

SPARKLE ASSETS LIMITED
(the “**Company**”)
(Incorporated in the British Virgin Islands with limited liability)

ANNOUNCEMENT

We refer to the US\$400,000,000 6.875% Senior Notes due 2020 issued by the Company on 30 January 2013 and guaranteed by, *inter alias*, Fosun International Limited (the “**Parent Guarantor**”).

The Parent Guarantor has released the attached announcement dated 22 September 2016 on The Stock Exchange of Hong Kong Limited.

BY ORDER OF THE BOARD

Qin Xuetang
Director

22 September 2016

PLATFORM
UNICORN
PRODUCT

平台 · 獨角獸 · 產品力

打造C2M生態系統
ESTABLISHING C2M ECOSYSTEM

FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00656)

Interim Report 2016

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT
RMB

4,390.6 million



Becoming a world-class investment group
underpinned by the twin drivers of “insurance-oriented
integrated financial capability” & “global industrial
integration capability taking roots in China”

Note to the cover design

Fosun always adheres to the “Insurance + Investment” twin-driver investment model and perseveres in “Combining China’s Growth Momentum with Global Resources”, while focusing on B2F (Business to Family) business model to mapping out a global strategy by concentrating on “wealth, health and happiness” lifestyle.

Fosun believes that more thorough and safer globalization depends on localization of talents and platforms and in-depth industrial specialization. Therefore, Fosun always proactively pushes forward with its globalization strategy, continues to push ahead with “localization” and consistently “deepens the development of its industries”. Fosun has acquired and established regional investment platforms and overseas offices, and has accelerated its strategic planning for emerging markets such as Brazil, Russia and India to realize a new round of growth.

Facing new changes brought about by the global market and growth of China’s economy, Fosun has been more focused on discovering, investing and nurturing “Unicorns” as well as implementing its light-asset strategy since 2016. Fosun has also devoted to penetrating its internal and external core resources, polishing its products with artisan spirit, with a view to providing families with one-stop solution integrating wealth, health and happiness.

Platform, Unicorn and Product have become main themes of Fosun’s development.

In addition, Fosun has been keen on the development of internet in the past few years. At this front, Fosun will actively participate in the “supply-side reform” initiated by the government and capitalize on the explosive growth of the C2M (Customer to Maker) business model, thus bringing B2B (Business to Business) internet innovation from behind the stage to the front stage. This was aimed at building the entire ecosystem for the future. Fosun has attached great importance to the new “C2M” business model, which is oriented to consumers. The business model enabled the upgrading of traditional service industries through investment in platforms with huge amount of data and capacity for immense data input based on mobile internet technology. It integrates logistics, information, capital and talents to restructure the commercial ecosystem, and serves as a seamless interface between customers and the providers of services and products, thus eliminating intermediaries and enhancing customer loyalty. Furthermore, the business model will enable Fosun to meet diverse and personalized demands efficiently and at a low cost.

Going forward, Fosun will continue to embrace internet, capitalize on the growing trend of C2M and establish C2M ecosystem for its businesses.

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FINANCIAL SUMMARY

For the six months ended 30 June

<i>In RMB million</i>	2016	2015
Revenue	32,505.0	29,739.0
Integrated Finance (Wealth)	13,590.9	5,778.3
Insurance	13,094.2	5,331.0
Investment	213.4	169.6
Wealth Management and Innovative Finance	283.3	277.7
Industrial Operations	19,084.9	24,098.2
Health	8,753.8	7,319.6
Happiness	5,809.9	—
Property Development and Sales	3,951.0	4,199.2
Resources	570.2	940.0
Steel ^{Note}	—	11,639.4
Eliminations	(170.8)	(137.5)
Profit attributable to owners of the parent	4,390.6	3,617.2
Integrated Finance (Wealth)	3,976.6	3,497.1
Insurance	1,011.3	1,788.5
Investment	2,310.1	1,132.2
Wealth Management and Innovative Finance	655.2	576.4
Industrial Operations	1,428.6	673.3
Health	726.9	579.2
Happiness	365.4	207.6
Property Development and Sales	425.0	57.3
Resources	(88.7)	38.8
Steel ^{Note}	—	(209.6)
Unallocated expenses	(967.2)	(478.9)
Eliminations	(47.4)	(74.3)
Earnings per share-basic (in RMB)	0.51	0.51
Earnings per share-diluted (in RMB)	0.51	0.50

Note: As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group's investments in the steel industry were classified into the investment segment since 1 January 2016.

BUSINESS OVERVIEW

Fosun has been persistently taking roots in China and investing in China's growth fundamentals. It has been actively implementing its investment model of "Combining China's Growth Momentum with Global Resources". Fosun is dedicated to making a major stride towards becoming a world-class investment group underpinned by the twin drivers of "insurance-oriented integrated financial capability" and "global industrial integration capability taking roots in China". Today, Fosun's businesses include two major segments, being integrated finance (wealth) and industrial operations.





INTEGRATED FINANCE (WEALTH)

The Group's integrated finance (wealth) business includes three major segments, namely insurance, investment, wealth management and innovative finance.

Insurance

The Group's insurance segment mainly includes Fosun Insurance Portugal (the largest insurance group in Portugal which occupies a leading market share in the businesses of life insurance and general insurance and has a diversified distribution platform and a brand portfolio highly recognized by the market), Yong'an P&C Insurance (an insurance company headquartered in Xi'an with a nationwide presence, which operates all kinds of non-life insurance business), Pramerica Fosun Life Insurance (its principal scope of business includes insurance businesses such as life insurance, health insurance, casualty insurance and reinsurance of the above-mentioned insurance businesses), Peak Reinsurance (its principal scope of business includes providing life and non-life reinsurance as well as investing by using its investable assets), Ironshore (a global insurance company focusing on specialty insurance), MIG (a professional property and casualty insurer and insurance administration services company focused on niche markets).

Investment

We adhere to our unique investment model of "Combining China's Growth Momentum with Global Resources" and capture investment opportunities benefiting from China's growth momentum through our in-depth understanding of China's macroeconomic and microeconomic trends and our insightful analysis of the global market, together with our established operational experience that has been accumulated over many years and our strong execution

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

Wealth Management and Innovative Finance

In terms of wealth management, the Group engages in raising and managing funds from third parties and collects management fee and shares of investment gains through the asset management business. We act as a general partner of the funds that we manage. 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, such as Zhejiang Growth Fund, Weishi Fund, Fosun Capital, Fosun Chuanghong, Star Capital, Shanghai Sunvision Xicheng Equity Investment Center (Limited Partnership), Shanghai Sunvision Binhe Equity Investment Center (Limited Partnership), Ji'nan Financial Investment Development Fund Partnership (Limited Partnership), Pramerica-Fosun China Opportunity Fund, Carlyle-Fosun, Ji'nan Financial Fosun Weishi Equity Investment Fund Partnership (Limited Partnership), Shenzhen Fosun Ellassay Fashion Investment Fund (Limited Partnership), real estate series funds of Forte, CMF and others. Meanwhile, the Group also actively expanded the size of assets management through acquisition. The Group acquired IDERA, a Japanese real estate capital management company in May 2014. The Group also acquired 60% equity interest in Resolution Property, a European real estate capital management company headquartered in London in June 2015. In August 2015, the Group established Fosun Eurasia Capital, a Russian asset management limited company. The closing of the Group's H&A acquisition has taken place in September 2016, H&A



specializes in the areas of private banking, asset management, financial markets and fund custodian services to individual, corporate and institutional clients, particularly the small and medium sized enterprises. Moreover, we own the entire or partial equity interest in Fosun Finance Company, Fosun Hani Securities and Hangzhou Financial Investment Leasing. The above-mentioned businesses will further increase our integrated financial capabilities to consolidate domestic and overseas financial resources. In terms of innovative finance, the Group actively plan for a new type of financial industry with internet cloud computing technology as its core, and has successfully invested and developed several projects with industrial depth and multi-dimension ecosystem features, including Mybank, Cainiao, Chuangfu Finance Leasing, Yuntong Small Loan and Fosunling.

INDUSTRIAL OPERATIONS

The Group's industrial operations include four key segments, including health, happiness, property development and sales, and resources.

Health

We operate businesses of the health segment principally through subsidiaries, Fosun Pharma, Star Healthcare and Luz Saúde, as well as a joint venture, Starcastle Senior Living. Fosun Pharma is a leading healthcare company in China listed on the SSE (Stock Code: 600196) and the Hong Kong Stock Exchange (Stock Code: 02196). Its main business includes pharmaceutical manufacturing and research and development, healthcare services, diagnosis products and medical devices, and pharmaceutical distribution and retail. Fosun Pharma has established a leading position in the

pharmaceutical distribution sector through its shareholding in Sinopharm. Star Healthcare is a wholly-owned company of the Group, combining the internal and external outstanding medical resources of the Group, with an aim to provide one-stop and whole-process health management service and third-party insurance service for mid- to high-end customer members. Starcastle Senior Living is a joint venture company established by the Group and Fortress Investment Group LLC for the purpose of developing properties for senior citizens in China. We operate Luz Saúde under Fosun Insurance Portugal, which is one of the largest groups providing healthcare services in the Portuguese market.

Happiness

We operate happiness industries adapting to the living style of middle class principally through acquiring shareholdings in Yuyuan, Club Med, Atlantis, Studio 8, BONA, Cirque du Soleil and Thomas Cook.

Property Development and Sales

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

Resources

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

FOSUN'S ACHIEVEMENTS



Safer and more stable operation, equity attributable to owners of the parent continued to grow

- ▶ Debt duration extended quickly and cost of debts continued to decrease: mid-to-long-term debt ratio increased to 66.4%, average funding cost of new debts in the first half of 2016 was 3.85%;
- ▶ Continued to promote mature projects to exit, achieved excellent results from domestic property sales, asset liquidity continued to be strengthened: highly liquid assets⁽¹⁾ reached RMB150.62 billion, which rose significantly by 16.2% as compared to the end of 2015; and
- ▶ Encouraged subsidiaries to maintain a relatively high dividend ratio: in the first half of 2016, the dividend ratio for 2015 profit distributed by industrial subsidiaries reached 41.1%.

Sustained improvements on integrated financial capabilities

- ▶ Investable assets and profit attributable to owners of the parent from insurance business continued to grow, cost of investable assets further decreased;
- ▶ Encouraged insurance subsidiaries to further strengthen themselves with acquisition: Peak Reinsurance acquired NAGICO Holdings Limited, a leading insurance group in the Caribbean, Ironshore acquired Lexon Surety Group⁽²⁾, a surety insurance company in the U.S.; and
- ▶ Approvals obtained for key financial institutions: Acquisition of H&A was approved by all the related regulatory authorities and was completed in September 2016, Fosun United Health Insurance was approved to prepare for establishment by China Insurance Regulatory Commission.

Strongly invested in C2M eco-systems with industrial depth, facilitated the conversion of traditional enterprises to C2M model

Consumer-oriented new business model: upgraded traditional manufacturing and service industries by using mobile internet; reconstructed commercial eco-system by integrating the flows of logistics, information, capital and talents; realized seamless interface between customers and service/product providers, eliminating intermediaries and improving customer loyalty; met diverse and personalized demands from customers with efficient and low cost methods.

- ▶ Invested in C2M platform enterprises, including Red Collar (紅領), 98ep.com (陽光印網), bochewang.com (博車網), Molbase (摩貝) and goujiawang.com (構家網); and
- ▶ Set up entrances for huge number of customers and data flow and flows of logistics, information, capital and talents, including to set up Star Big Data, enter into strategic cooperation with Ant Financial (螞蟻金服) and invest in Rays Data (睿至大數據), We Doctor (微醫), Jiguang.cn (極光推送), Espressif (樂鑫), Cainiao (菜鳥), Tianpingpai (天平派), 800best (百世物流), Runbow (虹迪), Yundaex (韻達), ZJS Express (宅急送), Fosun Sinopharm Logistics (復星國藥物流), etc.

Notes: (1) Available-for-sale investments and investments at fair value through profit and loss on 30 June 2016.

(2) The acquisition is under regulatory approval.



Focused on developing eco-systems for Wealth, Health and Happiness, the percentages continued to grow

Percentages of total assets and net assets attributable to Wealth, Health and Happiness increased to 80.0% and 60.0% respectively; percentages of revenue and profit attributable to owners of the parent increased to 86.6% and 115.4% respectively.

Wealth eco-system development

The acquisition of H&A, one of the largest private banks in Germany, and Rio Bravo Investimentos S.A., the second largest independent asset management company in Brazil.

Health eco-system development

Announcement was made on the acquisition of approximately 86.08% equity interest in Gland Pharma Limited of India, which will become Fosun Pharma's important registration and sales platform targeted towards the major markets, such as Europe and U.S..

Medical care service capabilities continued to improve: five hospitals in the PRC held by Fosun Pharma Limited with controlling interest owned 3,018 beds in aggregate, approximately 6,000 beds were under construction and are expected to commence operation in the next three to five years.

Construction of senior living community: total GFA of 133,700 sq.m. and 1,545 beds have commenced operation; total GFA of 377,259 sq.m. and 3,592 beds are under construction.

Healthcare finance was initiated: Yong'an P&C Insurance and United Family Healthcare jointly launched United Family Insurance, and Fosun United Health Insurance Company Limited, the sixth health insurance company in China, is in the process of preparation for establishment and commencement of operation.

Happiness eco-system development

Roof-sealing at Atlantis Resort Hotel was completed in July 2016, trial operation will commence in the second half of 2017. Presale of salable properties will be launched in October this year, sales proceeds of the whole project are expected to reach approximately RMB8 billion.

EBITDA of Club Med increased by 70.5% as compared to the corresponding period of last year. By combining with China's strong growth momentum, Club Med will have its fifth resort in the China region commenced operation before the end of 2016, and has also signed agreements or letters of intent for 24 projects.

More globalized, more localized, more professional

Fosun will pursue more thorough globalization, which means localization of talents and platforms and further professionalism in each industry

- ▶ There are a total of 240 Managing Directors (MD) globally, 116 of which are based overseas, 101 are localized talents; and
- ▶ 13 overseas offices: New York, Sydney, Singapore, Tokyo, Moscow, São Paulo (under establishment), Mumbai, Frankfurt, etc.

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 RMB82,656.5 million, representing an increase of 9.1% from the end of 2015. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB4,390.6 million, representing an increase of 21.4% over the same period of 2015.

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 model of “Combining China’s Growth Momentum with Global Resources” to build an investment portfolio benefiting from China’s growth momentum.

Unit: RMB million

Segment	Total assets as at 30 June 2016	Total assets as at 31 December 2015 (Restated)	Change from the end of 2015
Integrated Finance (Wealth)	276,873.7	237,239.6	+16.7%
Insurance	193,084.1	180,597.6	+6.9%
Investment	60,163.9	37,835.6	+59.0%
Wealth Management and Innovative Finance	23,625.7	18,806.4	+25.6%
Industrial Operations	178,548.9	181,491.7	-1.6%
Health	51,353.7	48,037.5	+6.9%
Happiness	21,731.5	20,245.4	+7.3%
Property Development and Sales	97,492.4	95,593.8	+2.0%
Resources	7,971.3	8,370.2	-4.8%
Steel ^{Note}	—	9,244.8	N/A
Eliminations	(17,708.2)	(11,313.4)	N/A
Total	437,714.4	407,417.9	+7.4%

Note: As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group’s investments in the steel industry were classified into the investment segment since 1 January 2016.

INTEGRATED FINANCE (WEALTH)

The Group's integrated finance (wealth) business includes three major segments: insurance, investment and wealth management and innovative finance.



Insurance



Wealth
Management
and
Innovative
Finance



Investment

INSURANCE Note

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

The Group has regarded 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 core business in the future.

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	13,094.2	5,331.0	+145.6%
Profit attributable to owners of the parent	1,011.3	1,788.5	-43.5%

During the Reporting Period, the increase in revenue of the insurance segment was mainly attributable to the expansion of insurance business, including the growth of self-business and new insurance company business captured through mergers and acquisitions. The decrease in the profit attributable to owners of parent of the insurance segment was mainly affected by the weakness of global economy and the shrinkage of entire insurance industry.

Note: Financial data presented in this section are based on local general accounting standards of individual portfolio companies.

Fosun Insurance Portugal¹

Fosun Insurance Portugal is a global operator in the Portuguese insurance market, selling products in all key lines of business and benefiting from the largest and most diversified insurance sales network in Portugal, including exclusive and multi-brand agents, brokers, own branches, internet and telephone channels and having strong distribution partnerships with the post office and Caixa Geral de Depósitos S.A., a leading Portuguese bank. It also has an international presence in seven countries, distributed in three continents (Europe, Asia and Africa). The Group owns 84.986% equity interest in Fidelidade and 80.0% equity interest in each of Multicare and Fidelidade Assistência respectively.



During the Reporting Period, Fosun Insurance Portugal reached a gross premium income of Euro1,804.1 million, a non-life business net combined ratio of 95.9%, solvency adequacy ratio of 215.7%² and the net profit reached Euro72.5 million. Its investable assets totalled Euro13,322.6 million, and total investment return reached 1.5%.

International business of Fosun Insurance Portugal continued to reveal a strong commercial performance, reaching overall Euro129.3 million in direct insurance premiums, an increase of 12.6% when compared to the same period of last year. In terms of non-life business, international activity weighted 11.3% in total portfolio.

Fosun Insurance Portugal's strong positioning and levels of service have reinforced its position in the Portuguese insurance market, achieving a total market share of 30.9% in June 2016 (increased by 0.2 percentage point over June 2015).

Fosun Insurance Portugal was distinguished with several awards during the Reporting Period, such as Marca de Confiança 2016 (Most Trusted Brand), Escolha do Consumidor 2016 (Consumer's Choice), Marktest Reputation Index 2016.

Notes:

1. Financial data of Luz Saúde and Thomas Cook are included in that of Fosun Insurance Portugal disclosed in Management Discussion and Analysis, however financial data of Luz Saúde and Thomas Cook are consolidated into the health segment and happiness segment respectively in the consolidated financial statements of the Company.
2. It is calculated on the basis of Solvency I as of 31 December 2015. Europe implemented Solvency II regime in 2016 for the first time, hence at present it is in the transitional phase of Solvency I and Solvency II. According to the specific transition requirements of Solvency II regime, Fosun Insurance Portugal is assessing and calculating its solvency adequacy ratio under Solvency II, and expects to release it in 2017.

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 and will be continuing to adjust and transform its business in 2016. It has discontinued certain less efficient businesses and constantly optimized business portfolio; 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 RMB5,080.0 million, net profit of RMB361.1 million, investable assets of RMB11,250.3 million, net combined ratio of 99.8%, solvency adequacy ratio of 265.6% and total investment return of 4.3%.



Pramerica Fosun Life Insurance

The Group holds 50% equity interest in Pramerica Fosun Life Insurance which was established in September 2012, with a registered capital of RMB1.3 billion. It performed sales through multiple channels, including personal insurance channels, worksite marketing channels, bancassurance channels. In recent years, total premium achieved by Pramerica Fosun Life Insurance has been growing rapidly and it has established the Beijing branch and Tongzhou sub-branch in Beijing, and approval has been obtained for establishing the Shandong branch. Pramerica Fosun Life Insurance has followed a business model dominated by regular premium business, innovations on internet and innovations in products will be

pursued continuously, while innovative sales model in the form of "Insurance + Health Manager + Retirement Community + Overseas Asset Allocation" will be established. Today, Pramerica Fosun Life Insurance possesses a comprehensive set of product lines including life insurance, accident insurance, critical illness insurance, universal life insurance and medical insurance.

During the Reporting Period, new annualized premium income and total premium of Pramerica Fosun Life Insurance reached RMB114.0 million and RMB848.8 million respectively (both including universal life insurance policyholders' deposits). During the Reporting Period, Pramerica Fosun Life Insurance recorded premium income of RMB55.2 million, net loss of RMB82.1 million, investable assets of RMB2,539.0 million, solvency adequacy ratio of 442.3% and total investment return of 2.1%.



Peak Reinsurance

Peak Reinsurance obtained its certificate of authorization in respect of the property and casualty reinsurance business and the license for underwriting long-term reinsurance business from the Office of the Commissioner of Insurance of Hong Kong in 2012 and 2014 respectively. This makes Peak Reinsurance one of the few locally established reinsurance companies in Asia Pacific region underwriting both life and non-life insurance businesses. Peak Reinsurance strives to provide innovative and forward-looking reinsurance services for customers in the Asia Pacific region, Europe, the Middle East and Africa (EMEA) and the Americas. During the Reporting Period, Peak Reinsurance further expanded its business and brand globally as scheduled. As at the end of the first half of

2016, Peak Reinsurance has successfully served over 441 customers in 62 markets around the world (as compared to 269 customers for the same period in 2015). In July 2016, Peak Reinsurance was awarded “Asia Reinsurer of Year” by *Asian Banking and Finance* magazine.

During the Reporting Period, Peak Reinsurance’s gross premium income was USD274.4 million (compared to USD177.7 million for the same period in 2015); net loss before tax was USD35.8 million; net combined ratio was 107.0%; solvency adequacy ratio was 608%; investable assets were USD938.1 million; and total investment return was -1.1%. As of 30 June 2016, the Group owns 85.1% equity interest in Peak Reinsurance, while International Finance Corporation owns the remaining 14.9% equity interest.

Ironshore

In 2015, the Group completed the acquisition of 100% equity interest in Ironshore, with the purchase price of approximately USD2,518.6 million. Ironshore is a global specialty insurance company operating principally in Bermuda, the 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 recorded gross premium income of USD1,150.3 million, net profit of USD148.3 million, net combined ratio of 96.0%, solvency adequacy ratio of approximately 170%, total investable assets of USD5,427.8 million, and total investment return of 2.5%.

In June 2016, the Company submitted an application under Practice Note 15 of the Listing Rules to seek approval of the Hong Kong Stock Exchange for the proposed spin-off and separate listing of Ironshore on the New York Stock Exchange or NASDAQ Stock Market. In July 2016, Ironshore made a public filing of the registration statement under the U.S. Securities Act of 1933 with the U.S. Securities and Exchange Commission in connection with the proposed initial public offering of the ordinary shares of Ironshore.





MIG

In July 2015, the Group completed the acquisition of 100% equity interest in MIG with an aggregate transactional value of approximately USD439.0 million, and it was delisted and ceased trading on the New York Stock Exchange. MIG is a professional property and casualty insurer and an insurance administration services company focusing on niche markets. MIG markets and underwrites property and casualty insurance programs and products in the standard and non-standard markets through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agencies that value service and have specialized knowledge and focused expertise.

During the Reporting Period, MIG recorded gross premium income of USD360.6 million, net profit of USD11.4 million, net combined ratio of 103.5%, solvency adequacy ratio of 193.5%, investable assets of USD1,557.1 million, and total return on investment of 1.5%.

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 three segments, which are strategic investment, private equity investment/venture capital investment/capital contribution to the Group’s asset management business as a limited partner (PE/VC/LP investments), and secondary market investments.

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	213.4	169.6	+25.8%
Profit attributable to owners of the parent	2,310.1	1,132.2	+104.0%

During the Reporting Period, the increase in the revenue of the investment segment was mainly attributable to the growth of rental income from 28 Liberty. The increase in the profit attributable to owners of parent of the investment segment was mainly attributable to net result of the gains on deemed disposal of associates, interests and dividend income from available for sale investment, which was offset by provision for impairment of investments.

Strategic Investment

The Group's strategic investment includes Focus Media, Lloyds Chambers, 28 Liberty and Zhaojin Mining, etc..



Focus Media

Focus Media is an important investment of the Group in the culture and media industry. At the end of December 2015, Focus Media Holding Limited was successfully listed on the A-share market by way of backdoor listing through Hedy Holding Co., Ltd. (stock code: 002027.SZ, and changed its name to Focus Media Information Technology Co., Ltd. in April 2016), which was one of the first Chinese concept shares to be relisted on the A-share market. The Group holds 7.62% equity interest in the listed company, and is one of the significant shareholders of Focus Media. 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 top 200 million customers of commercial value as its driver of brand sales. Focus Media strives to build an O2O (Online to Offline) portal with an offline big data, aiming to be an important player of mobile internet portal.

Lloyds Chambers

In October 2013, the Group purchased Lloyds Chambers with its partner at a purchase price of GBP64.5 million. The project is located at 1 Portsoken Street E1 in the financial district of London. Lloyds Chambers has a sound financing, taxation, property management and corporate governance. 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.

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 of landmark significance with a leasable area of 2,215,000 sq.ft. During the Reporting Period, the rental revenue of the New York building project amounted to USD26.1 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 provinces. It also increased its efforts in resources integration in the periphery of industrial clusters, which has further enhanced the company's resource strength. During the first half of 2016, the gold output of Zhaojin Mining's mines was approximately 10.42 tons, basically flat as compared with that in the same period of last year; revenue amounted to approximately RMB3,234.8 million, representing an increase of 20.82% over the same period of last year.

PE/VC/LP Investments

PE Investments

The Group's investment in PE involves international fashion, mass consumption, advanced manufacturing and other industries. During the first half of 2016, the amount of new investment (at the accumulated cost of investment) was approximately RMB952.3 million, and the amount of exit was approximately RMB802.3 million. As of 30 June 2016, the Group has invested in 27 PE projects with total remaining investment amount of approximately RMB2,006.3 million (at the accumulated cost of investment).

VC Investments

Fosun Kinzon Capital is the Group's venture capital platform investing in early and growth stage of internet-related enterprises. Fosun Kinzon Capital team focuses on early stage of high-potential ventures utilizing mobile-internet (including innovative finance, internet health, internet-related real estate & automotive, O2O, internet education, on-line travel and services to small and medium enterprises). During the Reporting Period, the Fosun Kinzon Capital team has invested in around 37 projects with total investment amount of approximately RMB1,187.4 million.

Fosun Tonghao Capital is a high-technology venture capital investment fund team under Fosun focusing on early stage sectors. It mainly invests in the seed, angel and A-round stages, with focuses on healthcare and TMT (Technology, Media, Telecom) sectors, and carries out innovative industrial investments by adopting the "Medical + New Scientific Technology" model and the "Financial, Travel, Education, etc. + New Scientific Technology" model. During the Reporting Period, Fosun Tonghao Capital team has invested in 3 projects with an accumulated investment amount of RMB88.0 million.

LP Investments

The Group made investment through capital contribution as a limited partner while proactively developing its asset management business. As of 30 June 2016, the Group committed to contribute a total of RMB9,704.6 million (of which RMB691.2 million was committed to be contributed by Forte), RMB7,569.2 million was actually contributed (of which RMB691.2 million was contributed by Forte to the real estate series funds of Forte).

Secondary Market Investments

The Group's major investments in the secondary market comprise Folli Follie. 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 of 30 June 2016, the Group held 10.0% equity interest and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, held 3.89% equity interest in Folli Follie, amounting to 13.89% equity interest in total.

The sales revenue of Folli Follie for the first quarter of its financial year in 2016 amounted to Euro293.7 million, representing an increase of 9.3% over the same period of last year. Its EBITDA was Euro70.9 million, representing an increase of 7.0% over the same period of last year. Net profit amounted to Euro43.2 million, representing an increase of 25.3% over the same period of last year. The sales of its self-owned core brand business increased by 11.7% and EBITDA increased by 7.4% over the same period of last year. The other two business segments of Folli Follie – wholesale/retail and department stores achieved growth of 2.9% and 5.7% respectively in sales revenue over the same period of last year.

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



Significant Secondary Market Holdings Held by the Group¹

No.	Stock Code	Stock Name	Number of Securities (As at 30 June 2016)	Percentage of Total Number of Shares	Accounting Treatment ²
1	002027.SZ	Focus Media	666,041,572	7.62%	B
2	01988.HK	Minsheng Bank ³	773,019,800	2.12%	A
3	01336.HK	NCI	44,661,800	1.43%	B
			82,262,400	2.64%	A
4	QIHU.NYSE	QIHU	1,499,399	1.16%	B
	—	QIHU Convertible Bonds	1,291,976	N/A	
5	02799.HK	China Huarong	500,000,000	1.28%	B
6	SINA.NASDAQ	SINA	2,524,389	3.61%	B
	—	SINA Convertible Bonds	222,312	N/A	
7	FFGRP.GA	Folli Follie	6,695,460	10%	A
8	834218	Hechuang Technology ⁴	18,928,300	16.76%	B
9	TCG.LN	Thomas Cook	129,837,066	8.45%	B
10	RENE.PL	REN	28,370,665	5.32%	B

Notes:

- The above calculation covers the securities investments of the Group in the secondary markets; however, it does not contain the share interests in the subsidiaries or associates, or the securities invested by associates or funds of the Group.
- A: Equity investments at fair value through profit and loss; B: Available-for-sale investments.
- Including deemed derivative interests of 390 million shares.
- Hechuang Technology is listed on the NEEQ.

WEALTH MANAGEMENT AND INNOVATIVE FINANCE

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

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	283.3	277.7	+2.0%
Profit attributable to owners of the parent	655.2	576.4	+13.7%

Unit: RMB million

During the Reporting Period, the increase in both revenue and profit attributable to owners of the parent of the wealth management and innovative finance segment was mainly attributable to the business growth of asset management.

WEALTH MANAGEMENT

Asset Management

During the Reporting Period, the Group continuously expanded its 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, such as Zhejiang Growth Fund, Weishi Fund, Fosun Capital, Fosun Chuanghong, Star Capital, Shanghai Sunvision Xicheng Equity Investment Center (Limited Partnership), Shanghai Sunvision Binhe Equity Investment Center (Limited Partnership), Ji’nan Financial Investment Development Fund Partnership (Limited Partnership), Pramerica-Fosun China Opportunity Fund, Carlyle-Fosun, Ji’nan Financial Fosun Weishi Equity Investment Fund Partnership (Limited Partnership), Shenzhen Fosun Ellassay Fashion Investment Fund (Limited Partnership), real estate series funds of Forte, CMF and others.

Meanwhile, the Group also actively expanded the size of assets management through acquisition. The Group acquired IDERA, a Japanese real estate capital management company in May 2014. The Group also acquired 60% equity interest in Resolution Property, a European real estate capital management company headquartered in London in June 2015. In August 2015, the Group established Fosun Eurasia Capital, a Russian asset management limited company.

The asset management business of the Group, mainly targeting domestic and international high-end large institutional clients and high net worth individual clients, will continue 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 RMB64,792.4 million, of which RMB12,810.0 million was managed by IDERA, RMB6,602.3 million was managed by Resolution Property, RMB8.3 million was managed by Fosun Eurasia Capital. The Group has committed to contribute RMB1,245.2 million as a general partner and RMB9,704.6 million as a limited partner to the asset management business. The management fee derived from the asset management business amounted to RMB293.4 million. In addition, during the Reporting Period, the asset management business of the Group invested in 9 new projects, and increased investment in 7 existing projects, with an accumulated investment of RMB9,289.4 million.

IDERA

In May 2014, the Group completed its acquisition of 98% equity interest in IDERA, a Japanese real estate capital management company, at 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 at the end of the Reporting Period, its assets under management were over JPY198,632.5 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 and America, Asia, the Middle East and Japan.



During the Reporting Period, IDERA recorded an unaudited operating revenue of JPY1,207.2 million, net profit of JPY814.4 million and net asset book value of JPY10,153.0 million according to the Japanese accounting standards.

Resolution Property

In June 2015, the Group acquired 60% equity interest in Resolution Property, a European real estate capital management company headquartered in London, for a consideration of Euro15.6 million. This investment is also 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 RMB6,602.3 million.

Fosun Eurasia Capital

Established in Moscow in August 2015, Fosun Eurasia Capital is 75% held by the Group. Fosun Eurasia Capital serves as a major comprehensive financial platform for the Group, providing financial, asset management and investment advisory services throughout Russia and its neighbouring countries. Fosun Eurasia Capital's scope of investment deploys across all asset classes, including fixed income, direct investments, real estate, bonds, listed and private equity, and identifies and evaluates investment opportunities in various industries including energy, natural resources, consumer and manufacturing industries. Fosun Eurasia Capital also provides foreign investment advisory services and seeks for underlying high-quality investment projects for local Russian and international investors. As at the end of the Reporting Period, total assets under its management were approximately RMB8.3 million.

BANKING AND OTHER FINANCIAL BUSINESS

H&A

In July 2015, the Group made an offer to acquire at least 80% of the share capital and voting rights of H&A plus one H&A share and voting right, at an offer price of Euro682.50 per no-par value ordinary share of H&A and the maximum amount of consideration payable was expected to be not more than Euro210 million ("**H&A Acquisition**"). The closing of the H&A Acquisition took place in September 2016. The H&A 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 custodian services to individual, corporate and institutional clients, particularly the small and medium sized enterprises.

Fosun Finance Company

Fosun Finance Company officially commenced operations in September 2011 and has obtained the loan and entrusted loan business qualification and the interbank lending market business qualification. During the Reporting Period, Fosun Finance Company operated in a steady and sound manner and achieved operating revenue of RMB76.6 million, net assets of RMB1,785.2 million and net profit after tax of RMB12.9 million. As of 30 June 2016, Fosun Finance Company had 135 members in total, with deposits amounting to RMB4,673.5 million and loans amounting to RMB4,493.0 million.

Fosun Hani Securities

Fosun 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 Fosun Hani Securities. The acquisition of Fosun Hani Securities has significant importance in opening up investment channels and enhancing overseas asset management capabilities.

Established in 1987, Fosun Hani Securities is a registered securities broker with license in Hong Kong to deal in securities on behalf of retail customers and corporate customers. During the Reporting Period, with the issued capital of HKD585.2 million, Fosun Hani Securities owns four types of securities business related 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, Fosun Hani Securities managed the assets of customers amounting to HKD3,517.9 million and its total assets reached HKD749.1 million. By utilising the above licenses, Fosun Hani Securities will act as the Group's platform in Hong Kong to promote the establishment of domestic and overseas investment channels and enhance the overseas asset management capabilities of Fosun.

Hangzhou Financial Investment Leasing

Hangzhou Financial Investment Leasing is a financing leasing platform jointly established by the Group and Hangzhou Financial Investment Group Co., Ltd. in June 2013 with an initial registered capital of USD99 million. It is mainly engaged in the business 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 industrial 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 amount of assets leased by Hangzhou Financial Investment Leasing was approximately RMB838 million.

INNOVATIVE FINANCE

Mybank

The Group, as a founder, injected registered capital of RMB1,000 million into Mybank to acquire 25% equity interest in Mybank.

Commencing operation in June 2015, Mybank is a joint-stock commercial bank which provides financial services for small and micro 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 Mybank has an 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.

As of 30 June 2016, the accumulated amount of loans granted by Mybank reached RMB41,834 million with a cumulative number of 1,642,500 borrowers and an average loan balance per borrower of RMB25,500. The accumulated amount of loans granted under Wangnongdai (旺農貸) had a balance of RMB144 million with a total of 10,892 households. The non-performing loan ratio of Mybank was 0.68%. Meanwhile, Yulibao (餘利寶), a fund distributed by Mybank targeting at corporate customers, had a balance of RMB2,819 million.

Cainiao

In May 2013, the Group invested RMB500 million to subscribe for shares in Cainiao, representing 10% of Cainiao's equity interest. Cainiao carried out the first round of financing at the end of 2015 and Fosun's shareholding was diluted to 7.5%. 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 June 2016, Cainiao already had next day coverage capacity in 122 cities/575 counties as well as same day coverage capacity in 32 cities. It had approximately 659,000 of daily average orders for warehousing and distribution during April to June of 2016.

In May 2016, Cainiao announced its establishment of the largest express self-pickup service platform in China jointly with 12 courier companies and 8 self-pickup counter companies to open up the last kilometer information flow. Currently it is expected to have access to more than 80% of the self-pickup counters nationwide.

As of 30 June 2016, Cainiao had self-constructed operating area of 816,000 sq.m. and its average occupancy rate reached 86%. In addition, it has entered into 5 new land contracts from April to June.

Chuangfu Finance Leasing

Chuangfu Finance Leasing is mainly engaged in automobile finance leasing for corporate and individual consumers who need mid- to high-end automobile related financial services. As a market leader in its field, the company maintains strategic collaborations with a number of high-end branded automobile manufacturers and dealers such as Audi, Tesla, BMW, Mercedes Benz and Volvo, etc.. As at the end of the Reporting Period, the Group had a shareholding of 59.4% in Chuangfu Finance Leasing. In 2016, Chuangfu Finance Leasing strives to penetrate and develop retail and large customer channels, plan and expand business coverage regions, innovate and enhance product development capabilities, and has finally transformed steadily to realize a more comprehensive business layout. As of 30 June 2016, the scale of leasing assets amounted to RMB902.6 million, representing an increase of 79.6% over the same period of 2015. Revenue realized on accumulated basis for the current period was RMB41.8 million and net profit was RMB3.4 million, representing an increase of 53.8% and 104.9%, respectively, over the same period of last year.

Yuntong Small Loan

Guangzhou Yun Tong Micro Credit Co., Ltd. (“**Yuntong Small Loan**”) was approved to commence operations in December 2015. During the Reporting Period, just over twenty large internet enterprises were granted this type of licenses in China and license resources were relatively scarce. Since the national online small loan license has outreached the regional restrictions, we can conduct business across the country through the internet, so that we can have more opportunities to deal with customers than traditional small loan companies, and it is easier for us to select loan customers of relatively high quality, which is conducive to large-scale development.

Yuntong Small Loan has a registered capital of RMB200 million. As at the end of the Reporting Period, the Group held a total equity interest of 68%. Yuntong Small Loan will establish an open online loan system based on big data geared to the needs of the whole society. In the initial stage, the company will mainly conduct the scenario-based loans business. In the advance stage, it will conduct the business of individual consumer loans by relying on the credit weakening scene with internet big data as the major risk management method and start with the Group's dominant industries and proceed with deep excavation and concentrate its efforts on one to three industries (including loans relating to real estate/cars/commodities/individual consumption).

Fosunling

Fosunling is a significant investment of the Group's layout in the innovative finance sector. Fosunling has a registered capital of RMB100 million and is 100% owned by the Group.

Fosunling concentrates on building an integrated investment and financing platform characterized by industrial depth and multi-dimensional ecosystem. Fosunling's own internet-based financial platform “Fosunling” was launched successfully in mid-September of 2015. As of 30 June 2016, it had completed the offline asset securitization business of approximately RMB800.0 million, and the total value of first launched online transactions of financial products was approximately RMB202.1 million. More than 75,500 individuals became registered customers of the platform. Fosunling will continue to build an innovative and low-cost financing channel through the internet, and go in for providing all-round services including financial, entertainment, healthcare and medical services etc. for its clients.

INDUSTRIAL OPERATIONS

The industrial operations of the Group include four key segments: health, happiness, property development and sales, and resources. The health segment mainly includes Fosun Pharma, Starcastle Senior Living, Luz Saúde, Star Healthcare, Sanyuan Foods, Zhongshan Public Utilities and Silver Cross; the happiness segment mainly includes Yuyuan, Club Med, Atlantis, Studio 8, BONA, Cirque du Soleil and Thomas Cook; the property development and sales segment mainly includes Forte, The Bund Finance Center and Resource Property; the resources segment includes Hainan Mining and ROC.



Health



Resources



Property
Development
and Sales



Happiness

HEALTH

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	8,753.8	7,319.6	+19.6%
Profit attributable to owners of the parent	726.9	579.2	+25.5%

During the Reporting Period, the increase in both revenue and profit attributable to owners of the parent of the health segment was mainly due to the continuous and steady business growth from manufacturing, distribution service of medical devices and healthcare service segments of Fosun Pharma.

Fosun Pharma

In the first half of 2016, amidst the severe situation that was full of challenges and uncertainties in the economies of the world and the PRC, continuous reform of the medical system in the PRC and the limited growth of pharmaceutical manufacturing industry 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 and healthcare businesses, continued to develop product innovation and improve management, actively promoted the strategies of organic growth, external expansion and integrated development, thereby maintaining the balanced growth of its principal businesses.



During the Reporting Period, the revenue of Fosun Pharma increased by 17.15% as compared to the same period of 2015 to RMB6,878 million, and excluding the impact of the disposal of Handan Pharmaceutical Co., Ltd. (“Handan Pharmaceutical”), revenue would have increased by 18.77% as compared with the same period of 2015. Of which, the revenue from pharmaceutical manufacturing and research and development (R&D) segment of Fosun Pharma amounted to RMB4,797 million, representing an increase of 17.66% as compared to the same period of 2015, and excluding the impact of the disposal of Handan Pharmaceutical, revenue from pharmaceutical manufacturing and R&D would have increased by 20.03% as compared with the same period of 2015. The revenue from healthcare service business amounted to RMB752 million, representing an increase of 11.57% as compared to the same period of 2015.

From January to June 2016, Fosun Pharma recorded profit before tax of RMB1,930 million and profit attributable to owners of the parent of RMB1,500 million, representing an increase of 6.61% and 15.10%, respectively, as compared to the same period of 2015. Net cashflow from operating activities continued to rise, increasing to RMB936 million for the first half of 2016, representing an increase of 38.17% as compared to the same period of 2015.

During the Reporting Period, the pharmaceutical manufacturing and R&D segment of Fosun Pharma continued to grow steadily and the development of its professional operational team was further strengthened. In the first half of 2016, the sales of Fosun Pharma's major products in therapeutic areas such as cardiovascular system, anti-infection and central nervous system maintained rapid growth. Among new and recent products, the cardiovascular therapeutic product You Di Er (alprostadil dried emulsion) and the metabolism system therapeutic product You Li Tong (febuxostat tablets) maintained prominent growth exceeding 100% as compared to the same period of last year.

As at the end of the Reporting Period, Fosun Pharma had 172 pipeline drug, generic drug, generic biopharmaceutical drug and vaccine projects. During the Reporting Period, Fosun Pharma continued to increase the investment in R&D. The R&D expense in the pharmaceutical manufacturing and R&D segment amounted to RMB243 million, representing a 4.14% growth from the same period of 2015 and accounting for 5% of the revenue of the pharmaceutical manufacturing and R&D segment.

In the first half of 2016, Fosun Pharma continued to reinforce its substantially completed strategic deployment of healthcare services segment with high-end healthcare institutions in the more developed coastal cities and specialty and general hospitals in second-tier and third-tier cities in the PRC. It established regional medical centers and a supply chain spanning health industries and explored models of cooperation with local large state-owned companies, public hospitals and university-affiliated hospitals to accelerate its internet medical development strategy and enhance operating capabilities and profitability. During the Reporting Period, the "Phase II district project of Qingdao Qilu Hospital of Shandong University" and the Wenzhou Geriatric Hospital, in both of which Fosun Pharma took part, commenced and started operation respectively, laying foundations of a new model for social enterprises' participation in the healthcare services segment. Fosun Pharma participated in the reorganization of healthcare operations of relevant medical institutions previously in the Xuzhou Coal Mining Group, which was a breakthrough of Fosun Pharma in reorganizing healthcare operations of state-owned companies as it would facilitate the exploration of cooperating and managing medical institutions with such large local institutions and large insurers. Such a breakthrough was momentous towards the reformation of hospital with mixed ownership and integration of the healthcare supply chain. Furthermore, Fosun Pharma commenced its blood dialysis specialty franchise medical operation through Hunan Jingren Medical Investment Management Co., Ltd.. Moreover, through further involvement in the "B" round financing of "Mingyi Zhudao" platform, a seamless integration of online and offline services was achieved and a closed circuit of O2O was formed so as to explore the innovation of medical services operation and model.

Fosun Pharma continued to push the development of the medical diagnosis and medical devices segment forward. During the Reporting Period, Fosun Pharma actively fostered the business development of Alma Lasers Ltd., commenced preparations for the listing of the Sisram Medical Limited and its subsidiaries and Yaneng Bioscience (Shenzhen) Co., Ltd. in Hong Kong and enhanced the expansion of the distribution business of Chindex Medical Limited. The volume of surgery by Da Vinci surgical robotic system maintained a significant increase in the first half of 2016.

Starcastle Senior Living

Starcastle Senior Living is a joint venture for developing senior living property in China. Starcastle Senior Living was established by the Group and Fortress Investment Group LLC, each holding 50% equity interest in it. The company's first high-end senior living project is customized for Chinese senior citizens which commenced operations in May 2013, providing one-stop services to Chinese seniors from independent living to hospice care. Phase I has a total of 218 units with occupancy rate of 97% by 30 June 2016.



Luz Saúde

Luz Saúde is one of the largest groups providing healthcare services in the Portuguese market, providing its services through 20 units (ten 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 held 98.4% equity interest of Luz Saúde. In the first half of 2016, Luz Saúde provided 1,179 beds and recorded good operational and financial results due to the growth and consolidation in the Portuguese private healthcare market. Its consolidated operational revenues reached Euro231.2 million, an increase of 8.6% over the same period of last year, mainly driven by growth in the private health segment (+10.7%) which was mainly contributed by a generalized increase in activity, both in ambulatory and inpatient services, by the acquisition of Hospital da Luz – Guimarães and by the entry of Hospital da Misericórdia de Évora in the consolidation perimeter.

During the Reporting Period, consolidated EBITDA reached Euro28.0 million, with an EBITDA margin of 12.1% as compared to 14.6% of the same period in 2015, which was mainly affected by the performance of Hospital Beatriz Ângelo, as a result of the significant activity increase in Oncology and HIV/AIDS treatments. In the private segment, EBITDA grew by 0.4% to Euro31.0 million. Net income attributable to shareholders totalled Euro10.0 million, representing a 4.9% decline as compared to the same period of 2015.

Star Healthcare

Shanghai Star Healthcare Co., Ltd. (“**Star Healthcare**”) is a wholly-owned company of the Group, combining the Group's internal and external outstanding medical resources, with an aim to provide one-stop and whole-process health management service and third-party insurance service for mid- to high-end member customers and corporate customers.

As at the end of the Reporting Period, Star Healthcare has completed resources optimization and generation replacement of six major series of products. Star Healthcare cooperated with Pramerica Fosun Life Insurance to develop a fusion product of “health management + insurance cover” and launched the first product in the industry on lifestyle intervention and double insurance cover for diabetes complications. During the first half of 2016, the formulation of a leading insurance claim settlement core system in the industry was completed, and a professional and integrated multi-media customer service system and health management system were being actively built as a foundation for massive service capabilities upon completion in the third quarter of 2016. Star Healthcare has formed a professional service team comprising various talents such as insurance-claiming specialists, medical experts, health managers and nutritionists, to offer health management service to customers through the company's multi-media platform.

Facing the service demand in the insurance market, the direct billing network resources of Star Healthcare in mainland China mainly concentrate in the regions of Beijing, Shanghai, Guangzhou, Shenzhen etc., covering 16 provinces and cities and approximately 200 cooperative medical institutions. During the Reporting Period, through strengthening internal quality sampling examination during the final period and continuous direct payment training, it is capable to provide professional direct billing medical management and claim settlement services to insurance companies and has initially offered the relevant services to Yong'an P&C Insurance.

Sanyuan Foods

As at the end of the Reporting Period, the Group and Fosun Chuanghong, a fund managed by the Group, held 16.67% and 3.78% equity interest in Sanyuan Foods respectively. Sanyuan Foods is a renowned brand in the dairy industry of China, famous for the quality and safety of its products, and enjoys significant market advantages in Beijing and the peripheral markets. Fosun is optimistic about the future growth of dairy consumer goods in China.

After acquiring shares of Sanyuan Foods, Fosun utilized global resources to assist in formulating corporate strategies and introducing merger and acquisition targets for realizing integrated development in Sanyuan Foods and enhancing its leading position in the dairy industry of China.

Facing intensive competition in the domestic dairy product market, Sanyuan Foods actively launched new products, adjusted product structure and strengthened brand publicity. During the Reporting Period, it recorded operating revenue of RMB2,299.4 million, and net profit attributable to owners of the parent amounted to RMB153.3 million.

Zhongshan Public Utilities

As at the end of the Reporting Period, the Group held 12.35% equity interest in Zhongshan Public Utilities. Zhongshan Public Utilities, being an industry-leading professional integrated environmental service operator, acquired 100% equity interest in Zhongshan Utilities Gongcheng Co., Ltd. during the Reporting Period, improving the environmental protection industrial layout, enhancing the company's ability to expand projects and boosting the implementation of Zhongshan Public Utilities' overall strategy. During the Reporting Period, net profit of Zhongshan Public Utilities attributable to shareholders of the listed company amounted to RMB468.28 million, a decline of 50.1% over the same period of 2015.

Silver Cross

Silver Cross was an overseas investment made by the Group and the transaction was completed in July 2015. As at the end of the Reporting Period, the Company indirectly held 87.2% equity interest in Silver Cross through its wholly-owned subsidiary.

Silver Cross, which was established in 1877 by William Wilson, has established itself as a leading UK nursery brand. Silver Cross 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 an international 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 170 independent retailers. Silver Cross has flagship stores in Shanghai, Hong Kong and Moscow and sells through a number of high-end maternal and infant chain stores. The key growth market like Southeast Asia region has also proven to be very successful for Silver Cross. Silver Cross's products have won numerous high profile awards such as Illustrious Junior Design Award and Which? Best Buy Award. During the Reporting Period, its operating revenue amounted to GBP20.9 million, profit before tax was GBP2.9 million.



HAPPINESS

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	5,809.9	—	N/A
Profit attributable to owners of the parent	365.4	207.6	+76.0%

During the Reporting Period, revenue of the happiness segment was, in principle, contributed by the operating income from Club Med. By completing the Group's public offer, Club Med was finally delisted from Euronext in March 2015. The increase in the profit attributable to owners of parent of the happiness segment was mainly attributable to the well performance of Club Med during the first half of 2016.



Yuyuan

Yuyuan is mainly engaged in commercial retail, and wholesale and retail of gold and jewelry, and it holds certain equity interest in Zhaojin Mining. During the Reporting Period, Yuyuan recorded operating revenue of RMB8,787.42 million, representing a decrease of 7.61% over the same period of last year. Profit before tax was RMB186.00 million, representing a decrease of 63.32% over the same period of last year. The net profit attributable to shareholders of the listed company amounted to RMB142.89 million, representing a decrease of 65.45% over the same period of last year. Yuyuan recorded lower operating revenue mainly due to decreased revenue from the gold and jewelry segment as compared to the same period in 2015. Yuyuan recorded lower net profit mainly due to the time lag between the time for recognition of profit or loss in gold leasing and the time for realization of profit or loss upon sales of leased gold as a result of adopting financial

instruments by Yuyuan when it obtained spot gold through gold leasing and Shanghai Gold Exchange and in the meantime conducted hedging transactions through derivative financial instruments such as gold T+D deferred transactions, gold forward transactions and gold futures transactions to lock the cost. In the event of significant fluctuations in gold prices, the “gain or loss on fair value changes” in gold leasing will affect the operating results of an accounting period to a certain extent.

Shanghai Yuyuan Gold and Jewellery Group Co., Limited (上海豫園黃金珠寶集團有限公司) under Yuyuan owns two major brands of “Laomiao Gold” and “Yayi Jewellery”. As at the end of the Reporting Period, the number of chain stores of the two brands amounted to 1,783.

The Group will assist Yuyuan to develop the potential value of vast tourist traffic flows, explore O2O business models and actively seek opportunities for consolidation of high-quality assets in the industry to create value for the shareholders.

Club Med

Despite the unstable geopolitical environment that has affected the outbound markets and some of its destinations, including terrorist attacks occurred in North Africa, Turkey, France and Belgium during the past year, Club Med still managed to record the best results in the recent decade during the first half of the 2016 financial year.

During the Reporting Period, the number of tourists at Club Med increased by 6% year-on-year, revenue increased by 2% year-on-year, and operating profit of Euro68.5 million was recorded from resorts, representing a year-on-year increase of 40%. The growth in results was mainly attributable to the outstanding performance of skiing resorts and the increase in the number of tourists for long-haul travel destinations in Europe.



During the Reporting Period, Club Med opened one new resort, namely the four-star resort in Sanya of Hainan Island in China. Meanwhile, Club Med also reduced the number of operating days accordingly in resorts located at destinations affected by terrorist attacks or perceived to have hidden safety hazards.

Club Med will continue to accelerate its development pace in China according to its plan. During the Reporting Period, the number of tourists in the Greater China Region increased by 45% year-on-year to 93,000, representing 15% of the total number of tourists.



Atlantis

The Atlantis project is located in Haitang Bay, Sanya, Hainan, China, 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 has been topped out in July 2016. It is expected to be completed by the end of 2016 and will commence trial operation in the second half of 2017. Its saleable properties will be on pre-sale from October this year and the sales and accounts receivable for the whole property is expected to amount to approximately RMB8 billion. As of

30 June 2016, RMB3,623.0 million was invested and the second phase of this project has already obtained the “Construction Works Commencement Permit” in January 2016.

Name of project	Usage	Land area (sq.m.)	Total GFA (sq.m.)	Ownership of interest	Land cost (RMB million)	Development progress	Expected completion date	Construction and installation costs (RMB million)
Atlantis	Accommodation, food and beverage, cultural, sports and entertainment	537,420.2	492,215.1	99.98%	2,177.4 ^{Note}	Under development	2016	1,345.4

Note: The municipal infrastructure facilities related fees and deed taxes were added into the land cost, as compared to 2015.

Studio 8

Studio 8 is an important investment made by the Group in the film industry, a significant step for the Group to enter the film and television entertainment industry. As at the end of the Reporting Period, the Group held 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 mainland China, Hong Kong, Macau and Taiwan, whereby the Group 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 entertainment industry. During the Reporting Period, Studio 8 and Columbia TriStar Motion Picture Group, a company under Sony, co-invested and produced *Billy Lynn's Long Halftime Walk* directed by Ang Lee, which will be released in November 2016 globally (including China). The second film *The Solutean* completed filming smoothly and entered into the post-production stage. Currently, there are over 30 projects under research and development, it is expected to announce the greenlight projects soon.

BONA

Investment in BONA is an important strategic move of the Group in the film and television entertainment industry. In June 2015, the Group, together with Mr. Yu Dong, the founder, chairman of the board and chief executive officer of BONA, and Sequoia Capital China Fund, issued a non-binding privatization offer to BONA, privatization and delisting were completed in April 2016. At present, BONA is under the process of reorganization. As at the end of the Reporting Period, the Group held 5.23% equity interest in domestic entity of BONA and 5.7% equity interest in its overseas entity. The Group believes that rapid and robust growth will continue in the film and entertainment market of China in the future. 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.



Cirque du Soleil

Cirque du Soleil from Canada, was an overseas investment completed by the Group in July 2015. After co-investments by the management, CMF and Zhejiang Growth Fund, two funds managed by the Group, together with Yuyuan jointly held 24.81% equity interest in Cirque du Soleil as at the end of the Reporting Period. Among which, CMF held approximately 14.04% equity interest, while Zhejiang Growth Fund and Yuyuan held approximately 7.96% and 2.81% 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 each innovative project the same energy and spirit that characterizes each of its shows. Cirque du Soleil is a Quebec-based organization providing high-quality artistic entertainment. During the first half of 2016, Cirque du Soleil launched touring performances of *Avatar*, regular performances of *Paramour* in Broadway of New York and Mexico theme touring performance of *Luzia*. The investment in Cirque du Soleil is a renewed plan for the Group's happiness segment after privatization of Club Med by the Group. In future, the Group, together with TPG VII CDS Holdings and Cirque du Soleil, will cooperate to drive the business development of Cirque du Soleil in the market of China.

Thomas Cook

During the Reporting Period, the Group held an aggregate of 8.45% equity interest in Thomas Cook. Thomas Cook is one of the leading leisure travel groups in the world with deep-rooted branding tradition and leading position in the European tourism market. During the first half of 2016 financial year, revenue of GBP2.67 billion was recorded, representing a decrease of 2.6% over the same period of last year. After eliminating the effects of exchange rate and oil prices, comparable revenue increased by GBP9 million. Operating EBIT losses decreased by GBP10 million compared with the same period of last year and the amount of losses incurred was GBP160 million. Website design and payment connection have been completed for the travel agency, KUYI, jointly established by the Group and Thomas Cook group and regular business operations have commenced to offer domestic, overseas and MICE (meetings, incentives, conferencing/conventions, exhibitions and events) travel services to the growing middle class population both inside and outside China. As at the end of the Reporting Period, the Group held 51% shareholding in KUYI.



PROPERTY DEVELOPMENT AND SALES

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	3,951.0	4,199.2	-5.9%
Profit attributable to owners of the parent	425.0	57.3	+641.7%

During the Reporting Period, the decrease in revenue of the property development and sales segment was mainly due to that most of properties of Forte were sold but not booked and the property area (booked area) declined compared with the same period of last year. The increase in profit attributable to owners of the parent of the property development and sales segment was mainly contributed by the fair value adjustment of investment properties of Forte.

Forte

With the successive introduction of a number of government policies to support the property market in 2015, positive stimulations to China's real estate markets in various regions were resulted with rebounding transaction volumes in various regions, both transaction volume and price also rebounded in first-tier important cities and second-tier provincial capital cities. During the first half of 2016, riding on the trend from 2015, land kings emerged frequently in different cities and the product prices of various sectors in the real estate industry were also reactivated accordingly.



Against the backdrop of active transactions in the real estate market during the first half of 2016, Forte started to count stock, launch new projects and grab key opportunities since the beginning of the year with the objectives of maintaining or even increasing prices, eliminating inventory, enhancing liquidity and reducing consolidated gearing ratio. In respect of operation, as Hive City strategy was implemented and commenced in each of the projects, by combining with property resources of Fosun and leveraging on the services of Cirque du Soleil, Club Med and Starcastle Senior Living, product capabilities for customers gradually emerged, with increasing recognition, and reflected in the product price premium. In terms of new business, based on the community resources accumulated in project developments over the years by Forte, the "F • LIN" brand created internally and management team entered the home care market which is the largest source of demand in the senior living business in China. Meanwhile, under the support of Fosun, funding structure and funding cost were optimized continuously to create more diversified sources of funds at reasonable cost for business developments.

During the first half of 2016, in the market environment of rising land cost, Forte adhered to the Hive City strategy to seek for investment opportunities with reasonable cost and consolidated benefits within core cities in China. Meanwhile, Forte updated its branding slogan to "converging the world, enjoying life (匯世界, 會生活)" which explained our Hive City strategy: by setting the roots in China, global resources of wealth, health and happiness industries will converge to create space for happy living for customers of Forte. By leveraging on more global resources and diverse product lines of the Group internally, Forte has been actively transforming into a real estate enterprise with industrial characteristics, and achieving a breakthrough in the light-asset model to enhance consolidated corporate capabilities, endeavoring to achieve the corporate vision of becoming a real estate developer with integrated global resources.



Project Development

During the Reporting Period, Forte's total GFA under development was approximately 5,863,542.2 sq.m., and total attributable GFA amounted to approximately 3,628,257.4 sq.m., representing a decrease of approximately 1.2% over the same period of 2015 (2015 interim period: total attributable GFA was approximately 3,673,979.2 sq.m.).

During the Reporting Period, the total GFA of newly commenced projects was approximately 1,203,699.6 sq.m., and total attributable GFA amounted to approximately 887,070.7 sq.m., representing an increase of approximately 6.6% compared with the same period in 2015 (2015 interim period: total attributable GFA was approximately 832,208.9 sq.m.).

During the Reporting Period, total GFA of completed projects was approximately 697,298.3 sq.m., and total attributable GFA amounted to approximately 307,787.3 sq.m., representing a decrease of approximately 12.2% compared with the same period in 2015 (2015 interim period: total attributable GFA was approximately 350,449.0 sq.m.).

Project Reserves

During the Reporting Period, Forte had not acquired additional project reserves (2015 interim period: total attributable GFA was approximately 315,559.0 sq.m.).

As at the end of the Reporting Period, Forte owned project reserves with total planned GFA of approximately 12,136,623.1 sq.m. and total attributable GFA was approximately 7,865,958.3 sq.m., representing a decrease of approximately 14.7% as compared with the same period in 2015 (2015 interim period: total attributable GFA was approximately 9,224,382.8 sq.m.).

Property Sales

During the Reporting Period, Forte realized property contract sales area and contract sales revenue of approximately 872,134.3 sq.m. and RMB12,228.7 million respectively, and attributable contract sales area and contract sales revenue were approximately 629,510.8 sq.m. and RMB9,087.5 million respectively, representing an increase of approximately 95.1% and 101.7% respectively, compared with the same period in 2015 (2015 interim period: total attributable contract sales area and contract sales revenue were approximately 322,690.5 sq.m. and RMB4,505.1 million, respectively).

Property Booked

During the Reporting Period, the booked area and booked amount of properties by Forte were approximately 493,246.8 sq.m. and RMB6,038.6 million respectively, attributable booked area and booked amount were approximately 323,852.2 sq.m. and RMB4,160.4 million respectively, representing an increase of approximately 46.3% and 50.9% respectively, compared with the same period in 2015 (2015 interim period: attributable booked area and booked amount were approximately 221,382.9 sq.m. and RMB2,757.1 million, respectively).

As at 30 June 2016, the area and amount sold but not booked were approximately 1,558,430.4 sq.m. and RMB22,891.3 million respectively, and the attributable area and amount sold but not booked were approximately 1,076,372.7 sq.m. and RMB15,569.6 million respectively, representing an increase of approximately 13.5% and 7.9% respectively when compared with the same period in 2015 (2015 interim period: attributable area and amount sold but not booked were approximately 948,733.9 sq.m. and RMB14,431.0 million, respectively).



The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core district of the Bund in Shanghai and is expected to pass acceptance examination upon its completion in 2016. The Bund Finance Center is an experiential financial complex in the Bund financial zone and this project will comprise four different business modes, including Grade A offices, shopping center, Fosun arts center and boutique hotel, in order to facilitate multiple functions of finance, commerce, tourism, culture, arts and so forth under one roof.

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

Name of project	Usage	Land area (sq.m.)	Total GFA (sq.m.)	Ownership ratio	Land cost (RMB million)	Development progress	Expected completion date	Construction and installation costs (RMB million)
The Bund Finance Center	Office, commercial, hotel	45,472	425,391	100%	9,550	Under development	2016	3,930

Name of project	Floor	Area (sq.m.)
GFA		425,391
Grade A offices	S1	79,039
	S2	76,642
	N1	10,898
	N2	12,848
	N4	5,263
Shopping center		93,861
Boutique hotel		36,331
Fosun arts center		3,959

Resource Property

Resource Property is an integrated service provider in the property circulation sector of the Group, and was successfully spun off from the Group by way of listing on the NEEQ in September 2015 (stock code: 833517). Based on the global development strategy of the Group, Resource Property is dedicated to building an O2O (Online to Offline) service platform for overseas housing purchase and living for the property sector of the Group. It will fully finance the overseas industrial resources of the Group and work together with the renowned global companies. Taking house purchase as a starting point, Resource Property strives to provide Chinese customers with one-stop services covering the whole industry chain, including house 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. At present, Resource Property has established business presence in Portugal, United States, UK and Australia, etc.. In recent years, the company fully utilized branding advantages to increase business development efforts and expanded sales channels to maintain a good development momentum for sustainable business of the company.



RESOURCES

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

Unit: RMB million

	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Change over the same period of last year
Revenue	570.2	940.0	-39.3%
Profit/(loss) attributable to owners of the parent	(88.7)	38.8	-328.6%

During the Reporting Period, the decrease in revenue and profit attributable to owners of the parent of the resources segment were attributable to the decrease in Hainan Mining and ROC's revenue and profit as a result of industry decline.



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. Relying on its own advantages, Hainan Mining overcame market difficulties and enhanced its sales, with its sales of iron ore reaching 1,425.7 thousand tonnes in the first half of 2016, representing a decrease of 8.78% year-on-year. The finished iron ore production reached 1,413.6 thousand tonnes, representing a decrease of 11.21% year-on-year.

ROC

The Company launched an offer of acquisition to ROC in August 2014. In January 2015, ROC was wholly-owned by the Group and officially delisted from the Australian Securities Exchange.

During the Reporting Period, ROC realized sales revenue of USD41.2 million, net profit amounted to USD0.6 million, EBITDA was USD21.2 million and net cash inflow from operating activities amounted to USD16.0 million.

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

Jiangsu Jinmao Gangbao

Nanjing Nangang Iron & Steel United Co., Ltd., a joint venture of the Group, spun off its indirect wholly-owned subsidiary Jiangsu Jinmao Gangbao E-Commerce Co., Ltd. ("Jiangsu Jinmao Gangbao") and Jiangsu Jinmao Gangbao was listed on the NEEQ in December 2015 (stock code: 834429). Jiangsu Jinmao Gangbao is engaged in the sales of over-planned rolled steel over the internet and other outreach services.

RECENT DEVELOPMENT

Gland Pharma

In July 2016, Fosun Pharma Industrial Pte. Ltd. (the “**Buyer**”, a wholly-owned subsidiary of Fosun Pharma) has entered into certain transaction documents (“**Transaction Documents**”) with, among others, each of the relevant vendors (namely KKR, the Founder Shareholders and the Vetter Family, as defined in the announcement of the Company dated 28 July 2016 (the “**28 July 2016 Announcement**”), collectively the “**Vendors**”) and Gland Pharma Limited (“**Gland Pharma**”) in respect of the acquisition of Gland Pharma and the transactions contemplated thereunder. Pursuant to the Transaction Documents, the Buyer proposed to invest in no more than USD1,261.37 million to acquire in aggregate approximately 79.997% equity interest in Gland Pharma from the Vendors and to subscribe for the Convertible Preference Shares (as defined in the 28 July 2016 Announcement) to be issued by Gland Pharma representing approximately 6.083% equity interest of Gland Pharma (“**Gland Pharma Acquisition**”). Upon the completion of the Gland Pharma Acquisition, the Buyer and the Co-Buyers (namely Fosun Industrial Co., Limited, Ample Up Limited, Lustrous Star Limited and Regal Gesture Limited, all of which are subsidiaries of Fosun Pharma) will hold approximately 86.08% equity interest in Gland Pharma.

Rio Bravo

The Group announced to acquire Rio Bravo Investimentos S.A. (“**Rio Bravo**”) in July 2016. Rio Bravo is an asset management company focusing on the South America market with headquarters located in Sao Paulo, Brazil. As of the Reporting Period, the size of assets under management was USD2,790.0 million. It has consolidated investment capabilities in areas such as real estate, shares, bonds and private equity and is the second largest independent asset management company in the market of Brazil. The size of assets under management maintained an annual growth rate of 23% during the past 10 years. Out of the top 25 pension clients in Brazil, 14 of them are clients of Rio Bravo.

BCP

In July 2016, Fosun Industrial Holdings Limited (“**Fosun Industrial Holdings**”, a direct wholly-owned subsidiary of the Company) issued a firm proposal to invest in Banco Comercial Português, S.A. (“**BCP**”) by way of capital increase reserved to Fosun Industrial Holdings (or its affiliates) (following such capital increase, the shareholding of Fosun Industrial Holdings in BCP is expected to be approximately 16.7%) (the “**BCP Proposal**”). The subscription price of this capital increase shall not be higher than Euro0.02 per share and the total maximum consideration will be Euro236 million. In addition, Fosun Industrial Holdings is also considering potentially increasing its shareholding in BCP to 20% - 30% by acquiring shares in the secondary market or by capital injection in the future. The completion of the proposed transaction is subject to the terms and conditions of the BCP Proposal as set out in the proposed guideline agreement and a subscription agreement being signed and the satisfaction (or, as the case may be, waiver) of such conditions precedent to completion as may be specified therein.

Fosun United Health Insurance

In August 2016, Shanghai Fosun Industrial Investment Co., Ltd. (“**Fosun Industrial Investment**”, a wholly-owned subsidiary of the Company) and other independent third parties of the Company received official approval from the China Insurance Regulatory Commission granting consent for the establishment of Fosun United Health Insurance Company Limited (“**Fosun United Health Insurance**”) in Guangzhou, China with registered capital of RMB500 million. Fosun Industrial Investment will invest RMB100 million in the registered capital of Fosun United Health Insurance. The establishment work of Fosun United Health Insurance shall be completed within one year from the date of receiving the approval reply. The investment is another important strategic measure of the Group in building a wealthy, healthy and happy ecosystem, aiming to provide more diversified and customized insurance and health services for family customers by combining the Group’s resources in the insurance and health sectors to create synergies.

FUTURE DEVELOPMENT

Fosun always adheres to the “insurance + investment” twin-driver investment model and perseveres in combining China’s growth momentum with global resources, while focusing on the business-to-family (**B2F**) business model to mapping out global strategies by concentrating on “wealth, health and happiness” lifestyle. In 2016, facing new changes brought about by the global market and growth of China’s economy, Fosun will continue to embrace internet, capitalize on the growing trend of C2M and build up the entire eco-system for its businesses. In the second half of 2016, Fosun will accelerate the optimization of its debt structure, improve liquidity of its assets, and work towards the goal of having the global rating of its debts upgraded to investment grade. Meanwhile, Fosun will proactively push forward with its globalization strategy, continue to push ahead with “localization” and consistently deepen the development of its industries. Fosun will speed up its strategic planning for emerging markets such as Brazil, Russia and India to realize a new round of growth while aspiring to become the world’s first-class investment group dedicated to China’s growth momentum.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB2,125.4 million for the six months ended 30 June 2016 from RMB2,007.8 million for the six months ended 30 June 2015. The increase in net interest expenditures was mainly attributable to the growth in scale of total borrowings. For the six months ended 30 June 2016, the interest rates of borrowings were approximately between 0.37% and 8.7% as compared with approximately between 0.44% and 11.0% for the same period of last year.

TAX

Tax of the Group decreased to RMB1,343.5 million for the six months ended 30 June 2016 from RMB1,518.3 million for the six months ended 30 June 2015. The decrease in tax was mainly resulted from the decrease in taxable profit from the Group.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

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

As at 30 June 2016, the Group's capital commitment contracted but not provided for was RMB28,412.9 million. These were mainly committed for property development, purchase of plant and machinery and investments. Details of capital commitment are set out in note 17 to interim condensed consolidated financial statements.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 30 June 2016, the total debt of the Group was RMB119,171.6 million, representing a slight increase over RMB115,110.0 million as at 31 December 2015, 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 2016, mid-to-long-term debt of the Group accounted for 66.4% of total debt, as compared with 57.4% as at 31 December 2015. As at 30 June 2016, cash and bank and term deposits decreased by 12.8% to RMB41,195.8 million as compared with RMB47,219.2 million (restated) as at 31 December 2015.

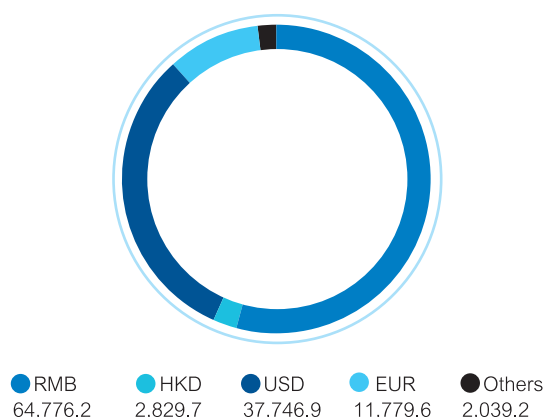
Unit: RMB million

	30 June 2016	31 December 2015 (restated)
Total debt	119,171.6	115,110.0
Cash and bank and term deposits	41,195.8	47,219.2

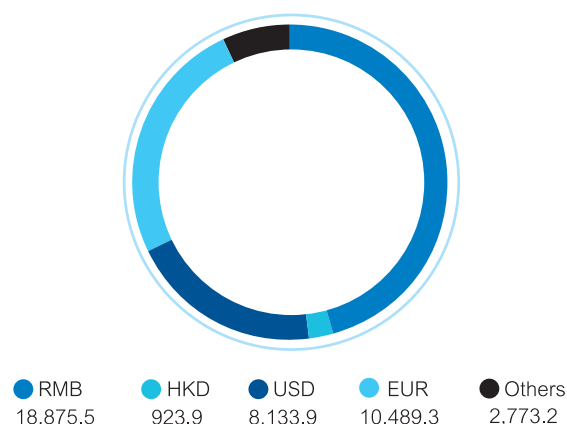
The original denomination of the Group's debt as well as cash and bank and term deposits by currencies, equivalent in RMB, as at 30 June 2016, is summarized as follows:

Unit: RMB million equivalent

Total Debt



Cash and Bank and Term Deposits



TOTAL DEBT TO TOTAL CAPITALIZATION RATIO

As at 30 June 2016, the ratio of total debt to total capitalization was 52.3% as compared with 53.6% (restated) as at 31 December 2015. This ratio has decreased as a result of the increase of the total capitalization. Healthy debt ratios and abundant funds can reinforce the Group's ability to defend against risk exposure, and provide support to the Group in capturing investment opportunities.

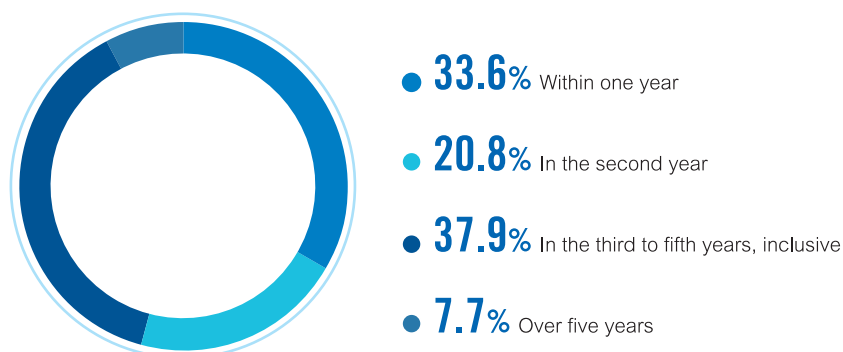
BASIS OF CALCULATING INTEREST RATE

To stabilize interest expenses, the Group endeavored to maintain appropriate borrowings at fixed interest rates and floating interest rates. The Group made timely adjustment to the debt structure according to the interest rate policy, seeking to optimize the interest rate level. As at 30 June 2016, 43.8% of the Group's total borrowings bore interest at a fixed interest rate.

THE MATURITY PROFILE OF OUTSTANDING BORROWINGS

The Group sought to manage and extend the maturity of outstanding borrowings, so as to ensure that the outstanding borrowings of the Group due to mature every year would not exceed the expected cash flow of that year and the Group's re-financing ability for the relevant liabilities in that year.

Outstanding borrowings classified by year of maturity as at 30 June 2016 are as follows:



AVAILABLE FACILITIES

As at 30 June 2016, save for cash and bank and term deposits of RMB41,195.8 million, the Group had unutilized banking facilities of RMB162,349.4 million. The Group has entered into cooperation agreements with various major banks in China. According to these agreements, the banks granted the Group general banking facilities to support its capital needs. Prior approval of individual projects from banks in accordance with bank regulations of China must be obtained before the use of these banking facilities. As at 30 June 2016, available banking facilities under these arrangements totalled approximately RMB241,849.4 million, of which RMB79,500.0 million was utilized.

PLEGDED ASSETS

As at 30 June 2016, the Group had pledged assets of RMB47,971.3million (31 December 2015: RMB50,485.9 million) for bank borrowings. Details of pledged assets are set out in note 12 to interim condensed consolidated financial statements.

CONTINGENT LIABILITIES

The Group's contingent liabilities were RMB5,731.0 million as at 30 June 2016 (31 December 2015: RMB8,045.7 million). Details of contingent liabilities are set out in note 18 to interim condensed consolidated financial statements.

INTEREST COVERAGE

For the six months ended 30 June 2016, EBITDA divided by net interest expenditures was 5.1 times as compared with 5.0 times for the same period in 2015, the increase was mainly due to the 8.0% increase of the Group's EBITDA during the Reporting Period compared with the same period of last year.

FINANCIAL POLICIES AND RISK MANAGEMENT

General policy

The Company maintains the financial independence of different business segments. Nevertheless, the Company also gives appropriate guidance on the fund management of different segments so as to ensure that risks of the Group are well monitored and financial resources are effectively applied. To maintain multiple financing channels, the Group tries to obtain funds from different channels through banks and capital markets etc.. Finance arrangements are organized to meet the needs of business development and match the Group's cash flow.

Foreign currency exposure

RMB is the functional and presentation currency of the Group. As a result of the launching of global strategy, the proportion of assets denominated in currencies other than RMB held by the Group had continuously increased. Financial settlement and currency conversion as at the reporting date of these non-RMB assets may generate a certain amount of foreign exchange losses or gains, thereby affecting the Group's profits or net assets. Since the exchange rate reform in August 2015, the exchange rate of RMB against USD depreciated for a time and the volatility increased. We are uncertain of the trend of the exchange rate of RMB in the future. The cost of conversion of RMB into foreign currencies will be subject to the fluctuation of the exchange rate of RMB.

Interest rate exposure

The Group uses bank loans and other borrowings to meet its capital expenditure and working capital requirements from time to time and is subject to the risk of interest rate fluctuation. Since a certain amount of the Group's borrowings is provided at floating interest rates which are subject to change by the lenders as required by amendments of regulations of China and the market conditions in and outside mainland China, the interest expenses of the Group will increase if the People's Bank of China or foreign banks increase their interest rates.

Application of derivatives

The Group will apply derivative instruments as necessary to hedge the risk exposure instead of speculation.

FORWARD-LOOKING STATEMENTS

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

		For the six months ended 30 June	
	Notes	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
REVENUE		32,504,984	29,739,022
Cost of sales		(21,049,941)	(21,874,913)
Gross profit		11,455,043	7,864,109
Other income and gains	5	11,268,460	9,059,361
Selling and distribution expenses		(5,156,416)	(2,447,667)
Administrative expenses		(5,891,939)	(4,837,014)
Other expenses		(3,637,701)	(1,849,137)
Finance costs	6	(2,250,049)	(2,234,776)
Share of profits and losses of:			
Joint ventures		154,203	(15,581)
Associates		975,740	856,938
PROFIT BEFORE TAX	7	6,917,341	6,396,233
Tax	8	(1,343,521)	(1,518,315)
PROFIT FOR THE PERIOD		5,573,820	4,877,918
Attributable to:			
Owners of the parent		4,390,640	3,617,176
Non-controlling interests		1,183,180	1,260,742
		5,573,820	4,877,918
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the Period (RMB)	9	0.51	0.51
Diluted			
– For profit for the Period (RMB)	9	0.51	0.50

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited) (Restated)
PROFIT FOR THE PERIOD	5,573,820	4,877,918
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Changes in fair value	5,814,853	3,190,699
Reclassification adjustments for loss/(gains) included in the consolidated statement of profit or loss		
– impairment loss	566,432	—
– gain on disposal	(1,067,108)	(2,687,054)
Income tax effect	(576,827)	(213,852)
	4,737,350	289,793
Change in other life insurance contract liabilities due to potential gains on financial assets	(145,710)	369,734
– Income tax effect	(14,442)	293
	(160,152)	370,027
Fair value adjustments of hedging instruments in cash flow hedges	(70,828)	—
– Income tax effect	8,092	—
	(62,736)	—
Fair value adjustments of hedging of a net investment in a foreign operation	180,563	—
– Income tax effect	(38,791)	—
	141,772	—
Share of other comprehensive loss of joint ventures	(12,239)	—
Share of other comprehensive income/(loss) of associates	283,801	(113,556)
Exchange differences on translation of foreign operations	493,541	(659,985)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	5,421,337	(113,721)

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited) (Restated)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gains on property revaluation	45,955	—
Income tax effect	(11,489)	—
	34,466	—
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	34,466	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	5,455,803	(113,721)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,029,623	4,764,197
Attributable to:		
Owners of the parent	8,515,089	3,671,625
Non-controlling interests	2,514,534	1,092,572
	11,029,623	4,764,197

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	10	18,902,759	18,023,602
Investment properties		44,646,631	40,898,689
Prepaid land lease payments		2,129,994	2,143,888
Exploration and evaluation assets		172,699	197,500
Mining rights		555,735	564,507
Oil and gas assets		967,367	970,236
Intangible assets		8,991,246	9,189,950
Goodwill		10,764,265	10,366,162
Investments in joint ventures		12,565,195	11,809,125
Investments in associates		33,180,154	31,579,652
Available-for-sale investments		118,031,251	97,956,123
Properties under development		10,289,619	17,035,471
Loan receivable		731,589	553,789
Prepayments, deposits and other receivables		1,812,051	3,854,693
Deferred tax assets		5,204,893	5,221,803
Inventories		358,193	323,708
Policyholder account assets in respect of unit-linked contracts		3,663,469	3,594,381
Insurance and reinsurance debtors		109,819	128,787
Reinsurers' share of insurance contract provisions		11,105,398	9,620,463
Term deposits		1,162,652	465,135
Total non-current assets		285,344,979	264,497,664
CURRENT ASSETS			
Cash and bank		40,033,173	46,754,045
Investments at fair value through profit or loss		12,308,126	10,716,167
Trade and notes receivables	11	4,131,474	4,120,969
Derivative financial instruments		116,396	15,921
Prepayments, deposits and other receivables		12,675,703	10,358,356
Inventories		2,384,070	2,347,989
Completed properties for sale		10,092,700	10,898,015
Properties under development		24,276,295	18,846,968
Loans receivable		3,012,681	1,735,066
Due from related companies		7,312,994	3,707,641
Available-for-sale investments		20,276,248	20,998,463
Advances to customers		362,245	247,581
Policyholder account assets in respect of unit-linked contracts		437,666	471,535
Insurance and reinsurance debtors		9,531,693	8,146,186
Reinsurers' share of insurance contract provisions		3,237,146	3,452,133
		150,188,610	142,817,035
Non-current assets/assets of a disposal group classified as held for sale		2,180,791	103,245
Total current assets		152,369,401	142,920,280

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	39,617,582	48,788,443
Convertible bonds	13	284,005	—
Loans from related companies		193,000	193,000
Trade and notes payables	14	9,325,624	10,613,116
Accrued liabilities and other payables		32,952,413	24,450,255
Tax payable		3,531,273	3,787,469
Finance lease payables		41,515	46,161
Deposit from customers		1,639,474	1,300,688
Due to the holding company		1,290,366	979,101
Due to related companies		2,692,313	2,944,692
Derivative financial instruments		941,578	204,015
Accounts payable to brokerage clients		170,780	34,462
Unearned premium provisions		13,524,396	12,881,979
Provision for outstanding claims		13,790,401	14,461,347
Provision for unexpired risks		416,568	432,410
Financial liabilities for unit-linked contracts		200,071	251,577
Investment contract liabilities		2,278,253	4,940,511
Other life insurance contract liabilities		1,540,587	1,359,147
Insurance and reinsurance creditors		4,420,813	3,740,375
		128,851,012	131,408,748
Liabilities directly associated with the assets classified as held for sale		1,255,421	—
Total current liabilities		130,106,433	131,408,748
NET CURRENT ASSETS		22,262,968	11,511,532
TOTAL ASSETS LESS CURRENT LIABILITIES		307,607,947	276,009,196
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	79,077,014	65,859,536
Convertible bonds	13	—	268,983
Finance lease payables		166,542	120,334
Deferred income		1,195,357	1,019,108
Other long term payables		4,068,493	4,086,385
Deferred tax liabilities		9,617,931	9,042,528
Provision for outstanding claims		36,228,371	32,548,001
Financial liabilities for unit-linked contracts		3,901,064	3,814,339
Investment contract liabilities		52,743,703	48,204,699
Other life insurance contract liabilities		11,692,149	11,374,815
Insurance and reinsurance creditors		153,731	117,333
Total non-current liabilities		198,844,355	176,456,061
Net assets		108,763,592	99,553,135

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
EQUITY		
Equity attributable to owners of the parent		
Share capital	36,155,089	36,046,143
Treasury shares	(92,125)	—
Equity component of convertible bonds	68,674	68,674
Other reserves	46,524,875	39,629,492
	82,656,513	75,744,309
Non-controlling interests	26,107,079	23,808,826
Total equity	108,763,592	99,553,135

Guo Guangchang
Director

Ding Guoqi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to owners of the parent											Total equity RMB'000
	Issued capital RMB'000	Treasury shares RMB'000	Other deficits RMB'000	Statutory surplus reserve RMB'000	Available for-sale investment revaluation reserve RMB'000	Other reserve RMB'000	Convertible bonds RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2016 (as previously reported)	36,046,143	—	(443,540)	4,641,387	435,425	1,578,712	68,674	34,381,707	(1,455,999)	75,252,509	22,901,566	98,154,075
Retrospective adjustments of business combination under common control (note 2.3.1)	—	—	—	—	7,644	520,000	—	(35,844)	—	491,800	907,260	1,399,060
At 1 January 2016 (as restated)	36,046,143	—	(443,540)	4,641,387	443,069	2,098,712	68,674	34,345,863	(1,455,999)	75,744,309	23,808,826	99,553,135
Total comprehensive income/(loss) for the Period	—	—	—	—	3,707,236	(33,260)	—	4,390,640	450,473	8,515,089	2,514,534	11,029,623
Acquisition of subsidiaries (note 16)	—	—	—	—	—	—	—	—	—	—	25,049	25,049
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	749,763	749,763
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	(583,079)	(583,079)
Transfer from retained profits	—	—	—	1,394,865	—	—	—	(1,394,865)	—	—	—	—
Final dividend declared	—	—	—	—	—	—	—	(1,226,568)	—	(1,226,568)	—	(1,226,568)
Share of other reserve of associates	—	—	—	—	—	(18,884)	—	—	—	(18,884)	(45,292)	(64,176)
Acquisition of additional interests in subsidiaries	—	—	—	—	—	(94,664)	—	219,948	—	125,284	(286,413)	(161,129)
Business combination under common control**	—	—	—	—	—	(582,000)	—	—	—	(582,000)	—	(582,000)
Deemed disposal of partial interests in a subsidiary	—	—	—	—	—	81,449	—	—	—	81,449	(81,449)	—
Fair value adjustment on the stock redemption option granted to non-controlling shareholders of a subsidiary	—	—	—	—	—	16	—	—	—	16	(2,853)	(2,837)
Re-purchase of shares	—	—	—	—	—	—	—	(23,419)	—	(23,419)	—	(23,419)
Share issue expenses	(2,555)	—	—	—	—	—	—	—	—	(2,555)	—	(2,555)
Equity-settled share-based payment of the Company***	111,501	(92,125)	—	—	—	19,108	—	—	—	38,484	—	38,484
Equity-settled share-based payment of a subsidiary	—	—	—	—	—	5,308	—	—	—	5,308	7,993	13,301
At 30 June 2016 (unaudited)	36,155,089	(92,125)	(443,540)*	6,036,252*	4,150,305*	1,475,785*	68,674	36,311,599*	(1,005,526)*	82,656,513	26,107,079	108,763,592

* These reserve accounts comprise the consolidated other reserves of RMB46,524,875,000 (31 December 2015 as restated: RMB39,629,492,000) in the interim condensed consolidated statement of financial position.

** As stated in note 2.3.1, in June 2016, the Group completed the acquisition of Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) which has been accounted for as business combination under common control and the settlement of the consideration amounted to RMB582,000,000 was accounted for as a deemed distribution to the shareholder.

*** According to the share award scheme announced by the Company, the Company issued and the employee benefit trust established by the Company allotted 9,770,000 new shares which were awarded to selected participants and will be vested based on certain vesting conditions. During the Period, 1,452,000 shares were vested.

	Attributable to owners of the parent										Total equity RMB'000
	Issued capital RMB'000	Other deficits RMB'000	Statutory surplus reserve RMB'000	Available-for-sale investment revaluation reserve RMB'000	Other reserve RMB'000	Convertible bonds RMB'000	Retained earnings RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2015 (as previously reported)	16,281,011	(443,540)	3,229,375	1,259,885	1,171,059	721,171	28,614,104	(1,424,642)	49,408,423	26,276,069	75,684,492
Retrospective adjustments of business combination under common control	—	—	—	5,117	520,000	—	(35,844)	—	489,273	828,870	1,318,143
At 1 January 2015 (as restated)	16,281,011	(443,540)	3,229,375	1,265,002	1,691,059	721,171	28,578,260	(1,424,642)	49,897,696	27,104,939	77,002,635
Total comprehensive (loss)/income for the Period	—	—	—	250,960	314,508	—	3,617,176	(511,019)	3,671,625	1,092,572	4,764,197
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	314,400	314,400
Capital contribution from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	485,166	485,166
Placing of shares**	7,288,395	—	—	—	—	—	—	—	7,288,395	—	7,288,395
Dividends paid to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	(736,398)	(736,398)
Transfer from retained profits	—	—	955,575	—	—	—	(955,575)	—	—	—	—
Final dividend declared	—	—	—	—	—	—	(1,035,103)	—	(1,035,103)	—	(1,035,103)
Share of other reserve of associates	—	—	—	—	11,026	—	—	—	11,026	(27,842)	(16,816)
Disposal of partial interests in a subsidiary without losing control	—	—	—	—	1,882,193	—	—	—	1,882,193	4,264,016	6,146,209
Acquisition of additional interests in subsidiaries	—	—	—	—	(152,314)	—	—	—	(152,314)	(663,571)	(815,885)
Disposal of subsidiaries	—	—	—	—	6,821	—	—	—	6,821	(80,654)	(73,833)
Deemed disposal of partial interests in a subsidiary	—	—	—	—	2,134	—	—	—	2,134	(2,134)	—
Deemed acquisition of additional interests in subsidiaries	—	—	—	—	(3,951)	—	—	—	(3,951)	3,951	—
Fair value adjustment on the stock redemption option granted to non-controlling shareholders of a subsidiary	—	—	—	—	755	—	—	—	755	205	960
Conversion of convertible bonds to ordinary shares (note 13)	2,856,567	—	—	—	—	(629,978)	—	—	2,226,589	—	2,226,589
Equity-settled share-based payments	—	—	—	—	6,375	—	—	—	6,375	1,913	8,288
At 30 June 2015 (unaudited and restated)	26,425,973	(443,540)*	4,184,950*	1,515,962*	3,758,606*	91,193	30,204,758 *	(1,935,661)*	63,802,241	31,756,563	95,558,804

* These reserve accounts comprise the consolidated other reserves of RMB37,285,075,000 as restated in the interim condensed consolidated statement of financial position.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

		For the six months ended 30 June	
	Note	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		6,330,605	3,855,526
Tax paid		(1,990,016)	(1,167,426)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		4,340,589	2,688,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment, prepaid land lease payments, intangible assets, exploration and evaluation assets and oil and gas assets		(2,044,109)	(2,942,473)
Increase of investment properties		(2,908,335)	(885,658)
Purchase of available-for-sale investments and investments at fair value through profit or loss		(36,399,607)	(37,479,356)
Proceeds from disposal of available-for-sale investments and investments at fair value through profit or loss		27,978,864	28,160,934
Proceeds from disposal of items of property, plant and equipment, intangible assets, prepaid land lease payments and investment properties		250,983	270,445
Disposal of subsidiaries		143,756	384,442
Disposal of partial interests in a subsidiary		—	7,184,466
Proceeds from disposal or partial disposal of associates and joint ventures		941,167	1,019,554
Proceeds from disposal of non-current assets held for sale		—	300,000
Acquisition of subsidiaries	16	(213,628)	(4,844,778)
Acquisition and establishment of associates and joint ventures		(1,542,240)	(5,795,640)
Dividends and interests received from available-for-sale investments, investments at fair value through profit or loss, associates and joint ventures		2,967,707	1,553,071
Shareholder loans received from/(provided to) joint ventures and associates		50,585	(2,543,503)
(Increase) /decrease in pledged bank balances and time deposits with original maturity of more than three months		(3,526,790)	4,077,997
Prepayments for proposed acquisitions		(508,408)	(1,380,257)
Interest received		153,379	394,057
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(14,656,676)	(12,526,699)

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from non-controlling shareholders of subsidiaries	749,763	485,166
New bank and other borrowings	36,483,869	41,752,575
Repayment of bank and other borrowings	(32,221,365)	(38,772,904)
Proceeds from placing of shares	—	7,288,395
Dividends paid to non-controlling shareholders of subsidiaries	(583,079)	(736,398)
Acquisition of additional interests in subsidiaries	(300,650)	(926,012)
Interest paid	(2,894,570)	(2,503,678)
Dividends paid to shareholder	(558,432)	—
Deemed distribution to the ultimate shareholder (note 2.3.1)	(582,000)	—
Re-purchase of shares	(23,419)	—
Others	39,007	(57,578)
NET CASH FLOWS FROM FINANCING ACTIVITIES	109,124	6,529,566
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,206,963)	(3,309,033)
Cash and cash equivalents at beginning of the period	38,572,210	26,545,405
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	28,365,247	23,236,372
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
CASH AND BANK BALANCES AT END OF THE PERIOD	41,195,825	37,413,702
Less: Pledged bank balances and term deposits with original maturity of more than three months	(11,158,122)	(9,756,474)
Required reserve deposits	(263,580)	(255,663)
Restricted presale proceeds of properties	(1,598,078)	(828,973)
Restricted cash in escrow account	—	(3,336,220)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	28,176,045	23,236,372
Cash and bank attributable to assets of a disposal group classified as held for sale	189,202	—
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS	28,365,247	23,236,372

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

1. CORPORATE INFORMATION

Fosun International Limited (the “Company”) was incorporated as a company with limited liability in Hong Kong on 24 December 2004 under the Hong Kong Companies Ordinance.

The registered office of the Company is located at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong.

The principal businesses of the Company and its subsidiaries (collectively referred to as the “Group”) include integrated finance (wealth) and industrial operations. The integrated finance (wealth) business includes the three major segments: insurance, investment and wealth management and innovative finance while the industrial operations include four key segments: health, happiness, property development and sales and resources.

The holding company and the ultimate holding company of the Company are Fosun Holdings Limited and Fosun International Holdings Ltd., which are incorporated in Hong Kong and the British Virgin Islands, respectively. The ultimate controlling shareholder is Mr. Guo Guangchang.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) since 16 July 2007.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2016 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2016 (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 2015.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and amendments effective as of 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on 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 is described below:

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of HKFRS. Entities that adopt HKFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity’s rate-regulation and the effects of that rate-regulation on its financial statements. HKFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing HKFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

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

Amendments to HKFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to HKFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant HKFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments have no significant impact on the Group.

Amendments to HKAS 16 and HKAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in HKAS 16 Property, Plant and Equipment and HKAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to HKAS 27: *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying HKFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of HKFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to HKFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's separate financial statements as the Group does not elect to change to the equity method in their separate financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in HKFRS 5. This amendment must be applied prospectively.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

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

HKFRS 7 *Financial Instruments: Disclosures*

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to HKFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

HKAS 19 *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

HKAS 34 *Interim Financial Reporting*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments do not have any impact on the Group.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.3 Prior year restatement

2.3.1 Restatement of prior years' financial statements as a result of business combinations for entities under common control

In June 2016, Yadong Fosun Industrial Technology Development Co., Ltd., an indirectly wholly owned subsidiary of the Company, completed the acquisition of 35.21% equity interest in Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.) ("Chuanghong Fund") at a purchase consideration of RMB582,000,000. After the completion of the acquisition, Chuanghong Fund was accounted for as a subsidiary of the Group. Since the Company and Chuanghong Fund were under common control of Mr. Guo Guangchang ("Mr. Guo", the ultimate controlling shareholder of the Company) before and after the completion of the aforesaid acquisition, the business combination of Chuanghong Fund has been accounted for under pooling of interest method.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements.

Upon transfer of interest in an entity to another entity that is under the control of the ultimate shareholder that controls the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

The opening balances as at 1 January 2015 and comparative information as at 31 December 2015 and for the period ended 30 June 2015 have been restated in the interim condensed consolidated financial statements.

2.3.2 Restatement of prior years' financial statements as a result of finalized purchase price allocation of the acquisition of Club Med

In February 2015, Club Med Invest (former name: Gaillon Invest II), an indirectly owned subsidiary of the Company, acquired 100% of the equity interests in Club Med, at a total consideration of Euro916,664,000 (equivalent to RMB6,240,832,000). The assessment of the fair values of the identifiable assets and liabilities of Club Med was still undergoing and the information of the fair values of the identifiable assets and liabilities was provisional as at 31 December 2015.

During the Period, the Company finalized the assessment of the fair value of the identifiable assets and liabilities of Club Med and the Company retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

The comparative information as at 31 December 2015 and comparative information for the period ended 30 June 2015 have been restated in the interim condensed consolidated financial statements.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.3 Prior year restatement (Continued)

2.3.3 Quantitative impact on the interim condensed consolidated financial statements

- i. Restated interim condensed consolidated statement of comprehensive income for the period ended 30 June 2015:

	As previously reported RMB'000	Effect of prior year adjustments		As restated RMB'000
		RMB'000 (note 2.3.1)	RMB'000 (note 2.3.2)	
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(108,169)	(5,552)	—	(113,721)
Total comprehensive income for the period	4,769,749	(5,552)	—	4,764,197
Attributable to:				
Owners of the parent	3,673,635	(2,010)	—	3,671,625
Non-controlling interests	1,096,114	(3,542)	—	1,092,572

Details of the restated interim condensed consolidated statement of comprehensive income for the period ended 30 June 2015 includes the followings:

	As previously reported RMB'000	Effect of prior year adjustments		As restated RMB'000
		RMB'000 (note 2.3.1)	RMB'000 (note 2.3.2)	
Available-for-sale investments:				
Changes in fair value	3,196,251	(5,552)	—	3,190,699

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.3 Prior year restatement (Continued)

2.3.3 Quantitative impact on the interim condensed consolidated financial statements (Continued)

ii. Restated consolidated statement of financial position as at 31 December 2015:

	As previously reported RMB'000	Effect of prior year adjustments		As restated RMB'000
		RMB'000 (note 2.3.1)	RMB'000 (note 2.3.2)	
Total non-current assets	262,586,561	1,191,912	719,191	264,497,664
Total current assets	142,748,650	152,430	19,200	142,920,280
Total current liabilities	130,967,192	220	441,336	131,408,748
Total non-current liabilities	176,213,944	—	242,117	176,456,061
Equity attributable to owners of the parent	75,252,509	491,800	—	75,744,309
Non-controlling interests	22,901,566	852,322	54,938	23,808,826
Total equity	98,154,075	1,344,122	54,938	99,553,135

Details of the restated consolidated statement of financial position as at 31 December 2015 includes the followings:

	As previously reported RMB'000	Effect of prior year adjustments		As restated RMB'000
		RMB'000 (note 2.3.1)	RMB'000 (note 2.3.2)	
Non-current assets				
Property, plant and equipment	17,176,435	—	847,167	18,023,602
Goodwill	10,713,380	—	(347,218)	10,366,162
Investments in associates	31,209,652	370,000	—	31,579,652
Available-for-sale investments	97,134,211	821,912	—	97,956,123
Deferred tax assets	5,002,561	—	219,242	5,221,803
Current assets				
Cash and bank	46,601,795	152,250	—	46,754,045
Prepayments, deposits and other receivables	10,338,976	180	19,200	10,358,356
Current liabilities				
Trade and notes payables	10,436,233	—	211,345	10,647,578
Accrued liabilities and other payables	24,220,044	220	229,991	24,450,255
Non-current liabilities				
Deferred tax liabilities	8,800,411	—	242,117	9,042,528

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.3 Prior year restatement (Continued)

2.3.3 Quantitative impact on the interim condensed consolidated financial statements (Continued)

iii. Restated interim condensed consolidated statement of cash flows as for the period ended 30 June 2015:

	As previously reported RMB'000	Effect of prior year adjustments		As restated RMB'000
		RMB'000 (note 2.3.1)	RMB'000 (note 2.3.2)	
Net cash flows generated from operating activities	2,269,273	715	—	2,269,988
Net cash flows used in investing activities	(12,151,148)	(375,551)	—	(12,526,699)
Net cash flows from financing activities	6,928,678	19,000	—	6,947,678
Net decrease in cash and cash equivalents	(2,953,197)	(355,836)	—	(3,309,033)
Cash and cash equivalents at beginning of the period	25,890,353	655,052	—	26,545,405
Cash and cash equivalents at end of the period	22,937,156	299,216	—	23,236,372

3. SEASONALITY OF OPERATIONS

The Group's operations are not subject to seasonality.

4. OPERATING SEGMENT INFORMATION

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

- (i) Insurance segment engages in the operation of and investment in the insurance businesses;
- (ii) Investment segment comprises, principally, the investments in strategic investments, private equity investments/venture capital investments/capital contribution to the Group's asset management business as a limited partner (PE/VC/LP investments) and secondary market investments; and
- (iii) Wealth management and innovative finance segment mainly comprises wealth management and innovative finance business. Wealth management engages in the asset management business and the operation of and investment in banking and other financial business, while innovative finance comprises the operation of and investment in the financial industry using internet cloud computing technology.

Insurance segment, investment segment, wealth management and innovative finance segment listed above all belong to one integrated finance (wealth) sector of the Group.

- (iv) Health segment engages in the research and development, manufacturing, sale and trading of pharmaceutical and medical products and providing healthcare services;
- (v) Happiness segment comprises principally the operation and investments in the wholesale and retail of gold and jewellery, tourism and entertainment industries;
- (vi) Property development and sales segment engages in the development and sale of properties; and
- (vii) Resources segment engages in the mining and ore processing of various metals and the oil and gas exploration.

Health segment, happiness segment, property development and sales segment and resources segment listed above all belong to one industrial operations sector of the Group.

As Nanjing Nangang Iron & Steel United Co., Ltd. has ceased to be a subsidiary of the Company since the end of 2015, the Group's investments in the steel industry were classified into the investment segment since 1 January 2016.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. During the Period, as the management changes the structure of the Group's internal organisation to match its business development strategy in a manner that causes to change the Group's composition of its reportable segments, some entities within the Group were re-structured to reflect such change.

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.

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

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2016 (unaudited)

	Integrated Finance (Wealth)			Industrial Operations					
	Insurance RMB'000	Investment RMB'000	Wealth management and innovative finance RMB'000	Health RMB'000	Happiness RMB'000	Property development and sales RMB'000	Resources RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:									
Sales to external customers	13,094,168*	213,371	223,049	8,649,579	5,809,880	3,944,770	570,167	—	32,504,984
Inter-segment sales	—	—	60,298	104,266	—	6,262	—	(170,826)	—
Other income and gains	1,788,553	5,842,079	513,030	446,192	279,724	824,631	19,636	(517,817)	9,196,028
Total	14,882,721	6,055,450	796,377	9,200,037	6,089,604	4,775,663	589,803	(688,643)	41,701,012
Segment results	265,949	4,683,776	573,624	1,533,613	523,814	1,112,110	(152,180)	42,293	8,582,999
Interest and dividend income	1,729,053	294,109	95,875	39,389	12,361	51,049	15,529	(164,933)	2,072,432
Unallocated expenses									(967,153)
Impairment losses, net	(729,270)	(905,284)	—	(22,566)	7,809	19,317	(20,837)	—	(1,650,831)
Finance costs	(89,906)	(1,661,766)	(15,828)	(259,965)	(15,457)	(331,201)	(26,308)	150,382	(2,250,049)
Share of profits and losses of									
– Joint ventures	(41,051)	57,411	5,920	774	(4,106)	135,255	—	—	154,203
– Associates	127,252	53,169	488	799,398	(4,307)	45,704	—	(45,964)	975,740
Profit/(loss) before tax	1,262,027	2,521,415	660,079	2,090,643	520,114	1,032,234	(183,796)	(18,222)	6,917,341
Tax	(185,762)	(273,455)	(30,736)	(202,834)	(86,748)	(597,776)	46,756	(12,966)	(1,343,521)
Profit/(loss) for the Period	1,076,265	2,247,960	629,343	1,887,809	433,366	434,458	(137,040)	(31,188)	5,573,820

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2015 (unaudited)

	Integrated Finance (Wealth)			Industrial Operations						
			Wealth management and innovative finance			Property development and sales	Resources	Steel	Eliminations	Total
	Insurance RMB'000	Investment RMB'000	RMB'000	Health RMB'000	Happiness RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:										
Sales to external customers	5,331,029*	165,984	234,760	7,237,636	—	4,190,247	939,923	11,639,443	—	29,739,022
Inter-segment sales	—	3,615	42,963	81,987	—	8,943	—	—	(137,508)	—
Other income and gains	3,028,200	2,495,416	433,028	651,305	200,697	220,865	16,442	144,139	(3,007)	7,187,085
Total	8,359,229	2,665,015	710,751	7,970,928	200,697	4,420,055	956,365	11,783,582	(140,515)	36,926,107
Segment results	1,317,881	2,167,114	563,750	1,494,189	162,804	507,991	82,668	487,182	34,365	6,817,944
Interest and dividend income	1,339,106	427,591	149,140	58,240	—	116,017	18,955	92,790	(329,563)	1,872,276
Unallocated expenses										(478,904)
Impairment losses, net	(36,741)	(192,652)	137	(21,737)	(32)	(105,163)	—	(65,476)	—	(421,664)
Finance costs	(40,530)	(1,397,092)	(15,654)	(251,987)	(13,307)	(244,941)	(32,761)	(454,441)	215,937	(2,234,776)
Share of profits and losses of										
– Joint ventures	(22,054)	(3,573)	7,207	(10,748)	—	17,704	—	(4,117)	—	(15,581)
– Associates	163,014	44,859	757	625,601	58,114	39,609	—	(75,016)	—	856,938
Profit/(loss) before tax	2,720,676	1,046,247	705,337	1,893,558	207,579	331,217	68,862	(19,078)	(79,261)	6,396,233
Tax	(609,722)	30,845	(27,284)	(317,418)	—	(330,670)	(27,428)	(253,720)	17,082	(1,518,315)
Profit/(loss) for the Period	2,110,954	1,077,092	678,053	1,576,140	207,579	547	41,434	(272,798)	(62,179)	4,877,918

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

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Gross premiums written	17,815,489	6,286,584
Less: Premiums ceded to reinsurers and retrocessionaires	(3,821,124)	(646,749)
Net premiums written	13,994,365	5,639,835
Change in unearned premium provisions, net reinsurance	(900,197)	(308,806)
Net earned premiums	13,094,168	5,331,029

4. OPERATING SEGMENT INFORMATION (Continued)

Total segment assets and liabilities as at 30 June 2016 and 31 December 2015 are as follows:

Segment assets:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
Insurance	193,084,115	180,597,569
Investment	60,163,872	37,835,623
Wealth management and innovative finance	23,625,677	18,806,443
Health	51,353,727	48,037,523
Happiness	21,731,468	20,245,372
Property development and sales	97,492,409	95,593,845
Resources	7,971,349	8,370,234
Steel	—	9,244,781
Eliminations*	(17,708,237)	(11,313,446)
Total consolidated assets	437,714,380	407,417,944

Segment liabilities:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
Insurance	152,712,028	144,341,458
Investment	93,834,771	80,982,265
Wealth management and innovative finance	6,609,218	5,540,938
Health	21,881,263	19,946,850
Happiness	9,700,540	8,948,688
Property development and sales	66,308,696	63,602,215
Resources	1,811,514	1,929,061
Eliminations*	(23,907,242)	(17,426,666)
Total consolidated liabilities	328,950,788	307,864,809

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

5. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Other income		
Interest income	153,379	428,365
Dividends and interests from available-for-sale investments	1,687,154	1,240,470
Dividends from investments at fair value through profit or loss	231,899	203,441
Rental income	252,189	165,322
Sale of scrap materials	—	2,526
Government grants	103,332	241,250
Consultancy and other service income	142,436	55,420
Insurance commissions	301,568	110,272
Exchange gains, net	—	412,205
Others	308,772	33,096
	3,180,729	2,892,367
Gains		
Gain on disposal of subsidiaries*	6,630	233,853
Gain on deemed disposal of associates	4,673,019	—
Gain on disposal of associates	296,129	380,262
Gain on disposal of property, plant and equipment	—	2,414
Gain on disposal of available-for-sale investments	1,995,951	4,544,018
Gain on disposal of investments at fair value through profit or loss	874	157,811
Gain on fair value adjustment of investment properties	1,101,126	164,359
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	4,620	4,671
Gain on fair value adjustment of financial liabilities designated at fair value through profit or loss	9,382	—
Gain on disposal of non-current assets held for sale	—	89,707
Gain on bargain purchase	—	130
	8,087,731	6,166,994
Other income and gains	11,268,460	9,059,361

* The disposal of subsidiaries during the Period includes: (i) Shanghai Forte Land Co., Ltd. ("Forte") disposed 50% equity interest of Shanghai Fuyu Investment Co., Ltd. and Shanghai Fuyang Investment Co., Ltd.; (ii) Shanghai Xinghong Investment Holding Co., Ltd., a subsidiary of Zhejiang Fosun Commerce Development Limited, disposed 51% equity interest of Hefei Xinghong Industrial Co., Ltd..

6. FINANCE COSTS

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Total interest expenses	2,743,730	2,488,625
Less: Interest capitalized, in respect of bank and other borrowings	(618,337)	(480,823)
Interest expenses, net	2,125,393	2,007,802
Bank charges and other finance costs	124,656	226,974
Total finance costs	2,250,049	2,234,776

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Cost of sales	21,049,941	21,874,913
Depreciation of items of property, plant and equipment	776,217	1,247,423
Amortisation of:		
Prepaid land lease payments	23,545	19,166
Mining rights	8,772	17,450
Intangible assets	782,130	96,067
Oil and gas assets	185,664	238,053
(Reversal)/provision for impairment of:		
Trade and other receivables	(6,206)	(26,833)
Inventories	25,863	85,086
Completed property for sale	(5,995)	118,163
Property, plant and equipment	—	90,758
Available-for-sale investments	1,395,660	36,394
Investments in joint ventures	—	16,573
Investments in associates	237,699	—
Mining rights	—	101,523
Insurance and reinsurance debtors	3,810	—
Loss on fair value adjustment of investments at fair value through profit or loss	347,684	—
Exchange losses, net	347,909	—

8. TAX

The major components of tax expenses for the six months ended 30 June 2016 and 2015 are as follows:

	Notes	For the six months ended 30 June	
		2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Current – Portugal, Hong Kong and others	(1)	626,190	709,334
Current – Mainland China			
– Income tax in Mainland China for the Period	(2)	594,441	749,558
– LAT in Mainland China for the Period	(3)	115,381	204,299
Deferred		7,509	(144,876)
Tax expenses for the Period		1,343,521	1,518,315

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 2015: 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 Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") incorporated in Israel, is based on a preferential rate of 16% (six months period ended 30 June 2015: 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., subsidiaries incorporated in Portugal acquired by the Group in 2014, is based on a rate of 29.5% (six months period ended 30 June 2015: 30.3%).

The provision for income tax of Ironshore Inc. ("Ironshore") and its subsidiaries incorporated in the United States acquired by the Group in 2015, is based on a rate of 35%. Its principal operating subsidiary, Ironshore Insurance Ltd. operating in Bermuda is exempt from all Bermuda income, withholding and capital gains taxes. Ironshore Insurance Ltd. would be exempt until March 2035 pursuant to the Bermuda Exempted Undertakings Tax Protection Act 1966, and Amended Act of 1987.

The provision for income tax of Meadowbrook Insurance Group Inc. and its subsidiaries incorporated in the United States acquired by the Group in 2015, is based on a rate of 35%.

The provision for income tax of Club Med Holding and its subsidiaries incorporated in France acquired by the Group in 2015, is based on a rate of 38%.

- (2) The provision for Mainland China current income tax is based on a statutory rate of 25% (six months ended 30 June 2015: 25%) of the assessable profits of the Group as determined in accordance with the Enterprise Income Tax Law of the PRC which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which were taxed at preferential rates of 0% to 20%.
- (3) According to the tax notices issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 0.5% to 5% on proceeds from the sale and pre-sale of properties from 2004. Prior to 2007, except for the mentioned amount paid to the local tax authorities, no further provision for LAT had been made. The directors considered that the relevant tax authorities would be unlikely to impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

During the Period, the prepaid LAT of the Group amounted to RMB77,090,000 (six months ended 30 June 2015: RMB165,044,000). 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 RMB71,478,000 (six months ended 30 June 2015: RMB49,959,000) in respect of the sales of properties up to 30 June 2016 in accordance with the requirements set forth in the relevant PRC tax laws and regulations.

During the Period, unpaid LAT provision in the amount of RMB33,187,000 (six months ended 30 June 2015: RMB10,704,000) was reversed to the interim condensed consolidated statement of profit or loss upon the completion of the liquidation and clearance with the local tax authorities by certain subsidiaries of the Group.

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

The calculation of the basic earnings per share amount is based on the profit for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,603,950,710 (six months ended 30 June 2015: 7,109,048,484 ordinary shares) in issue during the Period.

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

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

	For the six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	4,390,640	3,617,176
Less: cash dividends distributed to share award scheme	(1,398)	—
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	4,389,242	3,617,176
Interest on convertible bonds	11,783	77,676
Cash dividends distributed to share award scheme	1,398	—
Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds	4,402,423	3,694,852

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

The calculations of the basic and diluted earnings per share are based on *(Continued)*:

	Number of shares For the six months ended 30 June	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings per share calculation	8,603,950,710	7,109,048,484
Effect of dilution – weighted average number of ordinary shares:		
– Share award scheme	4,742,154	—
– Convertible bonds	36,900,000	308,830,939
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	8,645,592,864	7,417,879,423
Basic earnings per share (RMB)	0.51	0.51
Diluted earnings per share (RMB)	0.51	0.50

10. PROPERTY, PLANT AND EQUIPMENT

	RMB'000
Carrying value at beginning of the Period (audited and as restated)	18,023,602
Additions	1,490,040
Transfer to investment properties	(10,023)
Acquisition of subsidiaries (note 16)	108,546
Disposal of subsidiaries	(318)
Disposals	(151,171)
Depreciation charge for the Period	(776,217)
Exchange alignment	218,300
Carrying value at end of the Period (unaudited)	18,902,759

As at 30 June 2016, the Group's property, plant and equipment with a net carrying value of RMB1,319,899,000 (31 December 2015: RMB363,023,000) were pledged as security for interest-bearing bank loans as set out in note 12 to the interim condensed consolidated financial statements.

11. TRADE AND NOTES RECEIVABLES

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Trade receivables	3,496,425	3,491,695
Notes receivable	635,049	629,274
	4,131,474	4,120,969

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

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Outstanding balances with ages:		
Within 90 days	2,554,791	2,478,148
91 - 180 days	596,052	676,826
181 - 365 days	376,246	382,548
1 - 2 years	104,306	86,792
2 - 3 years	36,855	17,078
Over 3 years	33,536	31,856
	3,701,786	3,673,248
Less: Provision for impairment of trade receivables	(205,361)	(181,553)
	3,496,425	3,491,695

Trade and notes receivables of the Group mainly arose from the resources segment, health segment, and property development and sales segment. Credit terms granted to the Group's customers are as follows:

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

At 30 June 2016, the Group's trade and notes receivables with a carrying amount of approximately RMB219,768,000 (31 December 2015: RMB219,768,000) were pledged to secure bank loans, as set out in note 12 to the interim condensed consolidated financial statements.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Bank loans:	(1)		
Guaranteed		1,326,240	1,493,528
Secured		34,883,177	31,312,177
Unsecured		38,239,035	44,689,840
		74,448,452	77,495,545
Enterprise bonds and corporate bonds	(2)	20,554,269	6,598,361
Private placement note	(3)	5,671,542	7,560,499
Senior notes	(4)	6,149,646	5,873,726
Medium-term notes	(5)	4,386,465	5,981,017
Short-term commercial papers		—	2,053,979
Super short-term commercial paper	(6)	499,093	—
Other borrowings, secured	(7)	3,560,041	3,624,268
Other borrowings, unsecured	(7)	3,425,088	5,460,584
Total		118,694,596	114,647,979
Portion classified as:			
Current		39,617,582	48,788,443
Non-current		79,077,014	65,859,536
Total		118,694,596	114,647,979

Notes:

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

The pledge of certain of the Group's buildings amounting to RMB294,762,000 (31 December 2015: RMB363,023,000), construction in progress to RMB1,025,137,000 (31 December 2015: Nil), investment properties amounting to RMB20,035,830,000 (31 December 2015: RMB19,227,824,000), prepaid land lease payments amounting to RMB1,009,208,000 (31 December 2015: RMB1,022,849,000), properties under development amounting to RMB16,237,307,000 (31 December 2015: RMB20,976,098,000), completed properties for sale amounting to RMB4,735,052,000 (31 December 2015: RMB5,031,742,000), trade and notes receivables amounting to RMB219,768,000 (31 December 2015: RMB219,768,000), equity investment at fair value through profit or loss amounting to RMB2,106,672,000 (31 December 2015: RMB2,105,531,000), investments in associates amounting to RMB54,354,000 (31 December 2015: RMB52,292,000), investments in available-for-sale entities amounting to RMB1,762,360,000 (31 December 2015: RMB909,356,000), and investments in subsidiaries.

Bank balances amounting to RMB490,855,000 (31 December 2015: RMB577,432,000) were pledged to secure the interest-bearing bank and other borrowings.

The Group's interest-bearing bank and other borrowings amounting to RMB1,326,240,000 (31 December 2015: RMB1,493,528,000) were guaranteed by Fosun Holdings Limited which is the holding company of the Group.

The bank loans bear interest at rates ranging from 0.46% to 6.80% (31 December 2015: 0.57% to 7.48%) per annum.

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

Notes: *(Continued)*

(2) Enterprise and corporate bonds

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

On 21 January 2016, Fosun Group issued five-year domestic corporate bonds with a par value of RMB4,000,000,000 and an effective interest rate of 3.89% per annum. The interest is paid annually in arrears and the maturity date is 21 January 2021.

On 14 April 2016, Fosun Group issued five-year domestic corporate bonds with a par value of RMB1,600,000,000 and an effective interest rate of 3.81% per annum. The interest is paid annually in arrears and the maturity date is 14 April 2021.

On 26 May 2016, Fosun Group issued five-year domestic corporate bonds with a par value of RMB4,400,000,000 and an effective interest rate of 3.87% per annum. The interest is paid annually in arrears and the maturity date is 26 May 2021.

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

On 4 March 2016, Fosun Pharma issued five-year domestic corporate bonds with a par value of RMB3,000,000,000 and an effective interest rate of 3.46% per annum. The interest is paid annually in arrears and the maturity date is 4 March 2021.

On 20 November 2015, Forte issued five-year domestic corporate bonds with a par value of RMB4,000,000,000 and an effective interest rate of 4.39% per annum. The interest is paid annually in arrears and the maturity date is 20 November 2020.

On 21 March 2016, Forte issued three-year domestic corporate bonds with a par value of RMB1,000,000,000 and an effective interest rate of 3.76% per annum. The interest is paid annually in arrears and the maturity date is 21 March 2019.

On 17 December 2015, Eynsford Tokutei Mokuteki Kaisha, an indirect subsidiary of Fosun Property Holdings Limited, issued five-year corporate bonds with a par value of JPY1,000,000,000 and an interest rate of 3 month Tokyo Interbank Offered Rate plus 5.30% per annum. The interest will be paid quarterly in arrears since April 2016. The principal amount of the corporate bonds will be repaid by instalments and the final maturity date is 17 December 2020.

(3) Private placement note

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

On 31 July 2015, Fosun Group issued one-year private placement notes with a par value of RMB2,500,000,000 and the effective interest rate is 5.07% per annum. The interest is payable at the maturity date which is 31 July 2016.

On 11 August 2015, Fosun Group issued one-year private placement notes with a par value of RMB1,000,000,000 and the effective interest rate is 4.96% per annum. The interest is payable at the maturity date which is 11 August 2016.

On 26 October 2015, Fosun Group issued one-year private placement notes with a par value of RMB1,000,000,000 and the effective interest rate is 3.99% per annum. The interest is payable at the maturity date which is 26 October 2016.

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

Notes: *(Continued)*

(4) Senior notes

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

On 10 May 2010, Ironshore, a subsidiary of Fosun Capital Holdings Limited, issued ten-year senior notes with a par value of USD250,000,000 and an effective interest rate of 8.76% per annum. The interest will be paid semi-annually in arrears.

In 2015, eight-year senior notes with a par value of EUR230,000,000 and an effective interest rate of 3.31% per annum issued by Xingtao Assets Limited, a direct subsidiary of Fosun Industrial Holdings Limited, were purchased by third party investors. The interest will be paid annually in arrears and the maturity date is 9 October 2022.

(5) Medium-term notes

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

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

On 10 September 2015, Fosun Pharma issued three-year medium-term notes with a par value of RMB400,000,000 and an effective interest rate of 4.05% per annum. The interest is paid annually in arrears and the maturity date is 10 September 2018.

(6) Super short-term commercial papers

On 20 May 2016, Fosun Pharma issued the first tranche of super short-term commercial papers with a maturity of six months in an aggregate amount of RMB500,000,000, which bear interest at 2.98% per annum. The principal and interest is paid in lump sum on maturity and the maturity date is 16 November 2016.

(7) The other borrowings represent borrowings from third parties, which bear interest at rates ranging from 0.37% to 8.7% (31 December 2015: 0.65% to 8.7%) per annum.

13. CONVERTIBLE BONDS

Logo Star Limited (the “Issuer”), an indirect wholly owned subsidiary of the Company issued convertible bonds in the principal amount of HKD3,875,000,000 (equivalent to RMB3,068,225,000) on 22 November 2013 guaranteed by the Company and certain of its subsidiaries (the “Convertible Bonds”). The Convertible Bonds is convertible into fully-paid ordinary shares of par value HKD0.10 each of the Company. The Convertible Bonds bear interests at the rate of 1.5% per annum payable semi-annually in arrears on May 22 and November 22 in each year. The Convertible Bonds will mature on 22 November 2018 (“Maturity Date”).

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

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

As at 30 June 2016, there are 36,900,000 convertible bonds with the principal amount of HKD369,000,000 still outstanding and the movement of the liability component is as followings:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Liabilities component at the beginning of the Period (audited)	268,983	2,485,546
Interest expense	11,783	89,457
Interest paid	(14,980)	(18,348)
Conversion into equity	—	(2,307,207)
Exchange realignment	18,219	19,535
Liability component	284,005	268,983
Portion classified as:		
Current	284,005	—
Non-current	—	268,983
Total	284,005	268,983

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

14. TRADE AND NOTES PAYABLES

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
Trade payables	9,122,539	10,470,642
Notes payable	203,085	142,474
	9,325,624	10,613,116

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

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited) (Restated)
Outstanding balances with ages:		
Within 90 days	2,680,256	3,867,475
91 - 180 days	727,708	1,821,188
181 - 365 days	2,507,314	2,247,450
1 - 2 years	1,073,701	606,355
2 - 3 years	871,145	703,743
Over 3 years	1,262,415	1,224,431
	9,122,539	10,470,642

15. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the Period (six months ended 30 June 2015: Nil).

The proposed final dividend of HKD0.17 per ordinary share for the year ended 31 December 2015 was declared payable and approved by the shareholders at the annual general meeting of the Company on 1 June 2016.

16. ACQUISITION OF SUBSIDIARIES

(i) Acquisition of subsidiaries accounted for as business combination not under common control

In January 2016, Luz Saúde, an indirectly owned subsidiary of the Company, completed the operation related with the acquisition of the business of Hospital da Luz - Guimarães, SA at a consideration of EUR25,202,000 (equivalent to RMB180,162,000). The acquisition was undertaken to further develop the health business of the Group.

In March 2016, Jiangsu Wanbangyun Jiankang Technology Co. Ltd. ("Wanbangyun Jiankang"), a subsidiary of Fosun Pharma, acquired 100% equity interests in Xuzhou Wanbangyun Pharmacy Chain Co., Ltd. ("Wangbangyun Pharmacy") at a consideration of RMB2,490,000. The acquisition was undertaken to further develop the health business of the Group.

In April 2016, Shanghai Fosun Hospital Investment (Group) Co., Ltd. ("Hospital Investment"), a subsidiary of Fosun Pharma, completed the acquisition of 65% equity interests in Hunan Jingren Medical Investment Management Co., Ltd. ("Hunan Jingren") at a consideration of RMB39,000,000. The acquisition was undertaken to further develop the health business of the Group.

16. ACQUISITION OF SUBSIDIARIES (Continued)

(i) Acquisition of subsidiaries accounted for as business combination not under common control (Continued)

In June 2016, Jiangsu Wanbang Biopharmaceutical Co., Ltd. ("Wanbang Pharma"), a subsidiary of Fosun Pharma, acquired 80% equity interests in Hangzhou Wanbang Tiancheng Pharmaceutical Co., Ltd. ("Wanbang Tiancheng") at a consideration of RMB35,000,000. The acquisition was undertaken to further develop the health business of the Group.

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

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

	Fair value recognised on acquisition RMB'000 (Unaudited)
Property, plant and equipment (note 10)	108,546
Intangible assets	59,411
Cash and cash equivalents	224
Trade and notes receivables	1,883
Prepayments, deposits and other receivables	18,094
Inventories	7,440
Trade and notes payables	(2,437)
Accrued liabilities and other payables	(39,328)
Deferred tax liabilities	(4,545)
Total identifiable net assets at fair values*	149,288
Non-controlling interests	(25,049)
Total net assets acquired	124,239
Goodwill on acquisition	132,413
	256,652
Satisfied by:	
Cash	248,852
Cash consideration unpaid	7,800
	256,652

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

The Group incurred transaction costs of RMB2,205,000 for these acquisitions. These transaction costs have been expensed and are included in other expenses in the interim condensed consolidated statement of profit or loss.

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

16. ACQUISITION OF SUBSIDIARIES (Continued)

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

	RMB'000 (Unaudited)
Consideration settled by cash	(248,852)
Cash consideration already paid in the prior year	35,000
Cash and bank balances acquired	224
Net outflow of cash and cash equivalents included in cash flows from investing activities	(213,628)
Transaction costs of the acquisitions included in cash flows from operating activities	(2,205)
	(215,833)

(iii) Acquisition of subsidiaries accounted for as business combination under common control

Details of acquisition of subsidiaries accounted for as business combination under common control are set out in note 2.3.1.

17. COMMITMENTS

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

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Contracted, but not provided for:		
In respect of:		
Plant and machinery	1,066,738	1,881,272
Properties under development	13,592,616	13,679,434
Investments	13,753,580	4,446,210
	28,412,934	20,006,916

18. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Guarantees given to bank loans and corporate bonds of:		
Related parties	2,857,749	5,319,000
Qualified buyers' mortgage loans*	2,873,279	2,726,667
	5,731,028	8,045,667

- * As at 30 June 2016, the Group provided guarantees of approximately RMB2,873,279,000 (31 December 2015: RMB2,726,667,000) in favour of their customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties where the underlying real estate certificates can only be provided to the banks in a time delayed manner due to administrative procedures in the PRC. These guarantees provided by the Group will be released when the customers pledge their real estate certificates as security to the banks for the mortgage loans granted by the banks.

The directors consider that in case of default in payments, the net realizable value of the related properties can cover the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made for the guarantees in the interim condensed consolidated financial statements.

19. RELATED PARTY TRANSACTIONS

- (1) During the Period, the Group had the following material transactions with related parties in addition to the transactions disclosed in note 12 and note 2.3.1:

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Associates, joint ventures and other related parties:		
Sales of pharmaceutical products	528,252	462,111
Purchase of pharmaceutical products	43,365	62,675
Sales of other products	22,025	81,069
Purchase of other products	—	20,123
Rental income	1,138	909
Service income	4,616	10,496
Interest income	35,380	143,372
Rental fee	—	7,637
Service fee	—	293
Transportation fee	—	77,923
Interest expense	8,123	9,769
Deposits from related companies	1,396,762	961,724
Bank loan guarantees provided	2,857,749	269,831
Bank loan guarantees received	1,326,240	1,589,536
Loan to related parties	1,781,000	80,000
Non-controlling shareholders of the subsidiaries of the Group:		
Rental fee	9,973	9,192
Bank loan guarantees received	—	935,447

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

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	38,246	33,616
Equity-settled share award scheme expense	7,803	—
Equity-settled share option scheme expense	10,743	—
Pension scheme contributions	168	189
Total compensation paid to key management personnel	56,960	33,805

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Financial assets				
Available-for-sale investments	126,918,764	105,772,373	126,918,764	105,772,373
Loans receivable (non-current portion)	731,589	553,789	731,589	553,789
Investments at fair value through profit or loss	12,308,126	10,716,167	12,308,126	10,716,167
Policyholder account assets in respect of unit-linked contracts	3,499,607	3,475,324	3,499,607	3,475,324
Derivative financial instruments	116,396	15,921	116,396	15,921
	143,574,482	120,533,574	143,574,482	120,533,574
Financial liabilities				
Interest-bearing bank and other borrowings	118,694,596	114,647,979	116,176,848	113,651,825
Convertible bonds	284,005	268,983	340,209	371,742
Financial liabilities included in other long-term payables	3,340,876	3,405,098	3,340,876	3,405,098
Financial liabilities for unit-linked contracts	3,499,607	3,475,324	3,499,607	3,475,324
Derivative financial instruments	941,578	204,015	941,578	204,015
	126,760,662	122,001,399	124,299,118	121,108,004

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

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

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

The fair values of the non-current portion of financial liabilities included in other long term payables, non-current portion of loans receivable, interest-bearing bank and other borrowings and convertible bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of amounts due to related companies, financial liabilities included in other long term payables, loans from related companies, finance lease payables and non-current portion of interest-bearing bank and other borrowings as at 30 June 2016 was assessed to be insignificant. The fair value of the convertible bonds and other listed bonds is based on the quoted market price which represents the fair value for both the liability and equity components of the convertible bonds and the fair values of listed bonds and senior notes are based on quoted market prices.

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

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments include foreign exchange futures, forward currency contracts and interest rate swaps. As at 30 June 2016, the fair values of foreign exchange futures were measured using quoted market prices while the fair values of forward currency contracts and interest rate swaps were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of the foreign exchange futures, forward currency contracts and interest rate swaps are the same as their fair values.

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

As at 30 June 2016, the fair value has not been disclosed for certain available-for-sale investments in equity instruments that do not have a quoted market price in an active market and is measured at cost less any impairment because their fair value cannot be measured reliably. The reason why the fair value cannot be measured reliably is that the variability in the range of reasonable fair value estimates is significant for that investment or the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value. The carrying amount of these available-for-sale investments was RMB11,388,735,000 (31 December 2015: RMB12,360,301,000). All of them are unlisted equity investments held by the Group in China, North America, European and other countries, which are intended to be disposed of by the Group after getting listed on the designated stock exchanges in the future.

During the Period, the available-for-sale investments whose fair value could not be reliably measured with carrying amount of RMB1,618,025,000 were derecognised and the relevant gain on disposal amounted to RMB727,090,000 was recognized in the interim condensed consolidated statement of profit or loss.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2016:

Unobservable inputs and sensitivity analysis for Level 3 assets

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

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

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

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

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

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

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

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

Assets measured at fair value:

As at 30 June 2016 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Available-for-sale investments	53,696,925	61,725,375	11,496,464	126,918,764
Investments at fair value through profit or loss	7,773,045	3,682,525	852,556	12,308,126
Policyholder account assets in respect of unit-linked contracts	3,019,995	478,940	672	3,499,607
Derivative financial instruments	116,396	—	—	116,396
	64,606,361	65,886,840	12,349,692	142,842,893

As at 31 December 2015(Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Available-for-sale investments	45,650,160	47,125,823	12,996,390	105,772,373
Investments at fair value through profit or loss	7,150,646	2,879,455	686,066	10,716,167
Policyholder account assets in respect of unit-linked contracts	2,922,987	496,085	56,252	3,475,324
Derivative financial instruments	15,921	—	—	15,921
	55,739,714	50,501,363	13,738,708	119,979,785

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

Fair value hierarchy (Continued)

Assets measured at fair value : (Continued)

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

	For the six months ended 30 June 2016 RMB'000	2015 RMB'000
At 1 January	13,738,708	6,532,644
Total gains recognised in the consolidated statement of profit or loss	28,307	105,386
Total gains/(losses) recognised in other comprehensive income	328,966	(16,002)
Addition	703,527	3,979,899
Disposals	(2,853,050)	(813,472)
Exchange realignment	403,234	(807,980)
Reclassification	—	4,758,233
	12,349,692	13,738,708

Assets for which fair values are disclosed:

As at 30 June 2016 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Loans receivable (non-current portion)	—	731,589	—	731,589

As at 31 December 2015 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Loans receivable (non-current portion)	—	553,789	—	553,789

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

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 30 June 2016 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Financial liabilities included in other long-term payables	—	—	64,255	64,255
Financial liabilities for unit-linked contracts	3,019,995	478,940	672	3,499,607
Derivative financial instruments	802,008	139,570	—	941,578
	3,822,003	618,510	64,927	4,505,440

As at 31 December 2015 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Financial liabilities included in other long term payables	—	—	64,460	64,460
Financial liabilities for unit-linked contracts	2,922,987	496,085	56,252	3,475,324
Derivative financial instruments	106,275	97,740	—	204,015
	3,029,262	593,825	120,712	3,743,799

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

	For the six months ended 30 June 2016 RMB'000	2015 RMB'000
At 1 January	120,712	275,653
Total gains/(losses) recognised in the consolidated statement of profit or loss	4	(536)
Addition	—	11,367
Disposals	(57,090)	(118,472)
Exchange realignment	1,507	(19,580)
Reclassification	(206)	(27,720)
	64,927	120,712

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

Fair value hierarchy *(Continued)*

Liabilities for which fair values are disclosed:

As at 30 June 2016 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Interest-bearing bank and other borrowings	30,123,102	86,053,746	—	116,176,848
Convertible bonds	340,209	—	—	340,209
Financial liabilities included in other long-term payables	—	3,276,621	—	3,276,621
	30,463,311	89,330,367	—	119,793,678

As at 31 December 2015 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Interest-bearing bank and other borrowings	15,686,572	97,965,253	—	113,651,825
Convertible bonds	371,742	—	—	371,742
Financial liabilities included in other long term payables	—	3,340,638	—	3,340,638
	16,058,314	101,305,891	—	117,364,205

21. EVENTS AFTER THE REPORTING PERIOD

- (i) In July 2016, Fosun Industrial Holdings Limited ("**Fosun Industrial Holdings**", a direct wholly-owned subsidiary of the Company) issued a firm proposal to invest in Banco Comercial Português, S.A. ("**BCP**") by way of capital increase reserved to Fosun Industrial Holdings (or its affiliates) (following such capital increase, the shareholding of Fosun Industrial Holdings in BCP is expected to be approximately 16.7%). The subscription price of this capital increase shall not be higher than Euro0.02 per share and the total maximum consideration will be Euro236 million. In addition, Fosun Industrial Holdings is also considering potentially increasing its shareholding in BCP to 20% - 30% by acquiring shares in the secondary market or by capital injection in the future. The completion of the proposed transaction is subject to the proposed guideline agreement and a subscription agreement being signed and the satisfaction (or, as the case may be, waiver) of such conditions precedent to completion as may be specified therein. BCP will be accounted for as an associate of the Group after the completion of the acquisition.
- (ii) In July 2016, Fosun Pharma proposed to invest in no more than USD1,261.37 million to acquire in aggregate approximately 79.997% equity interest in Gland Pharma Limited ("**Gland**") and to subscribe for the Convertible Preference Shares to be issued by Gland representing approximately 6.083% equity interest of Gland. A contingent consideration with the upper limit of USD50 million should be paid by Fosun Pharma based on the sale of enoxaparin products by Gland.
- (iii) In April 2016, Shanghai Stock Exchange approved Forte to non-publicly issue corporate bonds to the qualified investors. Pursuant to the approval, a par value of the corporate bonds to be issued should not exceed RMB8 billion (inclusive). On 18 August 2016, Forte issued the first tranche of three-year corporate bonds with a par value of RMB3 billion and a coupon rate of 4.38% per annum. According to the term of the corporate bonds, Forte shall be entitled to adjust upwards the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year.

22. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation and as stated in note 2.3 to the interim condensed consolidated financial statements, the comparative amounts have been restated to reflect the prior year adjustments.

In addition, as stated in note 4 to the interim condensed consolidated financial statements, the comparative segment information has been restated to reflect the change of the reporting segments of the Group.

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2016.

STATUTORY DISCLOSURES

INTERIM DIVIDEND

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

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 19 June 2007. The primary purpose of the Share Option Scheme is to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group.

In order to consistently implement the core values of entrepreneurship of the Company, encourage value creation, active commitment and business contribution by its core management staff, continue to improve on its multi-layered and long-term incentives mechanism, and actively promote management innovation and cultural heritage, the Company has decided to grant share options (the “Options”) to the first 18 global core management staff (the “Grantees”) during the Reporting Period.

The following table discloses movements in the Company's outstanding Options during the Reporting Period.

Name of Grantee	Date of grant of the Options	On 1 January 2016	Granted during the Reporting Period	Exercised during the Reporting Period	Number of the Options Expired/ lapsed/ cancelled during the Reporting Period	On 30 June 2016	Exercise period of the Options ^{Note}	Exercise price of the Options per Share (HKD)
Ding Guoqi	8 January 2016	—	10,000,000	—	—	10,000,000	8 January 2021 to 7 January 2026	11.53
Qin Xuetang	8 January 2016	—	10,000,000	—	—	10,000,000	8 January 2021 to 7 January 2026	11.53
Chen Qiyu	8 January 2016	—	10,000,000	—	—	10,000,000	8 January 2021 to 7 January 2026	11.53
Xu Xiaoliang	8 January 2016	—	10,000,000	—	—	10,000,000	8 January 2021 to 7 January 2026	11.53
Other Grantees	8 January 2016	—	71,000,000	—	—	71,000,000	8 January 2021 to 7 January 2026	11.53

Notes: The Options are exercisable by each Grantee in three tranches as set out below:

- up to the first 20% of the Options, at any time from the date falling on the fifth anniversary of the date of grant till the end of the 10-year period commencing on the date of the grant of Options (the “Option Period”);
- up to a further 30% of the Options, at any time from the date falling on the sixth anniversary of the date of grant till the end of the Option Period; and
- in respect of the remaining 50% of the Options, which, for the avoidance of doubt, comprise those Options which have not been exercised (and not lapsed) since the fifth anniversary of the date of grant, at any time from the date falling on the seventh anniversary of the date of grant till the end of the Option Period.

The exercise of the Options by the Grantees is conditional upon the fulfilment of certain performance targets relating to the Group (the “Performance Target”). The Performance Target has been determined by the Board and specified in the respective grant letters of each Grantee. Unless the Performance Target is met, the Options granted to the Grantees will lapse.

SISRAM MEDICAL PLAN

On 28 May 2015, the shareholders of the Company approved the adoption of the Sisram Medical Plan (as defined in the announcement of the Company dated 23 April 2015), whereby it was proposed that options in Sisram Medical Ltd. (“Sisram Medical”) would be granted (“Sisram Options”).

The purpose of Sisram Medical Plan is to enhance the management participation in Alma Lasers Ltd., as it is important that they would be offered an opportunity to obtain ownership interest in Sisram Medical and to enjoy the results of Sisram Medical attained through their efforts and contributions.

As at the end of the Reporting Period, no Sisram Option has been granted under the Sisram Medical Plan. The Sisram Medical Plan shall terminate at the end of ten years from its day of adoption, unless terminated earlier in accordance with the terms of the Sisram Medical Plan.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 25 March 2015.

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 1 April 2016, the Board resolved to award an aggregate of 5,410,000 award shares to 69 selected participants under the Share Award Scheme. The award shares were settled by way of (i) issue and allotment of 5,150,000 Shares (the “**New Award Shares**”) pursuant to a specific mandate; and (ii) 260,000 Shares which were lapsed before vesting under the 2015 Award. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, the New 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 New Award Shares have been fully issued.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group had approximately 56,000 employees.

In 2016, the Human Resources division of Fosun established strategic themes of the C2M ecosystem by leveraging on the Group's platform, Unicorn and product capabilities, continued to build an elite organization by reinforcing recruitment and training of talents to improve the multi-level “partnership model”, and facilitated transformation of the Group into an exponential organization. It is to strengthen the value creation with portfolio companies, focus on the appropriateness of talent structure and sustainability of talent supply, and improve the effectiveness of talent management.

The recruitment committee scheme was established and the internal referral system was also promoted to improve the successful rate of talent acquisition. Through the first global campus recruitment, a batch of “post-90s” excellent investment personnel were recruited successfully from domestic and overseas top class universities and colleges, serving as fresh blood supply for implementing our global layout strategy. The function of “an easy-accessed business school” was utilized constantly to create and explore various learning opportunities, linking up potential talent training camps at various stages. Through establishing a mobile e-learning platform with both independently-developed and out-sourced learning resources, fragmented time was fully utilized to attain continuous learning effect.

Through adjusting the organization structure, a flat organization was promoted to enhance organization capabilities and efficiency. More transparency was provided on promotion criteria and career path for talents. Meanwhile, further improvements were made to the “partnership models” at various levels and to all ancillary measures for implementing the global partner Share Option Scheme and key talent Share Award Scheme. The fixed-income investment incentive scheme and the strategic investment incentive scheme were defined and continuous efforts were exerted to optimize and enhance the effectiveness of various incentives. To align the interests of investment personnel with those of the shareholders, the Group optimized the co-investment management policy, implemented the co-investment mechanism of “sharing gains and risks”, and further improved the procedures and processes of co-investment.

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

As at 30 June 2016, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(1) Long positions in the Shares, underlying shares and debentures of the Company

Name of Director/chief executive	Class of Shares	Number of Shares	Type of interests	Approximate percentage of Shares in issue
Guo Guangchang	Ordinary	6,155,972,473 ⁽¹⁾	Corporate	71.48%
Ding Guoqi	Ordinary	24,644,320	Individual	0.29%
Qin Xuetang	Ordinary	14,822,640	Individual	0.17%
Chen Qiyu	Ordinary	14,353,000	Individual	0.17%
Xu Xiaoliang	Ordinary	11,920,000	Individual	0.14%
Zhang Shengman	Ordinary	195,000	Individual	0.00%
Zhang Huaqiao	Ordinary	45,000	Individual	0.00%
David T. Zhang	Ordinary	45,000	Individual	0.00%
Yang Chao	Ordinary	35,000	Individual	0.00%

(2) Long positions in the shares, underlying shares and debentures of the associated corporations (within the meaning of Part XV of the SFO) of the Company

Name of Director/chief executive	Name of associated corporation	Class of shares	Number of shares	Type of interests	Approximate percentage in relevant class of shares
Guo Guangchang	Fosun Holdings	Ordinary	1	Corporate	100.00%
	Fosun International Holdings	Ordinary	32,225	Individual	64.45%
	Fosun Pharma	A shares ⁽²⁾	114,075	Individual	0.01%
			923,453,264	Corporate	48.33%
Liang Xinjun	Fosun International Holdings	Ordinary	12,220	Individual	24.44%
Wang Qunbin	Fosun International Holdings	Ordinary	5,555	Individual	11.11%
	Fosun Pharma	A shares ⁽²⁾	114,075	Individual	0.01%
Qin Xuetang	Fosun Pharma	A shares ⁽²⁾	114,075	Individual	0.01%
Chen Qiyu	Fosun Pharma	A shares ⁽²⁾	114,075	Individual	0.01%

Notes:

- (1) Pursuant to Division 7 of Part XV of the SFO, 6,155,972,473 Shares held by Mr. Guo Guangchang are deemed corporate interests held through Fosun Holdings and Fosun International Holdings.
- (2) A share represents the stocks listed on the SSE.

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

As at 30 June 2016, so far as was known to the Directors, the following persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Number of Shares directly or indirectly held	Approximate percentage of Shares in issue
Fosun Holdings	6,155,972,473 ⁽²⁾	71.48%
Fosun International Holdings ⁽¹⁾	6,155,972,473 ^{(2) (3)}	71.48%

Notes:

- (1) Fosun International Holdings is owned as to 64.45%, 24.44% and 11.11% by Messrs. Guo Guangchang, Liang Xinjun and Wang Qunbin, respectively.
- (2) Fosun International Holdings is the beneficial owner of all the issued shares in Fosun Holdings, therefore, Fosun International Holdings is deemed, or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.
- (3) Mr. Guo Guangchang is the sole director of Fosun Holdings and Fosun International Holdings. Mr. Guo, by virtue of his ownership of shares in Fosun International Holdings as to 64.45%, is deemed or taken to be interested in the Shares owned by Fosun Holdings for the purpose of the SFO.

Save as disclosed herein and so far as was known to the Directors, as at 30 June 2016, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes in the information of the Directors during the Reporting Period are set out below:

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

Name of Director	Date of change	Original position	Current position
Guo Guangchang	18 February 2016	director of Forte	—

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

Name of Director	Date of change	Original position	Current position
Xu Xiaoliang	23 June 2016	non executive director of Shanghai Zendai Property Limited (Stock code: 00755.HK)	—

(3) Changes in Directors' remuneration with effect during the Reporting Period

Unit: RMB million

Name of Director	Date of changes	Remuneration	Performance related bonus ⁽¹⁾
Guo Guangchang	1 April 2016	4.7	3.2
Liang Xinjun	1 April 2016	4.6	3.0
Wang Qunbin	1 April 2016	4.6	3.0
Ding Guoqi	1 April 2016	3.8	2.5
Qin Xuetang	1 April 2016	3.7	2.4
Chen Qiyu ⁽²⁾	—	—	—
Xu Xiaoliang	1 April 2016	3.6	2.4

Notes:

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

(2) Mr. Chen Qiyu does not receive any salary for acting as the executive director of the Company.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company purchased a total of 2,856,000 Shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD27,771,750.28 in February 2016. All the purchased Shares were cancelled in March 2016.

Date	Number of Shares purchased	Purchase price per Share		Total purchase price paid (HKD)
		Highest (HKD)	Lowest (HKD)	
12 February 2016	1,391,000	9.37	9.32	12,991,120.18
25 February 2016	1,465,000	10.30	9.93	14,780,630.10
Total	2,856,000	—	—	27,771,750.28

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares during the Reporting Period.

REVIEW OF INTERIM RESULTS

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

The interim results of the Company for the Reporting Period are unaudited but have been reviewed by the Audit Committee of the Company. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

COMPLIANCE WITH THE CG CODE

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Guo Guangchang (*Chairman*)
Liang Xinjun (*Vice Chairman and Chief Executive Officer*)
Wang Qunbin (*President*)
Ding Guoqi
Qin Xuetang
Chen Qiyu
Xu Xiaoliang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhang Shengman
Zhang Huaqiao
David T. Zhang
Yang Chao

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Sze Mei Ming

AUTHORIZED REPRESENTATIVES

Ding Guoqi
Qin Xuetang

AUDITORS

Ernst & Young

LEGAL ADVISOR AS TO HONG KONG LAW

King & Wood Mallesons

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Room 808, ICBC Tower
3 Garden Road
Central
Hong Kong

SHARE REGISTRAR

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

STOCK CODE

00656

WEBSITE

<http://www.fosun.com>

Formula

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

Abbreviations

2015 Award	the grant of 4,620,000 award shares to 71 selected participants in 2015 under the Share Award Scheme
the Board	the board of Directors
BONA	Bona Film Group Limited
Cainiao	Cainiao Network Technology Co., Ltd.
Carlyle-Fosun	Fosun - Carlyle (Shanghai) Equity Investment Fund L.P.
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chuangfu Finance Leasing	Great China Finance Leasing Co., Ltd.
Club Med	Club Med SAS (formerly known as Club Méditerranée SA)
CMF	China Momentum Fund, L.P.
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade - Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência - Companhia de Seguros, S.A. (formerly known as Cares - Companhia de Seguros, S.A.)
Focus Media	Focus Media Information Technology Co., Ltd. (formerly known as Hedy Holding Co., Ltd.), a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 002027)
Folli Follie	Folli Follie Group, a company listed on the Athens Stock Exchange with stock code FFGRP
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.)
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Eurasia Capital	Fosun Eurasia Capital Limited Liability Company
Fosun Finance Company	Shanghai Fosun High Technology Group Finance Co., Ltd.
Fosun Hani Securities	Fosun Hani Securities Limited (formerly known as Hani Securities (H.K.) Limited)
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assistência
Fosun International Holdings	Fosun International Holdings Ltd.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosunling	Shanghai Fosunling Asset Management Ltd.
GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
H&A	Hauck & Aufhäuser Privatbankiers KGaA
Hainan Mining	Hainan Mining Co., Ltd., a company whose A shares are listed on the SSE with stock code 601969

Hangzhou Financial Investment Leasing	Hangzhou Financial Investment Leasing Co., Ltd.
HKD	Hong Kong dollars, the official currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
Ironshore	Ironshore Inc.
JPY	Japanese yen, the official currency of Japan
KUYI	Kuyi International Travel Agency (Shanghai) Co., Ltd.
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE - SGPS, SA), a company listed on the Euronext Lisbon with stock code LUZ
MIG	Meadowbrook Insurance Group, Inc.
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.
Mybank	Zhejiang E-Commerce Bank Co., Ltd.
NEEQ	National Equities Exchange and Quotations
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica-Fosun China Opportunity Fund	Pramerica - Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd
PRC or China	the People's Republic of China
Reporting Period	the six months ended 30 June 2016
Resolution Property	Resolution Property Investment Management LLP
Resource Property	Shanghai Resource Property Consultancy Co., Ltd., a company listed on NEEQ with stock code 833517
RMB	Renminbi, the official currency of the PRC
ROC	Roc Oil Company Limited
Sanyuan Foods	Beijing Sanyuan Foods Co. Ltd., a company whose A shares are listed on the SSE with stock code 600429
SFO	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	the share(s) of the Company
Share Award Scheme	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time
Share Option Scheme	the share option scheme of the Company adopted on 19 June 2007
Silver Cross	Silver Cross Nurseries Limited
Sinopharm	Sinopharm Group Co. Ltd., a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099
SSE	the Shanghai Stock Exchange
Star Capital	Shanghai Star Equity Investment L.P.
Starcastle Senior Living	Shanghai Starcastle Senior Living Co., Ltd.
Studio 8	Studio 8, LLC
Thomas Cook	Thomas Cook Group plc
USD	United States dollars, the official 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 SSE with stock code 600655
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd., a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01818
Zhejiang Growth Fund	Hangzhou Zhejiang Momentum Equity Investment Fund Partnership LLP
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

FOSUN 复星