



FOSUN INTERNATIONAL LIMITED

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

(Stock Code: 0656)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

Financial Summary

<i>In RMB million</i>	For the Year ended 31 December	
	2007	2006 (Restated)
Revenue	31,977.1*	24,199.1*
Contribution of major business to revenue		
Pharmaceuticals segment	3,631.6	4,000.9
Property development segment	3,976.6	2,504.5
Steel segment	23,972.1	17,675.7
Mining segment	743.5	31.6
Profit attributable to equity holders of the parent	3,354.3	1,095.8
Contribution of major business to the profit attributable to equity holders of the parent		
Pharmaceuticals segment	164.5	-101.7
Property development segment	383.8	272.7
Steel segment	1,845.1	591.6
Mining segment	592.9	318.1
Retail, financial services and other (including unallocated expenses) segment	368.0	15.1
Earnings per share (in RMB)	0.59	0.22
Dividend per share (in HKD)	0.17	-

Notes: Inter-segment sales in the amounts of RMB346.7 million and RMB13.6 million have been eliminated in the consolidated revenue for the years 2007 and 2006, respectively.

The board of Directors (the “**Board**”) of Fosun International Limited (the “**Company**” or “**Fosun International**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2007 (the “**Reporting Period**”) as follows:

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<i>Notes</i>	2007 RMB'000	2006 RMB'000 (Restated)
REVENUE	3	31,977,105	24,199,054
Cost of sales		<u>(25,024,737)</u>	<u>(20,097,613)</u>
Gross profit		6,952,368	4,101,441
Other income and gains	3	3,194,691	1,387,726
Selling and distribution costs		(1,039,606)	(753,878)
Administrative expenses		(1,344,500)	(1,011,941)
Other expenses		(471,469)	(776,582)
Finance costs	4	(1,423,975)	(1,008,098)
Share of profits and losses of:			
Jointly-controlled entities		5,631	3,478
Associates		<u>1,074,964</u>	<u>627,741</u>
PROFIT BEFORE TAX	5	6,948,104	2,569,887
Tax	6	<u>(1,439,991)</u>	<u>(825,942)</u>
PROFIT FOR THE YEAR		<u>5,508,113</u>	<u>1,743,945</u>
Attributable to:			
Equity holders of the parent		3,354,326	1,095,801
Minority interests		<u>2,153,787</u>	<u>648,144</u>
		<u>5,508,113</u>	<u>1,743,945</u>
Dividends	7		
Proposed final		<u>1,022,219</u>	<u>-</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
- Basic (RMB)	8	<u>0.59</u>	<u>0.22</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

	<i>Notes</i>	2007 RMB'000	2006 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		15,598,578	14,459,848
Investment properties		456,000	446,000
Prepaid land lease payments		908,376	542,707
Mining rights		546,469	160,890
Intangible assets		25,352	18,817
Goodwill		108,152	181,128
Investments in			
jointly-controlled entities		231,055	95,572
Investments in associates		6,758,794	5,461,836
Available-for-sale investments		2,188,057	291,209
Properties under development		6,009,593	3,305,549
Loans receivable		459,200	-
Prepayments		1,547,278	111,742
Deferred tax assets		<u>283,426</u>	<u>179,843</u>
 Total non-current assets		 <u>35,120,330</u>	 <u>25,255,141</u>
CURRENT ASSETS			
Cash and bank balances		14,144,004	5,062,687
Equity investments at fair value			
through profit and loss		90,437	2,339
Available-for-sale investments		205,000	-
Trade and notes receivables	9	2,924,246	2,374,055
Prepayments, deposits and			
other receivables		3,320,208	1,399,069
Inventories		6,470,854	4,127,850
Completed properties for sale		746,538	790,489
Properties under development		3,405,440	4,204,295
Due from related companies		<u>530,506</u>	<u>527,884</u>
 Total current assets		 <u>31,837,233</u>	 <u>18,488,668</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007 (continued)**

	<i>Notes</i>	2007 RMB'000	2006 RMB'000 (Restated)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		14,890,502	11,322,555
Trade and notes payables	10	4,486,157	4,452,925
Accrued liabilities and other payables		7,612,814	5,714,064
Tax payable		972,091	446,912
Finance lease payables		-	238,077
Due to holding and ultimate holding companies		-	190,404
Due to related companies		<u>815,464</u>	<u>1,671,151</u>
		<u>28,777,028</u>	<u>24,036,088</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>3,060,205</u>	<u>(5,547,420)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,180,535</u>	<u>19,707,721</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		6,879,740	7,675,838
Loans from related companies		147,719	144,573
Deferred income		21,735	10,377
Other long-term payables		737,472	402,559
Deferred tax liabilities		<u>423,244</u>	<u>333,440</u>
Total non-current liabilities		<u>8,209,910</u>	<u>8,566,787</u>
Net assets		<u>29,970,625</u>	<u>11,140,934</u>
EQUITY			
Equity attributable to equity holders of the parent:			
Issued capital		622,962	208
Reserves		18,188,934	3,982,455
Proposed final dividend		<u>1,022,219</u>	-
		19,834,115	3,982,663
Minority interests		<u>10,136,510</u>	<u>7,158,271</u>
Total equity		<u>29,970,625</u>	<u>11,140,934</u>

NOTES TO THE ACCOUNTS

1.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and equity investments, which have been measured at fair value. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 ADOPTION OF NEW AND REVISED HKFRSs

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

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of these new and revised standards and interpretation does not have any significant impact on the accounting policies of the Group and the method of computation in the financial statements.

1.3 IMPACT OF ISSUED AND NOT YET EFFECTIVE HKFRSs

HKFRS 8	Operating Segments ¹
HKAS 1 (revised)	Presentation of Financial Statements ¹
HKAS 23 (revised)	Borrowing Costs ¹
HK(IFRIC)-Int 11	HKFRS-2 Group and Treasury Share Transactions ²
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

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

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 January 2008

The Group expects that the adoption of these pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

2. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in the PRC, and over 90% of the Group's assets are located in the PRC.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (i) the pharmaceutical segment engages in the manufacturing, sale and trading of pharmaceutical products;
- (ii) the property development segment engages in the development and sale of properties in the PRC;
- (iii) the steel segment engages in the manufacturing, sale and trading of iron and steel products;
- (iv) the mining segment engages in the mining and ore processing of various metals;
- (v) the "others" segment comprises, principally, the management of investments in retail and financial service industries, and other strategic investments.

2. SEGMENT INFORMATION (continued)

Year ended 31 December 2007

	Pharmaceutical RMB'000	Property development RMB'000	Steel RMB'000	Mining RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	3,631,649	3,974,620	23,972,085	398,751	-	-	31,977,105
Inter-segment sales	-	2,027	-	344,765	-	(346,792)	-
Other income and gains	335,505	528,929	1,274,004	53,196	452,282	(15,576)	2,628,340
Total	<u>3,967,154</u>	<u>4,505,576</u>	<u>25,246,089</u>	<u>796,712</u>	<u>452,282</u>	<u>(362,368)</u>	<u>34,605,445</u>
Segment results							
Interest and dividend income	23,864	8,447	117,077	27,563	389,400	-	566,351
Unallocated expenses	-	-	-	-	-	-	(147,145)
Finance costs	(137,169)	(15,140)	(826,397)	(23,602)	(421,667)	-	(1,423,975)
Share of profits and losses of jointly-controlled entities	225	5,406	-	-	-	-	5,631
Share of profits and losses of associates	217,417	31,270	221,330	357,014	247,933	-	1,074,964
Profit before tax	469,396	1,312,469	3,991,845	778,323	543,216	-	6,948,104
Tax	(61,412)	(551,487)	(775,035)	(24,010)	(28,047)	-	(1,439,991)
Profit for the year	<u>407,984</u>	<u>760,982</u>	<u>3,216,810</u>	<u>754,313</u>	<u>515,169</u>	<u>-</u>	<u>5,508,113</u>
Segment assets	4,586,395	17,778,230	25,202,744	3,774,173	12,061,089	(3,434,917)	59,967,714
Interests in jointly-controlled entities	3,725	227,330	-	-	-	-	231,055
Interests in associates	2,194,706	317,319	2,279,825	890,143	1,076,801	-	6,758,794
Total assets	<u>6,784,826</u>	<u>18,322,879</u>	<u>27,482,569</u>	<u>4,664,316</u>	<u>13,137,890</u>	<u>(3,434,917)</u>	<u>66,957,563</u>
Segment and total liabilities	<u>3,104,844</u>	<u>12,713,292</u>	<u>18,001,728</u>	<u>1,508,010</u>	<u>5,070,505</u>	<u>(3,411,441)</u>	<u>36,986,938</u>
Other segment information:							
Depreciation and amortization	278,353	14,858	1,219,503	64,975	4,656	-	1,582,345
Impairment loss recognized	84,384	3,683	7,445	12,083	8,000	-	115,595
Other non-cash expenses	5,653	438	49,030	(1,015)	-	-	54,106
Research and development costs	39,261	270	36,859	2,117	-	-	78,507
Fair value loss on value adjustments of investment properties	-	(10,000)	-	-	-	-	(10,000)
Fair value gains on equity investments	-	-	-	-	3,124	-	3,124
at fair value through profit and loss	-	-	-	-	-	-	-
Capital expenditure	<u>537,156</u>	<u>52,580</u>	<u>1,695,947</u>	<u>372,654</u>	<u>7,464</u>	<u>-</u>	<u>2,665,801</u>

2. SEGMENT INFORMATION (continued)

Year ended 31 December 2006

	Pharmaceutical RMB'000 (Restated)	Property development RMB'000 (Restated)	Steel RMB'000 (Restated)	Mining RMB'000 (Restated)	Others RMB'000 (Restated)	Eliminations RMB'000 (Restated)	Total RMB'000 (Restated)
Segment revenue:							
Sales to external customers	4,000,932	2,504,544	17,675,721	17,857	-	-	24,199,054
Inter-segment sales	-	-	-	13,729	-	(13,729)	-
Other income and gains	164,115	194,463	189,497	287,794	448,071	(17,433)	1,266,507
Total	<u>4,165,047</u>	<u>2,699,007</u>	<u>17,865,218</u>	<u>319,380</u>	<u>448,071</u>	<u>(31,162)</u>	<u>25,465,561</u>
Segment results	87,220	846,373	1,616,717	289,702	359,802	-	3,199,814
Interest and dividend income	15,298	7,648	71,064	12	38,693	(11,496)	121,219
Unallocated expenses	-	-	-	-	-	-	(44,361)
Loss on capital reform	(15,037)	-	(122,922)	-	(191,947)	-	(329,906)
Finance costs	(111,123)	(11,492)	(673,746)	(1,813)	(221,420)	11,496	(1,008,098)
Share of profits and losses of jointly-controlled entities	(707)	4,185	-	-	-	-	3,478
Share of profits and losses of associates	79,972	112,884	291,461	30,276	113,148	-	627,741
Profit before tax	55,623	959,598	1,182,574	318,177	98,276	-	2,569,887
Tax	(55,117)	(461,212)	(270,757)	-	(38,856)	-	(825,942)
Profit for the year	<u>506</u>	<u>498,386</u>	<u>911,817</u>	<u>318,177</u>	<u>59,420</u>	<u>-</u>	<u>1,743,945</u>
Segment assets	3,949,214	11,193,943	22,288,554	414,277	1,744,956	(1,404,543)	38,186,401
Interests in jointly-controlled entities	3,500	92,072	-	-	-	-	95,572
Interests in associates	2,109,167	193,688	2,071,400	495,793	620,508	(28,720)	5,461,836
Total assets	<u>6,061,881</u>	<u>11,479,703</u>	<u>24,359,954</u>	<u>910,070</u>	<u>2,365,464</u>	<u>(1,433,263)</u>	<u>43,743,809</u>
Segment and total liabilities	<u>2,968,502</u>	<u>6,599,294</u>	<u>17,932,408</u>	<u>253,050</u>	<u>6,254,164</u>	<u>(1,404,543)</u>	<u>32,602,875</u>
Other segment information:							
Depreciation and amortization	134,745	7,833	1,005,592	4,112	2,450	-	1,154,732
Impairment loss	7,238	-	6,515	-	-	-	13,753
Other non-cash expenses	19,720	-	15,629	-	-	-	35,349
Research and development costs	34,274	-	44,643	-	-	-	78,917
Fair value loss on derivative embedded in convertible bond	81,263	-	-	-	-	-	81,263
Fair value gains on value adjustment of investment properties	-	(130,651)	-	-	-	-	(130,651)
Capital expenditure	<u>250,978</u>	<u>74,056</u>	<u>2,528,505</u>	<u>159,791</u>	<u>41,846</u>	<u>-</u>	<u>3,055,176</u>

3. REVENUE, OTHER INCOME AND GAINS

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

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

	2007 RMB'000	2006 RMB'000 (Restated)
<u>Revenue</u>		
Sale of goods:		
Properties	4,022,390	2,542,047
Pharmaceutical products	3,610,898	4,013,230
Iron and steel products	24,115,805	17,776,409
Iron concentrates	<u>507,611</u>	<u>17,857</u>
	32,256,704	24,349,543
Rendering of services:		
Property agency	160,034	97,514
Construction supervisory	4,779	922
Property sales planning and advertising	9,847	7,754
Others	<u>60,165</u>	<u>8,998</u>
	32,491,529	24,464,731
Less: Government surcharges	<u>(514,424)</u>	<u>(265,677)</u>
	<u>31,977,105</u>	<u>24,199,054</u>
<u>Other income</u>		
Interest income	522,299	119,379
Dividends from available-for-sale investments	42,635	1,136
Dividends from equity investments at fair value through profit and loss	1,417	704
Gross rental income	35,036	16,390
Sale of scrap materials	41,059	12,452
Government grants	90,358	157,969
Compensation income	-	5,529
Consultancy income	31,151	2,917
Excess over the cost of business combinations realized as income	141,187	1,923
Excess of the share of net assets over the cost of acquisition of additional equity interest in subsidiaries realized as income	-	30,054
Others	<u>26,235</u>	<u>40,770</u>
	<u>931,377</u>	<u>389,223</u>

3. REVENUE, OTHER INCOME AND GAINS (continued)

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

	2007 RMB'000	2006 RMB'000 (Restated)
<u>Gains</u>		
Gain on disposal of subsidiaries	41,656	32,801
Gain on disposal of partial interests in subsidiaries	1,350,577	3,289
Gain on disposal of associates	46,667	51,666
Gain on disposal of jointly controlled entities	93,614	-
Gain on disposal of partial interests in associates	364,741	-
Gain on disposal of items of property, plant and equipment	9,504	9,852
Gain on disposal of available-for-sale investments	153,433	1,169
Gain on disposal of equity investments at fair value through profit or loss	118,110	23,462
Exchange gains	66,627	16,228
Gain on deemed disposal of interests in subsidiaries and associates	-	728,410
Gain on fair value adjustment of investment properties	10,000	130,651
Gain on termination of derivative investment	8,385	-
Gain on redemption of convertible bonds	-	975
	<u>2,263,314</u>	<u>998,503</u>
Other income and gains	<u>3,194,691</u>	<u>1,387,726</u>
Total revenue, other income and gains	<u><u>35,171,796</u></u>	<u><u>25,586,780</u></u>

4. FINANCE COSTS

	2007 RMB'000	2006 RMB'000 (Restated)
Interest on bank and other borrowings	1,409,868	1,086,539
Incremental interest on other long term payables	12,936	-
Interest on debt component of convertible bonds	<u>-</u>	<u>17,696</u>
	1,422,804	1,104,235
Less: Interest capitalized, in respect of bank and other borrowings	<u>(275,512)</u>	<u>(209,126)</u>
Interest expenses, net	1,147,292	895,109
Interest on discounted bills	96,036	53,732
Interest on finance leases	11,028	18,906
Bank charges and other financial costs	18,346	17,828
Bank loan guarantee fees	-	14,195
Exchange losses	<u>151,273</u>	<u>8,328</u>
Total finance costs	<u>1,423,975</u>	<u>1,008,098</u>

5. PROFIT BEFORE TAX

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

	2007 RMB'000	2006 RMB'000 (Restated)
Cost of sales	25,024,737	20,097,613
Staff costs (including Directors' emoluments):		
Wages and salaries	1,255,637	1,010,216
Accommodation benefits:		
Defined contribution fund	85,705	82,977
Retirement costs:		
Defined contribution fund	<u>189,378</u>	<u>126,222</u>
Total staff costs	<u>1,530,720</u>	<u>1,219,415</u>

5. PROFIT BEFORE TAX (continued)

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

	2007 RMB'000	2006 RMB'000 (Restated)
Research and development costs	78,507	78,917
Auditors' remuneration	14,450	7,650
Inventories written off	14,200	1,901
Depreciation of items of property, plant and equipment	1,531,988	1,133,850
Amortization of prepaid land lease payments	19,589	10,697
Amortization of mining rights	19,504	1,298
Amortization of intangible assets	11,264	8,887
Provision/(reversal) for impairment of receivables	(11,509)	17,900
Provision for inventories	65,615	17,449
Provision for impairment of items of property, plant and equipment	10,845	2,130
Provision for impairment of available-for-sale investments	8,000	6,530
Provision for impairment of goodwill	96,750	2,251
Provision for impairment of intangible assets	-	2,842
Operating lease rentals	48,850	45,616
Loss on capital reform of subsidiaries and associates	-	329,906
Loss on disposal of subsidiaries	2,698	-
Loss on disposal of associates	-	10,138
Loss on disposal of available-for-sale investments	-	1,069
Loss on deemed disposal of an interest in an associate	-	132,721
Loss on disposal of items of property, plant and equipment	52,784	16,663
Provision for indemnity of LAT	30,354	37,630
Fair value adjustment on equity investment at fair value through profit or loss	3,124	-
Fair value adjustment on derivative embedded in convertible bonds	<u>-</u>	<u>81,263</u>

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The provision for the Mainland of China current income tax is based on a statutory rate of 33% of the assessable profit of the Group as determined in accordance with the relevant income tax rules and regulations of the Mainland of China for the year ended 31 December 2007, except for certain subsidiaries of the Group in the Mainland of China, which are exempted or taxed at preferential rates of 12% to 27%.

The major components of income tax expenses for the years ended 31 December 2007 and 2006 are as follows:

	2007	2006
	RMB'000	RMB'000
		(Restated)
Group:		
Current – Hong Kong	11,893	-
Current – the Mainland of China		
- Income tax in the Mainland of China for the year	1,330,851	587,458
- LAT in the Mainland of China for the year	317,335	248,190
Deferred tax	<u>(220,088)</u>	<u>(9,706)</u>
Income tax expenses for the year	<u>1,439,991</u>	<u>825,942</u>

7. DIVIDENDS

	2007	2006
	RMB'000	RMB'000
Proposed final – HKD0.17 per ordinary share	<u>1,022,219</u>	<u>-</u>

The Board has proposed a final dividend in respect of the year ended 31 December 2007 of HKD0.17 per ordinary share, amounting to a total dividend of around HKD1,091,671,000 (equivalent to RMB1,022,219,000). Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on Tuesday, 17 June 2008, and the adjustment for any repurchase of ordinary shares up to the date of entitlement, the proposed final dividend will be paid to the Company's shareholders on or around 16 July 2008.

The proposed final dividend is calculated based on the Company's total outstanding shares of 6,421,594,500, after taking into account the repurchase of 15,905,500 shares up to the date of this announcement and is subject to the adjustment for any repurchase of ordinary shares up to the date of entitlement.

8. EARNINGS PER SHARE

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

	2007	2006
Profit attributable to equity holders of the Company (RMB thousands)	3,354,326	1,095,801
Weighted average number of ordinary shares in issue (thousands)	5,660,103	5,000,000
Earnings per share (RMB)	<u>0.59</u>	<u>0.22</u>

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2006 is the pro forma issued share capital of the Company of 5,000,000,000 shares, comprising: (i) the subdivision issue of 1,800,000 ordinary shares; and (ii) the capitalization issue of 4,998,000,000 ordinary shares.

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2007 includes the weighted average of 660,103,000 shares issued upon the listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 July 2007 and the exercise of over-allotment option on 19 July 2007, respectively, in addition to the aforementioned 5,000,000,000 ordinary shares.

9. TRADE AND NOTES RECEIVABLES

	2007	2006
	RMB'000	RMB'000
		(Restated)
Trade receivables	1,454,074	1,189,149
Notes receivable	<u>1,470,172</u>	<u>1,184,906</u>
	<u>2,924,246</u>	<u>2,374,055</u>

9. TRADE AND NOTES RECEIVABLES (continued)

An aged analysis of trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	2007	2006
	RMB'000	RMB'000
		(Restated)
Outstanding balances with ages:		
Within 90 days	1,129,012	985,346
91 - 180 days	159,254	148,910
181 - 365 days	150,071	41,895
1 - 2 years	25,988	32,373
2 - 3 years	10,003	13,392
Over 3 years	<u>109,108</u>	<u>35,130</u>
	1,583,436	1,257,046
Less: Provision for impairment of trade receivables	<u>(129,362)</u>	<u>(67,897)</u>
	<u>1,454,074</u>	<u>1,189,149</u>

The carrying amounts of trade and notes receivables approximate to their fair value.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2007	Group 2006
	RMB'000	RMB'000
		(Restated)
Neither past due nor impaired	332,861	333,724
Within 90 days	831,769	663,160
91-180 days	174,857	149,946
Over 180 days	<u>109,886</u>	<u>42,319</u>
	<u>1,449,373</u>	<u>1,189,149</u>

10. TRADE AND NOTES PAYABLES

	2007 RMB'000	2006 RMB'000 (Restated)
Trade payables	3,326,879	2,952,043
Notes payable	<u>1,159,278</u>	<u>1,500,882</u>
	<u>4,486,157</u>	<u>4,452,925</u>

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

An aged analysis of trade payables as at the balance sheet date, based on the invoice date, is as follows:

	2007 RMB'000	2006 RMB'000 (Restated)
Outstanding balances with ages:		
Within 90 days	1,990,063	2,051,514
91 - 180 days	676,200	432,215
181 - 365 days	383,744	196,579
1 - 2 years	188,341	194,797
2 - 3 years	52,563	36,545
Over 3 years	<u>35,968</u>	<u>40,393</u>
	<u>3,326,879</u>	<u>2,952,043</u>

11. SUBSEQUENT EVENTS

- (a) Subsequent to the balance sheet date and up to the date when the financial statements are approved by the Board of Directors, the Company repurchased 15,905,500 ordinary shares out of its share capital through the Stock Exchange for an aggregate consideration of approximately HKD84,485,000. The highest and lowest price per share paid by the Company for the purchase of its own shares during this period were HKD5.50 and HKD5.02, respectively. These repurchased shares were cancelled by the Company on 27 February 2008 and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares.
- (b) Subsequent to the balance sheet date, there were significant falls in many major international stock markets, including those exchanges on which the Group's listed investments are traded. The decline in the carrying amounts of the investments subsequent to the balance sheet date and up to the date of approval of these financial statements has not been reflected in these financial statements.

12. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified and restated to conform to the current year's presentation and the accounting treatment.

BUSINESS REVIEW

During the Reporting Period, the Group continued to enhance its three core values, namely improving its corporate value and competitiveness by strengthening its management, exploring and capturing investment opportunities and securing quality capital through various channels. Its core business segments, namely pharmaceuticals, property development, steel, mining, investment in retail business, financial services and strategic investments recorded results for 2007 exceeded the expectation of the Group.

1. CONTINUOUSLY OPTIMISE MANAGEMENT AND ENHANCE CORE COMPETITIVENESS

1.1. Pharmaceuticals

The pharmaceuticals business of the Group was engaged through its subsidiary Shanghai Fosun Pharmaceuticals (Group) Co., Ltd (“**Fosun Pharma**”) (600196-SH), a company listed on the Shanghai Stock Exchange. The major business areas of the Group's pharmaceuticals segment include manufacturing, research and development, distribution and retail sales of pharmaceuticals.

During the Reporting Period, the pharmaceuticals segment recorded revenue of RMB3,631.6 million. Profit for the year 2007 was RMB408.0 million, a robust increase comparing to RMB 0.5 million in 2006. Contribution of this segment to the net profit attributable to shareholders of the Company was RMB164.5 million, accounting for 4.9% of the total net profits attributable to shareholders of the Company for the same period.

The improved performance of the pharmaceuticals segment was attributable to:

- (1) growth of innovation-led manufacturing of relatively higher gross margin products;
- (2) improved efficiency of the distribution network; and
- (3) higher investment returns.

Manufacturing and research and development of pharmaceuticals:

During the Reporting Period, Fosun Pharma further strengthened its professional operation team of medicines for malaria, diabetes, gynecological diseases and hepatic diseases. Key products such as Artesunate, insulin, Huahong tablets, Atomolan and amino acid continued to maintain leading positions in their respective markets.

Fosun Pharma continued to improve the facilities of the state-level technology centre with total investment of RMB136.0 million.

Distribution and retail sales of pharmaceuticals:

During the Reporting Period, Sinopharm Medicine Holding Co., Ltd. (“**Sinopharm Holding**”), one of the major associates of the Group, recorded growth in its business and remained as the top distributor of pharmaceuticals in China.

The retail sales of pharmaceuticals maintained its growth momentum. The pharmacies under the brands of Jinxiang Pharmacy, Fosun Pharmacy and Guoda Pharmacy owned by Fosun Pharma and Sinopharm Holdings. maintained their leading positions in terms of brand reputation and profitability in their respective regional markets.

1.2. Property Development

The property development business was engaged through our subsidiary Shanghai Forte Land Co., Ltd (“**Forte**”) (Stock Code: 2337), a company listed on the Stock Exchange of Hong Kong Limited. In 2007, the property development segment maintained growth and recorded revenue of RMB3,976.6 million, representing an increase of 58.8% over the corresponding period last year, and net profit of RMB761.0 million, representing an increase of 52.7% over the corresponding period last year. Contribution of this segment to the net profit attributable to shareholders of the Company was RMB383.8 million, accounting for 11.4% of the total net profits attributable to shareholders of the Company of the same period.

The improved performance of the property segment was attributable to:

- (1) 12 % increase in total gross floor area booked in consolidated earnings as compared with the previous year;
- (2) increase in average selling price of gross floor area (“**GFA**”) booked as compared with the previous year; and
- (3) gain from certain equity disposals.

Major achievements of the property development segment are as follows:

Project Development

Forte had a total of 40 projects under different development stages, including projects undertaken by joint ventures of Forte, with an aggregate GFA of approximately 2,530,402 sq.m., of which the aggregate GFA attributable to the equity interests of Forte was approximately 1,695,641 sq.m..

Land Bank

Forte increased its land bank through land auction and acquisitions of equity interests of project companies. As at 31 December 2007, the total GFA of Forte's land bank amounted to approximately 9,500,000 sq.m. (the planned aggregate GFA attributable to the equity interests of Forte was approximately 5,860,000 sq.m.), which was sufficient for development in the next four to five years and laid solid foundation for the Group's long-term rapid development.

Property Sales

During the Reporting Period, Forte had sold properties with GFA of approximately 781,090 sq.m., of which approximately 543,289 sq.m. was attributable to the equity interests of Forte, representing an increase of approximately 30.1% over the corresponding period of last year. Forte actively engaged in property development in ten cities in China. During the Reporting Period, properties were launched for sale in eight cities, namely Shanghai, Beijing, Tianjin, Chongqing, Nanjing, Wuxi, Wuhan and Hangzhou.

Property Booked

In 2007, total GFA booked amounted to 825,589 sq.m., and the GFA booked attributable to the equity interests of Forte amounted to 544,405 sq.m., representing an increase of approximately 9.6% over the corresponding period of last year.

GFA sold, but not yet recognized amounted to 373,466 sq.m., of which the GFA attributable to the equity interests of Forte amounted to 235,264 sq.m.

Sales Agency and Planning Business

During the Reporting Period, the total GFA of third party properties sold by Shanghai Resources Property Consultancy Co., Ltd., a subsidiary of Forte's property development segment, amounted to approximately 430,586 sq.m., representing an increase of approximately 71% over the corresponding period of last year.

Cooperation with International Partners

Forte actively sought cooperation with foreign investors. In 2007, there were four jointly-invested projects carried out in Shanghai, Wuxi and Tianjin.

1.3. Steel

The major companies in the steel segment include:

Major companies	Attributable equity interests	Major products and services
Nanjing Iron and Steel United Co., Ltd. (“ Nanjing Steel United ”)	60%	Medium and heavy plates, strips, and bars and wire rods
Tangshan Jianlong Industrial Co., Ltd. (“ Jianlong Group ”)	26.7%	Medium wide hot and cold strips, hot-rolled coils, and bars and wire rods
Ningbo Iron & Steel Co., Ltd. (“ Ningbo Steel ”)	20%*	Hot rolled coils, cold-rolled coils, and galvanized plates

Note: The Group owns 20% equity interests of Ningbo Steel through Nanjing Steel United (a subsidiary of the Group) and indirectly holds 30.5% equity interest of Ningbo Steel through Jianlong Group (an associated company of the Group).

The consolidated revenues of the steel segment of the Group amounted to RMB23,972.1 million. Contribution of this segment to the net profit attributable to shareholders of the Company was RMB1,845.1 million, representing 55.0% of the total net profits attributable to shareholders of the Company for the same period.

Improved performance of the steel segment was attributable to:

- (1) higher production volume: crude steel production volume of the Group reached 18.4 million tonnes in 2007 and the attributable production volume attributable to the Group reached 4.9 million tones;
- (2) optimised product mix: Nanjing Steel United, a subsidiary of the Group, continued to optimise its product mix and improve its gross profit margin; and
- (3) higher prices: steel prices remained high during the Reporting Period.

Nanjing Steel United

Nanjing Steel United is one of the largest producers of medium and heavy plates in China and an entity with integrated capabilities of production processes, including coking, sintering, iron and steel smelting and steel rolling. Nanjing Iron & Steel Co., Ltd. (“**Nanjing Iron & Steel**”) (600282.SH), a subsidiary of Nanjing Steel United, is listed on the Shanghai Stock Exchange.

In 2007, Nanjing Steel United's production volume of steel products amounted to 5.4 million tonnes, representing an increase of 16% over the corresponding period last year, among which, the production volume of the medium and heavy plates which have higher gross profit and which are higher value-added (including plates for oil and natural gas pipelines, shipbuilding and other specialized plates) reached 2.7 million tonnes, representing an increase of 24% over the corresponding period of last year.

Jianlong Group

Jianlong Group is one of the largest iron and steel producers in Northern and Northeastern China. In 2007, the production volume of crude steel of Jianlong Group and its associates was 11.4 million tonnes. Most of the products are sold to downstream processing entities in Northern and Northeastern China.

Ningbo Steel

Ningbo Steel is adjacent to Beilun Port and has logistics advantages over some of its competitors. It commenced production in May 2007. Some of its facilities are still under construction. During the Reporting Period, Ningbo Steel's production of steel billets reached 1.0 million tonnes. Upon completion of construction, it is estimated that Ningbo Steel's production capacity will reach 4.0 million tonnes

1.4. Mining

During the Reporting Period, contribution of the mining segment to the net profit attributable to shareholders of the Company was RMB592.9 million, accounting for 17.7% of the total profits of the Company for the same period. The major companies in the mining segment include:

Major companies	Attributable equity interests	Major products and services
Hainan Mining United Co., Ltd. ("Hainan Mining")	60%	Lump ore and refined ferrous powder
Anhui Jin-an Mining Co., Ltd. ("Jin'an Mining")	60%	Refined ferrous powder
Beijing Huaxia Jianlong Mining Technology Co. Ltd. ("Huaxia Mining")	20%	Refined ferrous powder and lump ore
Shangxi Coking Coal Group Wulin Coal Coke Development Co., Ltd. (山西焦煤集團五麟煤焦開發有限公司) ("Shangjiaowulin")	20%	Coke, methanol and raw coal
Zhaojin Mining Industry Co., Ltd. ("Zhaojin Mining") (1818.HK)	17.2%*	Gold

Note: The Group directly owns 14.6% equity interest of Zhaojin Mining and indirectly holds 15.3% equity interests of Zhaojin Mining through Shanghai Yuyuan Tourist Mart Co., Ltd. (**"Yuyuan"**) (600655.SH).

Hainan Mining

In August 2007, the Group acquired 60% equity interests in Hainan Mining for RMB900.0 million. Hainan Mining has the largest iron mine in China with approximately 220 million tonnes of high grade iron reserve. It produced 3.10 million tonnes of lump ores and refined ferrous powder in 2007. Hainan Mining will act as the Company's investment platform for future acquisition of mining projects and develop into a leading enterprise in the global small-and-medium iron ore market by increasing its reserve and production scale.

Jin'an Mining

Jin'an Mining is a wholly-owned subsidiary of Nanjing Steel United in Caolou of Anhui Province. It has iron reserve of 86 million tonnes. It commenced production in 2007 with a production volume of 0.3 million tonnes of refined ferrous powder during the year.

Huaxia Mining

In April 2007, the Group acquired 20.0% equity interests in Huaxia Mining for RMB16.9 million. Huaxia Mining is an iron ore producer in Northern China with 930 million tonnes of iron reserve. In 2007, it produced 3.3 million tonnes of iron ore.

Shanjiaowulin

In November 2007, the Group acquired 20% equity interests in Shangjiaowulin for RMB268.9 million. Shanjiaowulin is a new mine with approximately 810 million tonnes of raw coal reserve, including coking coke. Shanjiaowulin will have an estimated annual production capacity of coke, raw coal and methanol of 3 million tonnes, 8 million tonnes and 0.2 million tonnes respectively upon reaching its designed production capacity.

Zhaojin Mining

Zhaojin Mining is a leading pure gold producer in China, with proven gold reserve of 150 tonnes. The total gold resources amounted to approximately 211 tonnes. In 2007, gold production of Zhaojin Mining was 19,364 kg (approximately 622,567 ounces), representing an increase of 24% over the corresponding period of last year.

1.5. Investment in Retail Business

During the Reporting Period, contribution from investment in retail business to the net profit attributable to shareholders of the Company was RMB150.9 million, accounting for 4.5% for the same period.

The Group holds 17.3% equity interests in Yuyuan and is the largest single shareholder. Yuyuan specialises in gold and jewellery wholesale and retail as well as catering business. It is located in the renowned Yuyuan commercial and tourism district in Shanghai, enjoying unique geographical advantage.

In addition, Yuyuan is preparing for a major commercial property development project, laying a solid foundation for the further development of Yuyuan.

1.6. Investment in Financial Services and Strategic Investment

During the Reporting Period, contribution of the investment in financial services business to net profit attributable to shareholders of the Company was RMB96.6 million, accounting for 2.9% for the same period. The principal investees of the Group include:

Principal companies	Attributable equity interests	Principal services
Tebon Securities Co., Ltd. (“ Tebon Securities ”)	25.4%*	Nationwide security dealer with full set of licences
Yongan Insurance Co., Ltd. (“ Yong’an Insurance ”)	14.6%*	General assets insurance

Notes:

- (1) The Group directly owns 19.7% of Tebon Securities and indirectly holds 32.7% equity interests of Tebon Securities through Yuyuan.
- (2) The Group directly owns 12.0% of Yong’an Insurance and indirectly holds 5.2% equity interests of Yong’an Insurance through Fosun Pharma upon regulatory authority’s approval.

Tebon Securities

The growth in the profit contribution from investment in financial services was due to a remarkable progress recorded in the operating results of Tebon Securities

In 2007, with its endeavour for “innovation and development”, Tebon Securities has strived to meet its strategic goal of “being a competitive, active and distinguished security dealer with cost advantage and strong growth potential”.

Yong'an Insurance

In December 2007, the Group acquired 17.2% equity interests in Yong'an Insurance for RMB469.0 million. Yong'an Insurance was established in August 1996 pursuant to the approval by the People's Bank of China as a joint stock company engaged in property insurance business. Yong'an Insurance was ranked seventh nationally, in terms of premium received, among non-life insurance for three consecutive years.

Strategic Investments

Strategic investment business is one of the major developments of the Group. It demonstrates the Group's ability to identify promising investment opportunities in the PRC.

From its listing in 2007 till the end of 2007, the Group has invested RMB741.0 million in eight strategic investment projects. The companies which the Group has invested in are the leading players in their niche markets.

2. CONTINUOUSLY IDENTIFY AND CAPTURE INVESTMENT OPPORTUNITIES

Mining segment is in place upon successive investments in the mining business:

In 2007, the Group's aggregate new investments in the mining sector amounted to RMB1,185.8 million, including the acquisition of 60% equity interests in Hainan Mining for RMB900.0 million; the acquisition of 20% equity interests in Huaxia Mining for RMB16.9 million; and the acquisition of 20% equity interests in Shanjiaowulin for RMB268.9 million.

Further investment in financial services and develop strategic investments:

The Group had newly invested more than RMB1,234.1 million in aggregate in respect of financial services and strategic investment projects in 2007.

Financial Service Licences: the Group invested RMB469.0 million to acquire 286.0 million shares in Yong'an Insurance, the seventh largest non-life insurance company in the PRC in 2007. Tebon invested RMB24.1 million to become the controlling shareholder of Wuyang Futures Company Limited (五洋期貨有限公司) and changed its name to Tebon Futures Company Limited (德邦期貨有限公司), and is applying for the financial futures settlement qualification.

Strategic Investments: The Group and its major associates completed eight investment projects with aggregate capital injection of approximately RMB741.0 million.

Encourage portfolio companies in different segments to participate in industry integration to enhance market position

Forte involved in a series of projects and land acquisitions. Forte increased its land reserve with an aggregate GFA of 4,746,000 sq.m., of which 2,746,7000 sq.m. was attributable to Forte.

Yuyuan paid RMB699.7 million to acquire equity interest in Shanghai Friendship Fosun (Holding) Co., Ltd. (“**Friendship Holding**”) from Fosun Pharma, thus enabling the integration of commercial resources under Fosun International.

3. REMARKABLE RESULTS FROM THE DEVELOPMENT OF MULTI-CHANNEL FINANCING SYSTEM

In terms of equity financing, Fosun International raised net proceeds of HKD12,853.7 million through its initial public offering in 2007.

In terms of debt financing, the Group acquired net borrowings of RMB2,731.6 million through overseas financing and different financing products.

FINANCIAL REVIEW

1. REVENUE

In 2007, total revenue of the group was RMB31,977.1 million, an increase of 32.1% compared to the 2006 revenue of RMB24,199.1 million. The Group’s growth of revenue in 2007 was mainly due to the respective increase of revenue in most of our business segments compared to 2006 results, the details are as follows:

Pharmaceuticals: Revenue contributed by pharmaceuticals segment decreased to RMB3,631.6 million in 2007 from RMB4,000.9 million in 2006. The decrease was mainly due to the deconsolidation of a former subsidiary Beijing Jinxiang which was no longer qualified as a subsidiary since 2007. If such factor was eliminated, there would be an increase in revenue.

Property: Revenue contributed by the property development segment in 2007 increased to RMB3,976.6 million from RMB2,504.5 million in 2006. The increase was mainly due to the increase in completion floor areas recorded in the consolidated

projects over the corresponding figures in 2006 and the growth in the selling price of completed properties driven by the booming market.

Steel: Revenue contributed by the steel segment in 2007 increased to RMB23,972.1 million from RMB17,675.7 million in 2006. The significant increase in revenue was mainly due to the strong growth in revenue of Nanjing Steel United as a result of the general uprising price of the steel products that maintained at a relatively high level since the fourth quarter of 2006, and on the other hand, due to the enhancement of the production capacity and continuous optimisation of product portfolio by increasing the proportion of higher value-added products, especially the medium-heavy plates.

Mining: Revenue contributed by the mining segment increased to RMB743.5 million in 2007 from RMB 31.6 million in 2006. The significant growth in revenue was due to the expansion of production capacity of the two subsidiaries, Hainan Mining and Jin'an Mining as well as the high price of iron ores.

2. PROFIT CONTRIBUTION OF EACH BUSINESS SEGMENT

The net profit attributable to shareholders of the Company in 2007 was RMB3,354.3 million, an increase of 206.1% compared with RMB1,095.8 million in 2006. Details of the reasons for the increase in profit regarding each segment are described below.

Pharmaceuticals: Profit contributed by the pharmaceuticals segment increased to a profit of RMB164.5 million in 2007 from a loss of RMB101.7 million in 2006. The significant increase was mainly due to the apparent growth in the manufacturing business of Fosun Pharma in 2007, the continuous and rapid growth in the business of Sinopharm Holding and the considerable increase in the gain from other business subsequent to the disposal of shares of, amongst others, Friendship Holding. In 2006, share desegregation of one associate and three subsidiaries of certain associates of Fosun Pharma and the increase in fair value of convertible bonds of Fosun Pharma resulted in an increase in other operating expenses and a decrease in share of net profits of associates, thus contributing loss to the segment.

Property Development : Profit contributed by property development segment increased to RMB383.8 million in 2007 from RMB272.7 million in 2006. Such significant increase was primarily due to the increase in completed floor area of the consolidated projects of Forte in 2007 and the growth in selling prices of consolidated properties, resulting in the substantial growth in the profit of main business. In addition, in 2007, Forte disposed of partial shareholdings in some project companies, resulting in the increase in other operating income and gains.

Steel: Profit contributed by steel segment increased to RMB1,845.1 million in 2007 from RMB591.6 million in 2006. The significant increase in the profit contribution

was due to the considerable growth in the profit contribution from a subsidiary, Nanjing Steel United. Since the fourth quarter of 2006, the steel market in China has recovered and the growth of steel price exceeded the increase in cost during the period. Meanwhile, the profitability of Nanjing Steel United was greatly improved as a result of the continuous optimisation of its product portfolio by increasing the proportion of higher value-added medium-heavy plate products, especially the specialised steel plates for oil and natural gas pipelines. Moreover, Nanjing Steel United adopted effective cost control policy to continuously minimise the increase in product cost resulting from the rising price of the raw materials. Furthermore, Nanjing Steel United reduced its shareholding in its subsidiary, Nanjing Iron & Steel and disposed of its shares in, amongst others, Dongsheng Technology, which also brought forth its profit contribution.

Mining: Profit contributed by mining segment increased to RMB592.9 million in 2007 from RMB318.1 million in 2006. Such increase was mainly contributed by its new subsidiary, Hainan Mining, and its new associate, Huaxia Mining. In addition, enhancement in production capacity of Jin'an Mining and sustained high price of iron ore substantially added to net profit. Moreover, as price of gold remained elevated in 2007, net profit of Zhaojin Mining, which was an associate engaged in gold mining business, profited more than 30% over 2006. The Group recognized an increase in share of interests amounted to RMB287.8 million after the initial public offering of Zhaojin Mining in 2006. In 2007, the Group recognized an excess over the cost of business combination in the amounts of RMB129.0 million arising from its acquisition of 20% equity interests in Huaxia Mining. Such decrease in other income and gains partially offset the growth of the operating profit of the mining business.

Retail, financial services and others: Profit contributed by retail, financial services and other segments increased to RMB368.0 million in 2007 from RMB15.1 million in 2006. The profit contribution from retail and financial services segment, recorded a significant growth and those of other segment increased slightly. The increase in the profit contribution from retail segment was due to a faster growth in the core retail business of Yuyuan and the recognition of the gain from the share transfer of Miaoqian Square. The substantial growth in the profit contribution from financial services was due to a remarkable progress recorded in the operation results of Tebon Securities. The profit contribution from other segments in 2006 was relatively large which was mainly due to the completion of a follow-on public offering of a subsidiary Forte, and as the offering price exceeded its book value, the Group subsequently recognized the gain on deemed disposal of interest in a subsidiary in the amount of RMB229.2 million. In addition, parts of the convertible bonds issued by the subsidiary, Fosun Pharma, were converted in 2006. The Group also recognized a gain of RMB178.2 million on such deemed disposal of interest in a subsidiary. In 2007, the Group recognized a gain in the amount of RMB180.1 million on disposal of partial interest in Yuyuan and an excess over the cost of business combination in the

amount of RMB141.2 million arising from the acquisition of 60% equity interest in Hainan Mining. Additionally, interest income from freezing fund of the initial public offering of the Company was RMB211.7 million and unused bank balances made a significant contribution to the interest income as well.

3. INCOME TAX

Income tax of the Group increased from RMB825.9 million in 2006 to RMB1,440.0 million in 2007. The increase of income tax was mainly attributable to the rise in the taxable profit of each business segment, especially steel business.

4. INTEREST EXPENSES

The interest expenses net of the capitalised amount of the Group increased from RMB967.7 million in 2006 to RMB1,254.4 million in 2007, which was mainly attributable to an increase in interest rate benchmark and loan amount. In 2007, the weighted average loan cost was between 2.13% and 9.84%, compared with 2.10% and 7.90% in 2006.

5. LIQUIDITY AND INDEBTEDNESS

As of 31 December 2007, total liabilities of the group were RMB36,986.9 million, accounting for 55.2% of total assets, among which current liabilities amounted to RMB28,777.0 million. Borrowings to be due in the end of 2008 amounted to RMB14,890.5 million and accounted for 67.9% of the total indebtedness. Furthermore, cash and bank deposit of the Group was RMB 14,144.0 million. Healthy gearing ratios and abundant financial resources can reinforce the Group's ability to defend against risk exposure and provide supports to the Group to grasp investment opportunities.

6. PLEDGED ASSETS

As at 31 December 2007, the Group has pledged assets of RMB8,584.9 million (2006: RMB8,761.5 million) in order to obtain bank borrowings.

7. CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB3,913.4 million as at 31 December 2007.

8. PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2007 to shareholders whose names appear on the Company's Register of Members on 17 June 2008. Subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on Tuesday, 17 June 2008, the proposed final dividend will be paid to the Company's shareholders on or around 16 July 2008.

FUTURE PROSPECTS

In 2008, with a slowing US economy weighed down by the subprime mortgage crisis, as well as simultaneous strengthening global inflationary trend, the RMB will quicken its pace of appreciation while the PRC government will continue to adopt a stringent monetary policy. The Group will face greater operation challenges as well as more opportunities.

However, in the mid to long term, the Group is confident in China's continuous, rapid growth, and is equally confident in the growth of its chosen core businesses. The Group will continue to select and invest in industries that will benefit from China's growth, one that is rooted in its tremendous consumption demand, investment demand and demand related to trends in China's urbanisation and industrialisation.

As such, the Group will continue to explore high growth investment opportunities in China. It will actively involve in the integration of China's iron and steel industry to enhance its production scale and leading position. It will also increase its investment in resources related investments, particularly iron mine and coking coal projects which are closely related to the iron and steel industry. The Group will continue to increase its investments in the financial services area, continue to develop Tebon's business and look for investment opportunities in insurance companies, mutual funds and fund management companies, city centered commercial banks, trusts, and futures trading and brokerages, etc. The Group will continue to invest in various strategic investment projects and continue to earn additional high returns for the Group.

The Group will continue to optimise management capabilities and enhance corporate value and competitive advantages. Property development, pharmaceuticals and investment in retail sector will each leverage their public listing status as a platform to realize high growth potential.

The Group will continue to establish multi-channel financing systems. In particular, it will endeavour to bridge domestic and foreign quality capital base. With the three core values as its competitive advantages, the Group will strive for higher growth while maintaining low risk profile, regardless of any changes in the external operating environment.

POST BALANCE SHEET EVENTS

The post balance sheet events of the Group is set out in note 11 to the above financial statements.

CHANGE OF COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

The Board announces that Ms. Kam Mei Ha, Wendy (“**Ms. Kam**”) has been appointed as the Company Secretary of the Company with effect from 3 December 2007 and Mr. Tse Man Kit Keith (“**Mr. Tse**”) has been appointed as the Qualified Accountant of the Company with effect from 12 March 2008 to fill the vacancies resulted from the resignation of Mr. Law Siu Wo (“**Mr. Law**”) on 3 December 2007. Ms. Kam is an associate member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Mr. Tse is a member of CPA Australia and a member of The Hong Kong Institute of Certified Public Accountants.

Mr. Law had confirmed that there was no disagreement between him and the Board and that there is no matter in relation to his resignation as the Company Secretary and Qualified Accountant of the Company that needed to be brought to the attention of the shareholders of the Company or the Stock Exchange. The Board would like to thank Mr. Law for his contributions to the Company during his tenure of office.

CORPORATE GOVERNANCE

Throughout the year of 2007, the Directors consider that the Company has complied with all code provisions in the Code on Corporate Governance Practices contained in Appendix 14 (the “**Code**”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except the deviation from Code A2.1.

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr Guo Guangchang (“**Mr. Guo**”) currently holds the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

The Board is of the view that the current structure has been operating well over years. Both the Board and senior management are benefited from the leadership and experiences of Mr Guo Guangchang. The Company has, therefore, no intention to segregate the duties

between Chairman and Chief Executive Officer so as to maintain the leadership consistency of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company consists of three independent non-executive directors, namely Mr. Zhang Shengman (Chairman), Dr. Chen Kaixian and Mr. Andrew Y. Yan. The main duties of the Audit Committee are to review and monitor the financial reporting procedures and the internal control system of the Company, and make recommendations and comments to the Board. The Audit Committee has reviewed the 2007 annual results of the Company.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“AGM”) will be held on 17 June 2008, Tuesday. The notice of the AGM will be issued and sent in accordance with the Listing Rules.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.17 per ordinary share for the year ended 31 December 2007 to shareholders of the Company whose names appear on the Company’s register of members on 17 June 2008. Subject to approval by the Company’s shareholders at the AGM to be held on 17 June 2008, the proposed final dividend is expected to be paid on or around 16 July 2008 to shareholders whose names appear on the register of members of the Company as at 17 June 2008.

The register of members of the Company will be closed from 10 June 2008 to 17 June 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and be eligible to attend and vote at the AGM to be held on 17 June 2008, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the Company’s Share Registrar, at Shops 1712–1716, 17 Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 6 June 2008, Friday.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries or its jointly-controlled entity purchased, redeemed or sold any of the Company’s listed securities during the Reporting Period.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

In order to reflect the Company's current authorized capital (subsequent to its change on 19 June 2007) into the Company's memorandum and articles of association, the Board proposed a special resolution to be passed in the AGM to alter, among other things, the capital clause of the memorandum of association of the Company and amend the Company's articles of association, details of which will be set out in the circular of the Company which will be distributed to the shareholders of the Company together with its annual report.

FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

ANNUAL REPORT

A copy of the announcement will be found on the Company's website (www.fosun-international.com) and the Stock Exchange's website (www.hkexnews.hk). The full annual report will be made available on the website of the Company and the Stock Exchange on or before 30 April 2008.

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

25 March 2008, Shanghai, the PRC

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