015 (unaudited)

|                                | Integrated Finance |             |                  |                                      | Industrial Operation |                 |            |                                |           |              |             |
|--------------------------------|--------------------|-------------|------------------|--------------------------------------|----------------------|-----------------|------------|--------------------------------|-----------|--------------|-------------|
|                                | Insurance          | Investment  | Asset management | Banking and other financial business | Health               | Happy lifestyle | Steel      | Property development and sales | Resources | Eliminations | Total       |
|                                | RMB'000            | RMB'000     | RMB'000          | RMB'000                              | RMB'000              | RMB'000         | RMB'000    | RMB'000                        | RMB'000   | RMB'000      | 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   |

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2014 (unaudited)

|                                     | Integrated Finance |                  |                  |                                      | Industrial Operation |                 |                   |                                |                 |                 | Total             |
|-------------------------------------|--------------------|------------------|------------------|--------------------------------------|----------------------|-----------------|-------------------|--------------------------------|-----------------|-----------------|-------------------|
|                                     | Insurance          | Investment       | Asset management | Banking and other financial business | Health               | Happy lifestyle | Steel             | Property development and sales | Resources       | Eliminations    |                   |
|                                     | RMB'000            | RMB'000          | RMB'000          | RMB'000                              | RMB'000              | RMB'000         | RMB'000           | RMB'000                        | RMB'000         | RMB'000         |                   |
| <b>Segment revenue:</b>             |                    |                  |                  |                                      |                      |                 |                   |                                |                 |                 |                   |
| 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         |
| <b>Total</b>                        | <u>2,502,815</u>   | <u>529,993</u>   | <u>153,119</u>   | <u>3,640</u>                         | <u>5,994,305</u>     | <u>81,337</u>   | <u>13,185,737</u> | <u>3,357,684</u>               | <u>890,815</u>  | <u>(91,247)</u> | <u>26,608,198</u> |
| <b>Segment results</b>              | (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           |
| <b>Profit/(loss) before tax</b>     | <u>242,374</u>     | <u>(397,517)</u> | <u>78,464</u>    | <u>73,656</u>                        | <u>1,336,949</u>     | <u>173,843</u>  | <u>73,714</u>     | <u>1,948,879</u>               | <u>379,377</u>  | <u>5,165</u>    | <u>3,483,180</u>  |
| <b>Tax</b>                          | <u>(91,475)</u>    | <u>(26,982)</u>  | <u>(3,858)</u>   | <u>(16,324)</u>                      | <u>(201,408)</u>     | <u>-</u>        | <u>9,213</u>      | <u>(309,718)</u>               | <u>(91,865)</u> | <u>(26,623)</u> | <u>(759,040)</u>  |
| <b>Profit/(loss) for the Period</b> | <u>150,899</u>     | <u>(424,499)</u> | <u>74,606</u>    | <u>57,332</u>                        | <u>1,135,541</u>     | <u>173,843</u>  | <u>82,927</u>     | <u>1,639,161</u>               | <u>287,512</u>  | <u>(21,458)</u> | <u>2,724,140</u>  |

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

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

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

### 3. 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<br>2015<br>RMB'000<br>(Unaudited) | 31 December<br>2014<br>RMB'000<br>(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                            | <u>8,675,812</u>                          | <u>9,354,796</u>                            |
| Eliminations *                       | <u>(15,530,415)</u>                       | <u>(12,274,638)</u>                         |
| Total consolidated assets            | <u>353,526,314</u>                        | <u>324,832,783</u>                          |

#### Segment liabilities:

|                                      | 30 June<br>2015<br>RMB'000<br>(Unaudited) | 31 December<br>2014<br>RMB'000<br>(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                            | <u>1,824,505</u>                          | <u>2,262,524</u>                            |
| Eliminations *                       | <u>(24,440,445)</u>                       | <u>(21,182,502)</u>                         |
| Total consolidated liabilities       | <u>259,272,903</u>                        | <u>249,148,291</u>                          |

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

#### 4. 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                             | 2014             |
|  | RMB'000                          | RMB'000          |
|  | (Unaudited)                      | (Unaudited)      |
| <b><u>Other income</u></b>                           |                                  |                  |
| 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           |
|  | <u>2,892,367</u>                 | <u>1,380,228</u> |
| <b><u>Gains</u></b>                                  |                                  |                  |
| 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            |
|  | <u>6,166,994</u>                 | <u>1,533,632</u> |
| Other income and gains                               | <u>9,059,361</u>                 | <u>2,913,860</u> |

## 5. 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 | <u>(480,823)</u>                 | <u>(676,723)</u> |
| Interest expenses, net  | 2,007,802                        | 1,562,662        |
| Bank charges and other finance costs                                | <u>226,974</u>                   | <u>197,563</u>   |
| Total finance costs   | <u>2,234,776</u>                 | <u>1,760,225</u> |

## 6. 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  | <u>-</u>                         | <u>140,884</u> |



## 7. TAX

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

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

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%.

## **7. TAX (CONTINUED)**

Notes (continued):

- (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.

## **8. 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.

**8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)**

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                             | 2014                 |
|  | RMB'000                          | RMB'000              |
|  | (Unaudited)                      | (Unaudited)          |
| <u>Earnings</u>  |                                  |                      |
| 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  | <u>77,676</u>                    | <u>102,033</u>       |
| Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds          | <u>3,694,852</u>                 | <u>1,935,906</u>     |
| <u>Shares</u>  |                                  |                      |
|  | Number of shares                 |                      |
|  | For the six months ended 30 June |                      |
|  | 2015                             | 2014                 |
| 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  | <u>308,830,939</u>               | <u>387,500,000</u>   |
| Weighted average number of ordinary shares used in the calculation of diluted earnings per share                       | <u>7,417,879,423</u>             | <u>6,914,837,178</u> |
| Basic earnings per share (RMB)   | <u>0.51</u>                      | <u>0.28</u>          |
| Diluted earnings per share (RMB)   | <u>0.50</u>                      | <u>0.28</u>          |

## 9. TRADE AND NOTES RECEIVABLES

|                   | 30 June<br>2015<br>RMB'000<br>(Unaudited) | 31 December<br>2014<br>RMB'000<br>(Audited) |
|-------------------|---|---|
| Trade receivables | 3,929,714                                 | 3,610,965                                   |
| Notes receivable  | <u>3,757,365</u>                          | <u>2,760,038</u>                            |
|                   | <u>7,687,079</u>                          | <u>6,371,003</u>                            |

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

|  | 30 June<br>2015<br>RMB'000<br>(Unaudited) | 31 December<br>2014<br>RMB'000<br>(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   | <u>33,978</u>                             | <u>23,498</u>                               |
|  | 4,056,910                                 | 3,721,598                                   |
| Less: Provision for impairment<br>of trade receivables | <u>(127,196)</u>                          | <u>(110,633)</u>                            |
|  | <u>3,929,714</u>                          | <u>3,610,965</u>                            |

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

|  | <u>Credit terms</u> |
|--|---------------------|
| 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.

## 10. TRADE AND NOTES PAYABLES

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

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

|                                 | 30 June<br>2015<br>RMB'000<br>(Unaudited) | 31 December<br>2014<br>RMB'000<br>(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                    | <u>748,043</u>                            | <u>1,013,233</u>                            |
|                                 | <u>11,589,139</u>                         | <u>11,700,971</u>                           |

## 11. 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.

## **12. 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.

## **INTERIM DIVIDEND**

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

## **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.

## **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 announcement, 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.

## **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.

## **COMPLIANCE WITH THE MODEL CODE**

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.

## **PUBLICATION OF INTERIM REPORT**

This results announcement is published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.fosun.com>). The interim report will be despatched to the shareholders of the Company and published on both websites on or before 30 September 2015.

## **FORWARD-LOOKING STATEMENTS**

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

## GLOSSARY

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

### Formula

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

### 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 |
| 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   |
| 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.<br>(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<br>Partnership (L.P.)  |
| Fosun Chuanghong            | Shanghai Fosun Chuanghong Equity Investment Fund<br>Partnership (L.P.)   |
| Fosun Finance<br>Company    | Shanghai Fosun High Technology Group Finance Co.,<br>Ltd.  |
| Fosun Holdings              | Fosun Holdings Limited   |
| Fosun Insurance<br>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   |
| Hainan Mining               | Hainan Mining 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 China   |

|                          |  |
|--------------------------|--|
| 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   |
| 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   |
| 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          |
| 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                   |
| 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 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 Opportunity Fund | Pramerica – Fosun China Opportunity Fund, L.P.   |
| Pramerica Fosun Life Insurance         | Pramerica Fosun Life Insurance Co., Ltd.   |
| PRC                                    | the People’s Republic of China   |
| Reporting Period                       | the six months ended 30 June 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         |
| Shares                                 | the shares of the Company  |
| 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. (浙江網商銀行股份有限公司)   |
| 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 |

By Order of the Board  
**Fosun International Limited**  
**Guo Guangchang**  
*Chairman*

Shanghai, the PRC, 28 August 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetang, Mr. Chen Qiyu and Mr. Xu Xiaoliang; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao.*