FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL SUMMARY

	For the year ended 31 December	
In RMB million	**2014**	2013
Revenue	**61,738.4**	51,016.9
Integrated Finance	**9,016.2**	816.8
Insurance	**7,867.6**	276.8
Investment	**700.5**	96.5
Asset Management	**446.1**	443.5
Banking and Other Financial Business	**2.0**	-
Industrial Operation	**52,948.6**	50,666.0
Health	**11,938.2**	9,921.5
Happy Lifestyle	**-**	-
Steel	**27,272.0**	26,425.3

Property Development and Sales	**12,149.2**	11,664.8
Resources	**1,589.2**	2,654.4
Eliminations	**(226.4)**	(465.9)
Profit attributable to owners of the parent	**6,853.9**	5,518.9
Integrated Finance	**3,577.2**	1,936.9
Insurance	**1,148.7**	523.6
Investment	**2,055.6**	1,301.3
Asset Management	**276.1**	51.0
Banking and Other Financial Business	**96.8**	61.0
Industrial Operation	**4,506.7**	4,255.2
Health	**1,064.4**	818.1
Happy Lifestyle	**473.5**	332.2
Steel	**280.0**	415.5
Property Development and Sales	**2,516.6**	2,087.0
Resources	**172.2**	602.4
Unallocated expenses	**(1,015.2)**	(525.4)
Eliminations	**(214.8)**	(147.8)
Earnings per share – basic *(in RMB)*	**1.02**	0.86
Earnings per share – diluted *(in RMB)*	**0.99**	0.86
Dividend per share *(in HKD)*	**0.17**	0.15

CHAIRMAN'S STATEMENT

The world will be different because of Fosun. Life will become better because of Fosun.

To all shareholders of Fosun:

Thank you for your trust in Fosun all these years!

With our "insurance + investment" twin-driver core strategy, Fosun has accomplished major improvements on both the financing-end and asset-end as well as the optimization of our overall asset structure. Our twin-driver empowered by the "Insurance-oriented Comprehensive Financial Capability" and "Global Industrial Integration Capability Taking Roots in China" has been continually strengthened and we have established competitive advantages, like all other world-class investment groups.

Let us start by discussing our performance. As at 31 December 2014, all major financial indicators of Fosun for the year achieved significant improvements, of which equity attributable to owners of the parent recorded RMB49.408 billion, representing an increase of 24.7% from the end of 2013. Profit attributable to owners of the parent for the year reached RMB6.854 billion, representing an increase of 24.2% from the same period in 2013. As such, the Board has resolved to recommend the payment of a final dividend of HKD0.17 per ordinary share for the year ended 31 December 2014.

I wish to emphasize that capitalizing on market opportunities and leveraging on our capabilities accumulated over the years, the record-high results for 2014 is expected to signal the beginning of Fosun's even more rapid growth in the future. Fosun has undeniably entered a high-growth superhighway.

As a professional investment group, we have been considering three issues: one is how to persistently secure the supply of stable, long-term and low-cost capital while optimizing and innovating our financing-end; second is how to continuously strengthen our investment-end and enhance our return on assets while identifying opportunities from mismatches in different asset classes around the world as we adhere to our value investing principle; third is to strike a good balance between risk and growth, achieving stable and persistent growth as our only objective.

Fosun's performance on the financing-end was outstanding in 2014.

Insurance: Insurance is the most important business segment for Fosun. In 2014, profit from the insurance segment grew significantly, and the scale of insurance float surpassed the RMB100 billion (attributable investible assets at RMB79.8 billion). Benefiting from the contribution of a large scale of insurance float, ROIC-WACC (after adjustment)[Note] and capital employed (after adjustment) started to widen, economic value added ("**EVA**") of investible assets continued to enlarge and it is expected to become a critical growth engine for Fosun in the future.

We continued to speed up our development of Yong'an P&C Insurance, Pramerica Fosun Life Insurance and Peak Reinsurance. In May 2014, we completed our acquisition of 80% interest in Fosun Insurance Portugal (comprising the three insurance companies namely Fidelidade, Multicare and Cares), the leading insurer in Portugal with a 30% local market share, at a consideration of EUR1.038 billion and at a price-to-book ratio of approximately 1.0 time. In early 2015, Fosun further increased its equity interest in Fidelidade to 84.986%. This is one of the most important acquisitions for Fosun over the last 23 years, adding more than EUR13 billion of new total assets to the Group, in excess of EUR12 billion of investible assets. Applying the same strategy, since the second half of 2014, Fosun has invested in the global insurer Ironshore, which specializes in specialty insurance, and an US P&C insurer MIG which has rich experiences in labor insurance businesses.

As at 31 December 2014, the assets of insurance segment under management by Fosun exceeded RMB113.085 billion, comprising 34.8% of the Group's total assets. Upon completion of the Ironshore and MIG transactions, this proportion and scale are expected to climb up further.

Insurance has become the most important segment for Fosun and has exerted a fundamental impact on the overall business operation and profit generation for the Group. In 2014, the operating revenue from the insurance segment hit RMB7.868 billion, up 2,742.3% year-on-year, and contributed to 12.7% of the Group's total revenue. Profit attributable to owners of the parent generated from the insurance segment stood at RMB1.149 billion, up 119.4% and contributed to 16.8% of the Group's profit attributable to owners of the parent. Fosun's ratio of net debt over

Note: ROIC-WACC (after adjustment) = adjusted return on invested capital（adjusted ROIC) - adjusted weighted average cost of capital (adjusted WACC） shareholder equity declined to 73.3% in 2014 from 86.0% in 2013, and it is anticipated that it will decline stably in the future.

Reaping benefits from the rapid development of our insurance business, Fosun saw simultaneous growth in both its ROIC-WACC (after adjustment) and capital employed (after adjustment). The EVA profit growth model (the adjusted ROIC-WACC x the adjusted investible capital) is expected to evolve into a critical engine for Fosun's growth in the future. Fosun's attributable investible assets generated from the insurance segment reached RMB79.809 billion in 2014, up 1,355.6% year-on-year. Thus, the investible capital (after adjustment) was also increased to RMB214.703 billion, up 57.2% year-on-year. Meanwhile, the ROIC-WACC (after adjustment) reached 2.2% in 2014, up 0.6 percentage point year-on-year. In the future, as insurance assets eligible for consolidation for the year expands, the ROIC-WACC (after adjustment) and investible capital (after adjustment) is expected to continue to increase, so EVA generation is also expected to expand.

Thanks to the efforts made by the insurance business team and the rapid, profound and persistent impact of Fosun's investment capabilities on the return on assets of the invested insurance enterprises, the invested insurance enterprises saw their premium income and return on assets grow rapidly and healthily. Taking Fosun Insurance Portugal as an example, its consolidated return on assets climbed to 8.4% in 2014 from 4.3% in 2013. For the domestic invested insurance enterprise, Yong'an P&C Insurance, its consolidated return on assets also climbed to 12.6% in 2014 from 5.4% in 2013.

It is worth mentioning that we have not achieved the increased return on assets as a result of any aggressive asset allocation that we have adopted. In fact we had been a bit biased towards the conservative end. For instance, 81.3% of Fidelidade's assets were allocated to fixed income investments and cash last year. Only the remaining 18.7% were appropriated to equity and infrastructure real estate assets.

The persistent low interest environment in the US, Europe and Japan made the liability-end of insurance institutions relatively secure. Leveraging Fosun's globalized and professional insurance operations and investment teams, we envisage emergence of more opportunities in investing in local leading insurance institutions at reasonable prices and expanding our insurance assets in coming years. We also strive to discover more innovative models when making our investments. On top of generally investing in insurance companies, it is expected that we will participate in investments in Run-

Off insurance assets in near future, focusing our edge in the light-asset investment model.

Fosun's performance on the investment-end was equally outstanding in 2014.

Investment: We focused on planning our ecosystem for the healthcare and happy & fashionable lifestyle, continue to take roots on the China's growth momentum and participate in consolidation of industries around the world through our core platforms.

In the past we had been repeatedly saying that Fosun is an investor taking roots in China with deep industrial management capabilities. That was because we had the ability to develop businesses from scratch (such as the pharmaceuticals and properties businesses in the past and the senior living and care business lately). We have the capability in distinguishing who the strongest and best participant in an industry is. We invested in overseas enterprises and helped them realize rapid growth in China, implementing the true form of "Combining China's Growth Momentum with Global Resources". As an industrial investor, we have the capability in creating value and we have the highly recognized capability in investing at a reasonable price.

Now we are saying Fosun will adopt a more user-centric perspective, paying more attention to user experiences and needs, focusing more on the future detailed planning of an ecosystem for the two major needs of healthcare and happy & fashionable lifestyle that everybody likes and needs in the long-term and forever. We will proactively and thoughtfully plan our ecosystem and put great efforts in the global industrial integration. For instance, the ecosystem planning surrounding the five areas of the need for healthcare of the humankind, Fosun is currently engaged in the healthy environment, healthy nutrition, healthy way of living, to curing the sick: the pharmaceutical industrial chain (research and development, production, logistics, wholesale, retail), healthcare (training, hospitals), senior care and living and healthcare financial services.

Apart from insurance, I guess the most exciting investments we have made in the past year were the privatization of Chindex, our acquisition of the entire Luz Saúde healthcare group of Portugal, becoming a controlling shareholder of Studio 8, the privatization of Club Med and our investment in Thomas Cook which have just been concluded. These famous enterprises are all in the healthcare and happy & fashionable lifestyle industry ecosystem.

The healthcare and happy & fashionable lifestyle business achieved a revenue of RMB11.94 billion in 2014, up 20.3% year-on-year and contributed to 19.3% of the Group's total revenue. Profit attributable to owners of the parent reached RMB1.702 billion, up 53.6% year-on-year and contributed to 24.8% of the Group's profit attributable to owners of the parent. Net assets of the business reached RMB26.747 billion, up 19.5% year-on-year and contributed to 35.3% of the Group's net assets.

In the future, we will continue to make use of the core platform enterprises in which we have controlling interests, our established global capabilities, combining the rapid growth of the consumer market in China to actively participle in consolidation of industries around the world. Our healthcare industry consists of strong and industry-leading participants, including Fosun Pharma, Alma Lasers, Luz Saúde, United Family Hospital, Chancheng Hospital, Multicare Healthcare Insurance, all of which we have controlling interests in. We are also joint venture partners in Sinopharm, Starcastle Senior Living and Pramerica Fosun Life Insurance. Enterprises on our happy & fashionable lifestyle industry platform include strong and industry leading players including Yuyuan, tourism destination enterprises such as Club Med, Atlantis in Sanya, the creative film producer Studio 8, etc. Earlier this year, we put particular emphasis on supporting participation of these platform enterprises in consolidation of industries around the world. We seek to bridge the value mismatches between the robust China's consumption momentum and these brands and services valued by customers around the world. We seek to integrate resources, meet the need for better lifestyle from customers around the world, especially those in China, with the best products and services, building a healthcare and happy & fashionable lifestyle ecosystem that is based on the China's growth momentum and the capability of integrating industries around the world.

This focus strategy can be accumulated rapidly and we see our user count grow rapidly, achieving successes in both riding on the momentum and gaining territories. The vast financial market in China has enabled many industry leading enterprises focusing on local businesses to become the world's top 10 in terms of market capitalization. China's massive consumption will become the world's largest or second largest in middle class lifestyle driven consumption. China's local industry leading enterprises in this domain will also be included the world's top 10 enterprises in terms of market capitalization in the sector. Our ambition is to work hard and become the industry-leading enterprise in the healthcare and happy & fashionable lifestyle industries and the leading enterprise in these two industries with our capabilities in deep integration globally.

Fosun's performance in optimizing its asset structure in 2014 deserves special mention.

Asset allocation: the integrated finance, healthcare and happy & fashionable lifestyle segment assets of high growth and weak cyclicality have taken over the dominant position.

Following years of determined transformation, our integrated financial segment assets expanded rapidly. Apart from the afore-mentioned growing insurance assets, we acquired Hong Kong Hani Securities last year, invested in 2 financial leasing companies, i.e. Chuangfu Financial Leasing and Hangzhou Financial Investment Leasing. Ali Small Loan, which we had participated in its establishment and operation for many years, has become a showcase model of clientele expansion driven by scalable internet financial services. It was selected by the China Banking Regulatory Commission officially as one of the main co-founders of the internet commercial bank "Zhejiang Internet Commerce Banking Co., Ltd." We have recently announced that the Group has collaborated with Fidelidade to invest EUR59.14 million to increase our interests in RHJI (which wholly owns BHF-Bank, one of the largest independent private banks in Germany and the Kleinwort Benson specialized in commercial banking with deep heritage in the United Kingdom). Upon receiving approval from the relevant regulatory authorities, Fosun's indirect interest in Kleinwort Benson will increase from 19.49% to 28.61%, enabling us to bring to customers in China the world's best-in-class private banking services and allow the invested enterprises to reap benefits from prosperity and growth of the financial market in China.

The growth in integrated financial businesses, together with the previously mentioned healthcare and happy & fashionable lifestyle businesses, constitute two segments of high growth and weak cyclicality. These two segments achieved the revenue of RMB 209.54 billion in 2014, up 95.1% year-on-year and contributed to 33.9% of the Group's total revenue. Profit attributable to the owners of the parent was RMB5.279 billion, up 73.4% and contributed to 77.0% of the Group's profit attributable to owners of the parent.

In 2014 Fosun placed a lot of efforts in increasing industry synergies, cross-industry innovation and unrelenting integration with the Internet. There were many highlights:

Innovation: Building on the Hive City foundation, we developed the "Insurance + Industry + Hive 1+1+1" product cross-industry integration closed loop, instilling unique competitiveness to our healthcare and happy & fashionable lifestyle industries, insurance and finance, logistics and commodities and hive properties. We had been relentlessly integrating mobile Internet into ourselves and had become one of the largest investors in the industry. We had been pursuing O2O transformation across all fronts, established user terminals and enterprise clouds vigorously, pursuing transformation of the vast offline users to internet users.

The "Insurance + Industry + Hive 1+1+1" cross-industry integration innovation closed loop

Leveraging on our established capabilities in healthcare and happy & fashionable lifestyle, logistics and commodity industries, we encouraged cross-industry integration and proactively promoted connection of industries with insurance and finance, capabilities of creating environment that facilitated integration of industries and insurance into hive cities, creating one cross-industry integration operation platform unique to Fosun after another.

In 2014, Fosun placed great efforts in pursuing the establishment and development of Hive cities and sped up the transformation and upgrading of traditional property businesses. Hive cities is a product integrating Fosun's industrial resources to assist local governments in the construction of core urban functions, with a key feature of "industry-backed urban development and urban-industry integration". Through providing core urban functions required by the cities, Fosun is able to take a lead in introducing its core industrial resources and to further introduce ancillary industries that support the core industries, with a view to promoting "Urban-Industry integration" by establishing a 24-hour plus 3-in-1 vibrant community for work, consumption and living, as well as introducing living and consumption services industries. The Hive Community products, therefore, provide clear and distinctive functions with active dispersal of peripheral services. They also provide adequate and diverse job opportunities through forming functional communities that drive employment by industries (no more dormant cities, ghost cities). As such, a new model of communities which is self-sufficient and built with flexible combination of modules comprising different functions are established.

As at 31 December 2014, we, together with our managed funds and investees, launched a total of 12 hive cities in 5 major categories, with total construction areas for hive cities exceeding 4.7 million sqm. We have tried to incorporate multi-industry operations in our hive cities, including the healthcare hive, culture & entertainment, travel & leisure, logistics & trade and financial services.

As for Fosun's travel & leisure hive project in Sanya, Hainan, the world's third Atlantis hotel that integrates tourism, properties and financial industries, the total construction area around 510,000 sqm. By the end of 2014, we already invested RMB2.35 billion in the project. The construction work has been progressing smoothly and is expected to be completed by the end of 2016. It is expected to become the benchmarking product as a 3.0 upgrade version of tourism resort in Hainan. Meanwhile, we have also facilitated the cooperation of Starcastle Senior Living, Forte, Pramerica Fosun Life Insurance in the Shanghai Starcastle Zhonghuan Community, in establishing a senior living community of the highest quality in Shanghai with medical and senior care services. Furthermore, Fosun will also make use of its "Fosun healthcare + Insurance + Leasing + StarHealth Hive" cross-industrial integration model to promote a countrywide healthcare and senior care system. It will launch a pilot scheme of "Club Med + Insurance + Overseas properties" cross-industrial integration to promote development of tourism destinations around the world on both a sale or rental basis. It will also launch a pilot scheme of the "Overseas properties + Insurance + Industry (rental by function)" cross industrial integration model to promote office properties ownership around the world.

In the future, with the healthcare, happy & fashionable lifestyle products as the core, through integration of insurance funds and our property development capability, we seek to launch our products or services to the market to achieve and duplicate our rapid growth. We are seeing integration of our advantages in these three areas including "Insurance + Industry + Hive 1 + 1 + 1", which when integrated with Fosun's global resources, will establish a competitive ecosystem close loop unique to Fosun.

We had not been lagging behind the mobile Internet innovation trend.

The mobile Internet, with its vast user base, accessibility, connectivity with the rapidly developing Internet of the Things, has caused everything around us to change. We firmly believe that mobile Internet will allow the Chinese market to perform on par, if not better, than the US market. Mobile Internet will force every traditional industry to make a choice between pursuing full integration into mobile Internet, or to delineate completely from the mobile Internet. Every industry is focused to find an ultimate way of survival under the mobile Internet environment.

In 2014, our Internet investment team and venture capital platform continued to focus on innovations on traditional industries brought about by mobile Internet and mobile Internet related technologies (Internet Plus), persisting in "first or unique in the industry" as the guideline in identifying projects. Its existing investment portfolio has already covered digital healthcare, Internet finance, Internet tourism, online education, mobile social industries, etc. Our showcase projects including Ali Small Loan, Perfect World, Linekong Interactive, guahao.com, Ali's Dream Castle and My Money, etc. As at 31 December 2014, Fosun has invested HKD836 million in the venture capital area, and more than USD500 million in the entire Internet area over the year.

Going forward, we are very eager to help connect traditional industries with mobile Internet and we have proactively pursued connection of Yong'an P&C Insurance, Great China Financial Leasing and Internet P2P business for a pilot P2P Internet financial leasing program under credit insurance; applying O2O app in novel scenarios, e.g. guahao.com + Fosun Pharmacy. We are fully prepared to promote Internet financial services based on real-world logistics and warehousing control and connecting with the Internet, such as "Hainan Mining + Finance + Internet Ore Trading Platform + Logistics", "Nanjing Steel + Finance + Internet Steel Trading Platform + Logistics", "Yuyuan Gold + Finance + Internet Gold Trading Platform", "ROC + Finance + Internet Oil Product Trading Platform + Logistics". Accordingly, we have invested heavily in medical cold chain logistics, participated in Cainiao Logistics, commissioned construction of Tianmao Logistics cities, and established cold chain logistics, etc. In the future, we will further promote industries integrating Internet and finance for upgrading and transformation to create a model of "Industry + Investment + Finance + Internet", e.g. environmental transformation of "Nanjing Steel + Environmental Investment + Insurance + Leasing".

In 2014, Fosun persistently implemented its "Mobile Fosun" strategy and successfully developed its instant chatting & communications apps/system, namely "Fosun Chat". Fosun also actively explored its O2O business. Fosun wishes to fully promote and establish its "Cloud + Terminal" within the organization based on this system. Through developing mobile Internet technologies and adopting a mobile Internet mentality and methodologies, Fosun can integrate and survive in mobile Internet era by upgrading and transforming all Fosun staff, businesses and systems with mobile internet technologies. Historically Fosun and its invested enterprises have accumulated a large quantity of offline customers, up to and over several hundred millions. We encourage every enterprise to develop user terminals and improve our product and user experiences, facilitating more frequent transactions among the offline customer results, and getting connected and transformed into online users. With its unreserved integration with mobile internet, Fosun will not be lagging behind the Internet and mobile Internet innovation trend. You will see Fosun on the cutting edge of mobile Internet and Internet of the Things in the future.

Adhering to investment discipline: persist in value investing, dancing with cyclicality on the value floor

What I want to share with you all is the most important principle of Fosun – adhering to the basic logic and discipline of value investing. I have a feeling that investment is always like exploring the dark. Darkness stems from our greed and fear that shield the wisdom deep in our heart. How to avoid our heart being shielded by darkness? I guess we have to impose stringent requirements on ourselves. That is why Fosun has chosen to adhere to value investing, persisted in dancing with cyclicality on the value floor.

There are two concepts: one is discipline. Firstly, we need to adhere to value investing, investing for the long term. Fosun needs to be keen on the long term growth of its enterprises and emphasize on the services and value creation we can provide for its enterprises. Secondly, Fosun will adjust itself with the economic cycle. Although communication has become more transparent with the emergence of the internet, I believe that the Internet can never change human nature. I believe that market mismatch opportunities will emerge because of the very existence of human beings. Yet it is not easy to identify these market opportunities swiftly. Similarly, it will be equally difficult to adhere to discipline forever and with strength. That is why we need to persistently apply the most stringent investment discipline on ourselves. We need to learn day after day, accumulate and improve day in day out. Through spiritual training, we will be stronger. We will see ourselves improve to the next level. I hope myself and Fosun are such a self-trainer who will persist in learning, accumulation and improve.

Last of all, I wish to extend by heartfelt gratitude to all of you. Fosun’s successes are indispensable from the trust and support from all shareholders and the society, and the hard work of everyone working in Fosun. Allow me to extend my heartfelt gratitude to all shareholders, members of the board of directors, the entrepreneurial team of Fosun, all staff members and all cooperation partners for your unreserved support.

In 2015, we will move forward.

In 2015, we believe that the world will be different because of Fosun. Life will become better because of Fosun.

Guo Guangchang
25 March 2015

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 RMB49,408.4 million, representing an increase of 24.7% from the end of 2013. During the Reporting Period, profit attributable to owners of the parent of the Group amounted to RMB6,853.9 million, representing an increase of 24.2% over the same period of 2013.

ASSET ALLOCATION OF THE GROUP

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

Unit: RMB million

Segment	Total assets in 2014（As at 31 December 2014）	Total assets in 2013（As at 31 December 2013）	Change over the same period last year
Integrated Finance	**162,728.5**	42,439.8	283.4%
Insurance	**113,085.3**	5,448.1	1,975.7%
Investment	**40,295.1**	30,699.6	31.3%
Asset Management	**4,360.8**	3,139.7	38.9%
Banking and Other Financial Business	**4,987.3**	3,152.4	58.2%
Industrial Operation	**174,378.9**	146,620.6	18.9%
Health	**35,280.9**	29,419.0	19.9%
Happy Lifestyle	**7,406.3**	3,685.2	101.0%
Steel	**43,533.3**	40,212.2	8.3%
Property Development and Sales	**78,803.6**	68,492.2	15.1%
Resources	**9,354.8**	4,812.0	94.4%
Eliminations	**(12,274.6)**	(5,936.5)	106.8%
Total	**324,832.8**	183,123.9	77.4%

Integrated Finance

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

INSURANCE

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

The Group 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 business cores in the future.

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	7,867.6	276.8	+2,742.3%
Profit attributable to owners of the parent	1,148.7	523.6	+119.4%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of insurance segment were mainly attributable to the Group's acquisition of Fosun Insurance Portugal (Fidelidade, Multicare and Cares)'s 80% stake in May 2014.

With the expansion of the proportion of insurance premium, the debt structure of the Group was also optimized simultaneously. The net debt ratio (net debt/equity) declined by 12.7 percentage points on a year-on-year basis. The adjusted capital employed of the Group increased by 57.2% on a year-on-year basis. The adjusted weighted average cost of capital dropped by 1.1 percentage points on a year-on-year basis. The adjusted ROIC-WACC increased by 0.6 percentage points on a year-on-year basis. Accordingly, the corporate economic value added (EVA) increased by 120.5% on a year-on-year basis.

Fosun Insurance Portugal

In May 2014, the Fosun Group completed the acquisition of Fosun Insurance Portugal (Fidelidade, Multicare and Cares)'s 80% equity interest. Fosun Insurance Portugal is a global operator in the Portuguese insurance market, selling all major kinds of insurance products and benefiting from the largest and most diversified insurance sales network in Portugal.

During the Reporting Period, Fosun Insurance Portugal maintained its leading position in the domestic market, net profit attributable to owners of parent reached RMB865.9 million. Its investible assets totalled Euro12,399.9 million, the Non-life business net combined ratio was 99.9% and the total returns on investment reached 8.4%. The gross premium income reached RMB31,202 million.

International business of Fosun Insurance Portugal continues to reveal stability in more mature markets (e.g. Spain, France), but also has a strong growth in Africa, reaching Euro173 million in international business insurance premiums, an increase of 80% when compared to the corresponding period of last year, mainly attributable to the strong performance of Universal Seguros S.A., a subsidiary of Fidelidade in Angola, and the completion of the acquisition of Garantia-Companhia de Seguros de Cabo Verde, S.A., the leading insurer in Cape Verde, in the first half of 2014. Fosun Insurance Portugal is now proceeding with the setup of two new branches, both life and non-life insurance, in Mozambique.

Fosun Insurance Portugal's strong positioning and levels of service in the Portuguese market, reinforced by the launch of the new brand last year, allowed Fosun Insurance Portugal to win several distinguishing awards, such as Marca Confiança 2014 (2014 Most Trusted Brand), Marktest Reputation Index 2014 and Prémios Marketeer – Seguradora 2014 (Marketeer Award – Insurance 2014), becoming the most awarded insurance company in Portugal in 2014. Fosun Insurance Portugal continues to work actively with the Group's teams in the investment management area in order to benefit from Fosun strong expertise and obtain better returns with prudent and responsible investment strategy.

In January 2015, the Company's equity interest in Fidelidade increased to 84.986%.

Fosun Insurance Portugal Investment Portfolio - Asset Allocation:

Asset Type	Book Value as at 31 December 2014	Book Value as at 31 December 2013	Total Returns on Investment from 1 January to 31 December 2014
Fixed maturity investments	78.3%	88.5%	8.0%
Equity investments	10.4%	4.5%	14.6%
Infrastructure investments and Investment properties	8.2%	4.9%	13.8%
Cash, cash equivalents and others	3.1%	2.1%	9.3%
Total	100%	100%	8.4%

Calculation method: Total returns on investment = (Incomes + realized gains & losses + impairments + unrealized gains and losses)/average investible assets.

Yong'an P&C Insurance

During the Reporting Period, Yong'an P&C Insurance had gross premium income of RMB6,994.0 million. Net profit was RMB635.7 million, up 635.0% on a year-on-year basis. Yong'an P&C Insurance had investable assets of RMB9.52 billion, combined ratio reduced from 106.7% at the end of 2013 to 99.1%, total returns on investment was 12.59%. Yong'an P&C Insurance has taken the initiative to promote adjustment and transformation in 2014. It has eliminated certain less efficient businesses and optimized business portfolio from its own initiative, the proportion of automobile insurance in total premium income reduced from 80.1% at the end of 2013 to 79.1%; increased per capita production capacity; reduced the claim settlement cost; and enhanced innovative development to actively explore Internet applications.

Pramerica Fosun Life Insurance

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

During the Reporting Period, the annualized premium income and the total premium of Pramerica Fosun Life Insurance reached RMB 57 million and RMB 301 million respectively (both including universal insurance policyholders' deposits). As of 31 December 2014, Pramerica Fosun Life Insurance had a solvency adequacy ratio at 1,471.6% and investable assets of RMB 483 million, the total returns on investment reached 8.7%, the gross premium income reached RMB42 million.

Peak Reinsurance

The Company owns 85.1% equity interest in Peak Reinsurance, while International Finance Corporation owns the remaining 14.9% equity interest. During the Reporting Period, Peak Reinsurance broadened it lines of offering to include credit & surety business, and continued to develop its business and brand globally. Peak Reinsurance has served 175 customers in 30 markets around the world. As at 31 December 2014, Peak Reinsurance's gross premium income was USD288.1 million, compared to USD103.2 million for the same period last year; solvency ratio was 1,555%, technical combined ratio was 92.2%, investable assets were USD781.5 million; and total return on investment was 6.6%.

Ironshore

In August 2014, the Group entered into the equity purchase agreement with Ironshore. Ironshore is a global insurance company specialized in specialty insurance with a global operation platform and has business capabilities in Bermuda, United States, Lloyd's and has international business. Its management team also has an 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. The acquisition will further expand the Group's insurance business and enhance the Group's capability to access long-term high-quality capital. At the beginning of 2015, The Group completed its acquisition of 20% of the total outstanding ordinary shares of Ironshore (on a fully diluted basis) at the price of USD16.62 per share for a total consideration of USD466.6million.

MIG

In December 2014 the Group entered into a merger agreement with MIG, the purchase price was USD8.65 per share in cash, representing an aggregate transaction value of approximately USD433 million to acquire 100% stake of MIG. MIG is a professional property and casualty insurer and insurance administration services company focused on specialty niche markets. MIG markets and underwrites specialty property and casualty insurance programs and products on both an admitted and non-admitted basis through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agencies, that values service, has specialized knowledge and focused expertise. The acquisition is currently in the progress of obtaining regulatory approval.

INVESTMENT

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

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	700.5	96.5	+625.9%
Profit attributable to owners of the parent	2,055.6	1,301.3	+58.0%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of investment segment were mainly attributable to the Group's expansion in investment scale and increase in investment income.

Strategic Investment

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

Focus Media

Focus Media is an important investment of the Group in the culture and media industry. At the end of December 2012, the Group joined a privatization consortium for a leveraged buyout of Focus Media, and jointly issued a formal offer. Privatization and delisting of Focus Media were successfully completed at the end of May 2013.

The Group holds 17.41% of the equity interest in the new holding company, and is entitled to a board seat. The fact that the Group participated in the privatization of Focus Media and remains as one of the significant shareholders of Focus Media reflects its support to Focus Media and its management team. In this mobile internet era, Focus Media capitalizes on its in-depth understanding of advertising and its insights into the consumer landscape and uses its mobile internet technology that integrates offline with online information to target the 200 million most commercially valuable customers as its driver of brand sales. Focus Media strives to build an O2O portal with an offline big data, aiming to be an important player of mobile internet portal.

Cainiao

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

As of 31 December 2014, Cainiao had commenced construction for 9 projects with a total area of approximately 1,100,000 sq. m. and completed 3 projects in Tianjin, Jinyi, Zhejiang and Haining, Zhejiang. In addition, 8 projects were signed and launched in Guangdong, Jiangsu, Hubei, Shaanxi and Sichuan.

Zhongshan Public Utilities

In August 2014, the Group acquired 13% of the total share capital of Zhongshan Public Utilities at the price of RMB10.52 per share for a total consideration approximately of RMB1.06 billion. Zhongshan Public Utilities, being an industry-leading professional integrated environmental protection enterprise, has extensive investment and operation experience and specialized skill in environmental protection water related assets. This acquisition will further expand the Group's environmental protection water business, the Group hopes to accelerate its development in the environmental protection industry while assisting in the expansion and strengthening of Zhongshan Public Utilities.

Lloyds Chambers of London

In October 2013, the Group purchased Lloyds Chambers of London with its partner at a purchase price of GBP64.5 million. The project located at 1 Portsoken Street E1 in the financial district of London. Lloyds Chambers of London has a sound financing, taxation, property management and corporate governance structure. Its annual rental income for 2014 was GBP7.2 million and profit was GBP4.6 million. Asset management of the project is being implemented in accordance with the business plan and progress has been achieved in value enhancement.

28 Liberty (formerly known as One Chase Manhattan Plaza of New York)

In December 2013, the Group completed the acquisition of 28 Liberty, freehold for investment purposes at a purchase price of USD725 million. 28 Liberty, located in the Financial District of Lower Manhattan of New York, is a 60-storey Grade A office building landmark with a leasable area of 2,215,000 sq.ft. As of 31 December 2014, the rental revenue of the project amounted to USD95 million. One Chase Manhattan Plaza has been rebranded as 28 Liberty with immediate effect as part of a comprehensive repositioning program for the building in January 2015.

Shanjiaowulin

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

During the Reporting Period, Shanjiaowulin produced a total of 993.5 thousand tonnes of coke and 88.0 thousand tonnes of methanol, and achieved total sales of coke of 993.4 thousand tonnes and methanol of 88.1 thousand tonnes, with an accumulated sales revenue of RMB1,187.2 million.

The main product of Shanjiaowulin is coke. Its principal production data was as follows:

	Output of coke ('000 tonnes)	Reserve volume[Note]
2014	993.5	722.3 million tonnes prime coking coal, fat coal
2013	892.1	722.3 million tonnes prime coking coal, fat coal
Change over the same period last year	11.37 %	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2014 was an estimated value.

Zhaojin Mining

Zhaojin Mining is a large conglomerate with exploration, mining, processing and smelting operations and focuses on the gold production business, with mine-produced gold as its main product. Zhaojin Mining is committed to maintaining strategic cooperation with local governments, large-scale geological exploration institutes and large enterprises. Through equity mergers and acquisitions as well as implementation of full-scale development strategies, it aims to seize high-quality resources and play a leading role in driving the industrial bases in Shandong, Xinjiang and Gansu. It also increased its efforts in resources integration in the periphery of industrial clusters, which has further enhanced the company's resource strength. Gold production of Zhaojin Mining during 2014 was 20.8 tonnes, representing an increase of 3.4% over the same period of last year and its sales revenue amounted to RMB6,134.0 million, representing a decrease of 5.6% over the same period of last year.

The main product of Zhaojin Mining is mine-produced gold. Its principal production data was as follows:

	Output of mine-produced gold (tonnes)	Gold ore resources reserve (tonnes) [Note]
2014	20.797	811.12
2013	20.111	791.35
Change over the same period last year	3.4%	

Note: Measured according to the Code of the Joint Ore Reserves Committee in Australia (JORC).

Sanyuan Foods

In February 2014, the Group and Fosun Chuanghong, a fund managed by the Group entered into a share subscription agreement with Sanyuan Foods regarding a private placement by Sanyuan Foods of A shares. Sanyuan Foods issued 306,278,713 ordinary A shares of Sanyuan Foods (the "**A Shares**") to the Group and Fosun Chuanghong at a subscription price of RMB6.53 per A Share through a private placement. The Group subscribed for 249,617,151 A Shares at a consideration of approximately RMB1.63 billion and Fosun Chuanghong subscribed for 56,661,562 A Shares at a consideration of approximately RMB370 million representing approximately 16.67% and 3.78%, respectively, of the enlarged number of issued shares of Sanyuan Foods. The private placement plan of Sanyuan Foods was approved by the China Securities Regulatory Commission in November 2014 and was completed in February 2015. Sanyuan Foods is a renowned dairy product brand in China famous for the quality and safety of its products and enjoys significant market advantage in Beijing and the peripheral areas. Fosun is optimistic about the prospects of dairy consumer goods in China.

PE/VC

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

St. John

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

Established in 1962, St. John is a famous US high-end womenswear brand renowned for its elegant design, excellent cutting and superior value.

St. John recruited its new global executive chairman and chief executive officer with the assistance of Fosun after its investment in St. John. Such recruitments helped strengthen the management team and operating standards of St. John. In the PRC market, Fosun also helped set up a Chinese team for St. John and it will continue to provide assistance to St. John in respect of store opening and brand promotions in the future.

For 2014 financial year (during the period from 1 Nov 2013 to 31 Oct 2014), St. John's 2014 sales revenue decreased by 12.3% comparing with the previous year, due to the weak US wholesale market and adverse weather conditions as well as the fact that the colours of St. John's winter and spring collections did not fully appeal to the customers. New designers have joined the company and new management staff have been recruited for purchasing, wholesaling and retailing departments to particularly strengthen product design, wholesale and retail network. The investment in St. John highly aligns with Fosun's investment philosophy. Fosun will assist St. John's operations at the global level and particularly help it expands its market in China, and aims at enhancing its global brand value by developing China's market.

Caruso

Caruso, an Italian luxury menswear manufacturer, was an overseas investment by the Group in September 2013 and also an important investment of the Group in the

European luxury goods industry. The Company indirectly holds 5.95% equity interest in Caruso while Pramerica- Fosun China Opportunity Fund, a fund managed by the Group, holds 29.05% of its equity interest.

As a leading luxury menswear manufacturer in Italy, Caruso has over 600 employees with an annual production of over 100,000 pieces of premium clothes, 10% of which are tailor-made suits for private clients. Caruso's self-owned branded products are sold worldwide through over 300 points of sale in multi-brand boutiques and department stores. Apart from sale of self-owned branded products, Caruso also provides quality OEM apparel services for various major international luxury brands. Caruso is the only company in the Italian fashion and luxury goods industry which has obtained ISO9001 certification. In November 2014, Caruso opened its first global flagship store on 58th Avenue in New York. During the Reporting Period, Caruso also signed a Letter of Intention with the Bund Finance Center, where Caruso's China flagship store will be located in 2016. In January 2015, Caruso's second global flagship was opened in Milan.

VC Investments

The Group has further enhanced the venture capital investments and strengthened the Fosun Kinzon Capital team this year. The Fosun Kinzon Capital team focus on startup to early growth stages projects relationship to Mobile-internet and O2O (including digital healthcare, internet finance, internet related real estate and automotive, internet education and on-line travel). The above actions are taken with a view to assisting the rapid development of invested companies by leveraging the Group's industry background and resources. As at 31 December 2014, the Fosun Kinzon Capital team has invested in 21 projects with total investment amount of approximately HKD836 million.

Secondary Market Investments

The Group's investments in the secondary market include Folli Follie, Perfect World, CNFC Fishery, etc.. For other investments in the secondary market, please refer to "Top 10 Secondary Market Holdings Held by the Group".

Folli Follie

Folli Follie, a globally renowned fashion retail group, was an overseas strategic investment of the Group in 2011. As at the end of September 2014, the Group held

9.96% equity interest and Pramerica-Fosun China Opportunity Fund, a fund managed by the Group, held 3.89% equity interest in Folli Follie, amounting to 13.85% equity interest in total.

During the Reporting Period, the sales revenue of Folli Follie for the first three quarters of 2014 amounted to Euro723.9 million, representing an increase of 13.4% over the same period of last year. Its EBITDA was Euro161.4 million, representing an increase of 26.9% over the same period of last year. The operating profit amounted to Euro146.6 million, representing an increase of 30.9% over the same period of last year. The sales of its core brand business increased by 11.7%, EBITDA increased by 22.1% and operating profit increased by 24.4%. As of the end of the third quarter of 2014, Folli Follie had 620 point of sales all over the world, of which nearly 220 were in China. The other two business segments of Folli Follie – wholesale/retail and department stores achieved growth of 26.3% and 11.1% respectively in sales revenue over the same period of last year.

In June 2014, Folli Follie announced that it successfully issued a 5-year term convertible bond for Euro249.5 million. The majority of the proceeds from the convertible bond will be used to repay bank loans so as to significantly reduce its finance costs. Stimulated by its outstanding performance, Folli Follie's share price in secondary market continued to soar in 2014, recording a growth of 12.8% for the whole year, significantly outperforming the overall Athens stock market.

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

Perfect World

The Group has invested in Perfect World since 2012. As at the end of the Reporting Period, the Group held 11.8% equity interest in Perfect World. Perfect World recorded net revenue of USD451.7 million from January to September of 2014, representing an increase of 30.65% over the same period of last year, with a net profit attributable to the shareholders of the listed company of USD68.3 million, representing an increase of 27.35% over the same period of last year.

CNFC Fishery

The Group and several investment funds managed by the Group entered into a share subscription contract with CNFC Fishery in August 2014 and entered into the supplementary agreement to share subscription contract with CNFC Fishery in March 2015 to subscribe for approximately 102 million shares at the price of RMB6.41 per share. After the completion of share issuance, the Group and investment funds will hold approximately 14.04% of the shares of CNFC Fishery. The oceanic aquatic products produced by CNFC Fishery are high-end healthy food products and the investment in CNFC Fishery is consistent with the Group's investment strategy.

Top 10 Secondary Market Holdings Held by the Group

No.	Stock Code	Stock Name	Treasure Stock	Percentage of total share capital	Currency	Closing Price as at 31 December 2014	Market Value as at 31 December 2014 (RMB)	Accounting Treatment
1	01988.HK	Minsheng Bank (H)[3]	784,405,800	2.30%	HKD	10.2	6,746,900,875	A
	600016.SH	Minsheng Bank (A)	40,000,000	0.12%	RMB	10.88		
2	01336.HK	New China Life Insurance (H)	32,598,200	1.04%	HKD	39.15	2,239,272,573	A
			39,907,100	1.28%				B
3	000685.SZ	Zhongshan Public Utilities	101,228,818	13.00%	RMB	22.23	2,250,316,624	B
4	601318.SH	Ping An (A)	3,350,000	0.04%	RMB	74.71	1,535,968,695	A
	02318.HK	Ping An (H)	12,506,818	0.14%	HKD	79.1		B
			8,097,318	0.09%				A
5	FFGRP.GA	Folli Follie	6,669,828	9.96%	EUR	26.4	1,312,807,838	A
6	CU.FP	Club Med	6,565,029	18.25%	EUR	25.1	1,228,550,378	A
7	XS1142380820	ICBC, perp.	99,000,000	-	EUR	1.03	947,349,878	B
	USY39656AA40		30,000,000	-	USD	1.02		
8	601888.SH	CITS	19,250,000	1.97%	RMB	44.4	854,700,000	A
9	PWRD.US	Pefect World	5,348,292	10.76%	USD	15.76	565,970,532	A
			520,614	1.05%				B
10	TTI.GY	Tom Tailor	6,028,050	23.16%	EUR	11.96	537,515,046	B

Notes：

(1) A : Equity investments at fair value through profit and loss; B: Available-for-sale investmnts

(2) The calculation range covers the stock investment and similar stock investment of the Group, excluding stock rights of the Group's subsidiaries and associate companies , stock invested by associate companies and funds.

(3) Including derivative interests of 390 million shares.

LP Investments

The Group made investment through capital contribution as a limited partner while proactively developing its asset management business. As of 31 December 2014, the

Group committed to contribute a total of RMB5,511.82 million (RMB382.8 million to be contributed by Forte), of which RMB4,490.61 million was actually contributed (RMB382.8 million was contributed by Forte to the real estate series funds of Forte).

ASSET MANAGEMENT

During the Reporting Period, the Group continuously expanded the asset management business by upholding the investment philosophy of value investment and "combining China's growth momentum with global resources" and consistently generated long term and stable returns for limited partners.

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

As at the end of the Reporting Period, the scale of the asset management business of the Group reached RMB41,420.19 million, of which RMB1,070.74 million was contributed by the Group through its commitment as a general partner and RMB4,441.09 million was contributed by the Group through its commitment as a limited partner. The management fee derived from the asset management business amounted to RMB464.26 million. In addition, during the Reporting Period, the asset management business of the Group invested in 15 new projects, and increased investments in 4 existing projects, with an accumulated investment of RMB9,645.7million.

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	446.1	443.5	+0.6%
Profit attributable to owners of the parent	276.1	51.0	+441.4%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of asset management segment were mainly attributable to the Group's acquisition of 98% equity interest in IDERA in May 2014.

IDERA

In May 2014, the Group completed its acquisition of 98% equity interest in IDERA, a Japanese real estate capital management company, for a consideration of JPY6.81 billion. Such investment is an important step of Fosun's pursuit of "insurance plus investment" strategy to build its global investment capability. IDERA is a leading Japanese independent real estate capital management and fund platform and as of the end of the Reporting Period, its assets under management ("**AUM**") was over JPY152.0 billion (approximately RMB7.81 billion). IDERA will become the real estate investment platform for Fosun in the Japanese market and will continue to provide outstanding real estate fund and asset management services for investors in Europe, the US, Asia, Middle East and Japan.

IDERA recorded an unaudited operating revenue of JPY2,300.9 million, net profit of JPY1,231.8 million and net asset book value of JPY8,511.1 million for the period from 1 April 2014 to 31 December 2014 according to the Japanese accounting standards.

Linekong Interactive

The Group completed its investment in Linekong Interactive, a leading mobile game developer and publisher in China, through a fund under its management in January 2014, thereby holding 14.15% equity interest in Linekong Interactive as of 31 December 2014.

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

BANKING AND OTHER FINANCIAL BUSINESS

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	2.0	-	/
Profit attributable to owners of the parent	96.8	61.0	58.7%

During the Reporting Period, the increase in the profit attributable to owners of the parent of banking and other financial business segment was mainly due to the operation result improvement of Fosun Finance Company.

RHJI

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

Founded in 1854, BHF-BANK is one of the largest independent private banks in Germany and its headquarters are located in Frankfurt, Germany. It provides private banking and asset management services to its clients. In addition, it has 12 affiliates in Abu Dhabi, Geneva, Luxembourg and Zurich with 1,072 employees. The major clients of BHF-BANK are high net worth and ultra high net worth individuals in Germany, especially active German family-run enterprises. The bank holds approximately Euro39.4 billion funds entrusted by its clients and can make investments around the world. Founded in 1961, Kleinwort Benson is an independently owned private bank providing advisory, wealth management and administration services to private clients and institutions from its offices in the UK, Channel Islands and Isle of Man. As a firm with a heritage established in merchant banking, Kleinwort Benson has been helping clients create, conserve and grow their wealth for over 200 years.

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

Fosun Finance Company

China Banking Regulatory Commission ("**CBRC**") granted Shanghai Fosun High Technology Group Finance Co., Ltd. ("**Fosun Finance Company**") the approval to commence operations in June 2011 and completed commercial registration procedure in Putuo District, Shanghai in July 2011 and officially commenced operations in September 2011.

Fosun Finance Company operated in a steady and sound manner in 2014 and achieved operating revenue of RMB164 million, net assets of RMB447 million and net profit after tax of RMB105 million (unaudited), representing a year-on-year increase of 100% over the last year. As of the end of 2014, Fosun Finance Company had 114 members in total, with deposits amounting to RMB3.5 billion and loans amounting to RMB2.03 billion.

Currently, Fosun Finance Company has obtained the loan and entrusted loan business qualification and the interbank lending market business qualification.

Zhejiang Internet Commerce Banking

The Group and other independent third parties received the official reply from China Banking Regulatory Commission in September 2014 to begin preparations for the establishment of Zhejiang Internet Commerce Banking Co., Ltd. (浙江網商銀行股份有限公司) ("**Zhejiang Internet Commerce Banking**") in Hangzhou, Zhejiang Province, the PRC. The reply approved the Group's founder qualification for acquiring shares equivalent to 25% of the total share capital of private banks. The establishment of Zhejiang Internet Commerce Banking is under preparation.

Hani Securities

Hani Securities (H.K.) Limited ("**Hani Securities**") is an overseas investment made by the Group in July 2014 and is also an important investment of the Group to acquire a financial platform in Hong Kong. The Company indirectly holds 100% equity interest in Hani Securities. The acquisition of Hani Securities is of significant importance to the implementation of the globalization strategy, the opening up of domestic and overseas funding channels at home and abroad and the enhancement of overseas assets management capability.

Hani Securities was established in 1987 and is a registered securities broker with a recognized license in Hong Kong to deal in securities on behalf of retail customers and corporate customers. Currently, it owns four types of securities business licenses: dealing in securities (Type 1), advising on securities (Type 4), advising on corporate finance (Type 6) and asset management (Type 9). During the Reporting Period, Hani Securities recorded operating revenue growth of 11.7% over the same period last year. The Group has started to participate in the Shanghai-Hong Kong Stock Connect through Hani Securities and has provided windows for the capital operation of Fosun's overseas assets such as Fosun Insurance Portugal, Peak Reinsurance and BHF-BANK in the capital market of Hong Kong.

Chuangfu Finance Leasing

Chuangfu Finance Leasing is engaged in automobile finance leasing for corporate and individual customers who need mid-high end automobile related financial services. As market leader in its field, the company maintains strategic collaborations with a number of high end automobile manufacturers and dealers such as BMW Automobile Finance, Audi and Mercedes Benz. In August 2013, the Company, through a subsidiary, acquired an equity stake in Chuangfu Finance Leasing. After completion of the acquisition in February 2014, the Company has a shareholding of 59.4% in

Chuangfu Finance Leasing. As of 31 December 2014, the scale of leasing assets of Chuangfu Finance Leasing amounted to RMB477million， representing a increase of 82.6% comparing to the same period of last year.

Hangzhou Financial Investment Leasing

Hangzhou Financial Investment Leasing Co., Ltd. is a financing leasing platform jointly established by the Group and Hangzhou Financial Investment Group in June 2013 with an initial registered capital of US$99 million and a positioning of providing finance optimization, financing and vendor marketing services to quality growth-based small and medium sized enterprises and public utility units. With strong financial and industry background of its shareholders, the company pays close attention to the needs of its customers, implements its differentiation strategy and makes full use of the unique functions of financing leasing so as to serve real economy, small and medium sized enterprises and urban construction. As of 31 December 2014, the scale of leasing assets amounted to RMB594 million.

Industrial Operations

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

HEALTH

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	11,938.2	9,921.5	20.3%
Profit attributable to owners of the parent	1,064.4	818.1	30.1%

During the Reporting Period, the increase in both the revenue and profit attributable to owners of the parent of health segment were mainly due to Fosun Pharma's rapid business development in aspects of drug manufacturing and research and development

(“R&D”) , medical services, investments, etc..

Fosun Pharma

In 2014, despite the challenge circumstances of an incomplete recovery from the global economic downturn, the slowdown in the growth rate of the domestic economy, the continuing reforms of the medical system in the PRC as well as the slow growth in pharmaceutical manufacturing industry have brought policy opportunities to the development of medical services. During the Reporting Period, Fosun Pharma adhered to its business philosophy of “Innovation for Good Health”, focused on its core pharmaceutical healthcare businesses, committed to product innovation and management improvement, actively promoted the strategies of organic growth, external expansion and integrated development, and thereby maintaining the growth of the principal businesses. Among which, net profit after extraordinary gains and losses achieved RMB1.331 billion, representing an increase of 29.75% when compared with the same period of last year.

During the Reporting Period, the business of pharmaceutical manufacturing and R&D of Fosun Pharma maintained steady growth, the building of professional operation teams was further reinforced. The sales of major core products in the therapeutic area, such as cardiovascular system, metabolism and alimentary tract and anti-infection areas, maintained relatively faster growth.

During the Reporting Period, Fosun Pharma continued to increase its investments in R&D, and completed its capital injection in Shanghai Henlius Biotech Company Limited, Chongqing Fochon Pharmaceutical Research Company Limited and Shanghai SunTech Pharmaceutical Co., Ltd. so as to effectively advance the R&D of generic biopharmaceutical drugs and innovative drugs. During the Reporting Period, Fosun Pharma applied for 86 patents. In 2014, Fosun Pharma improved its R&D assessment and incentive mechanism, thereby greatly enhancing the R&D efficiency with 57 new registration applications being processed. As at the end of the Reporting Period, Fosun Pharma had 125 pipeline drug, generic drug, generic biopharmaceutical drug and vaccine projects. During the Reporting Period, the R&D expenses in the pharmaceutical manufacturing and R&D segment were RMB451.9982 million, representing 6.16% of the revenue of the pharmaceutical manufacturing and R&D segment.

During the Reporting Period, Fosun Pharma further increased its investment in the healthcare services segment. Fosun Pharma participated in the privatization of

Chindex International, Inc. ("**Chindex**") with a view to further strengthening Chindex's working capital, expanding its presence in the high-end healthcare services segment in the PRC and increasing its business scale and improving its profitability. Meanwhile, it continued reinforcing its 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. "Excelsior Tower" (精進樓), a new complex of its subsidiary Chancheng Hospital (禪城醫院), was completed and commenced operation, establishing a foundation for creating differentiated healthcare service platform. The tumor centre jointly established by Chancheng Hospital and Nanyang Cancer Hospital (南洋腫瘤醫院), the laser plastic surgery center established with Alma Lasers Ltd. ("Alma Lasers") and the project in respect of establishment of a rehabilitation and body-check hospital initiated by Zhongwu Hospital (鐘吾醫院) have further diversified the healthcare service platform of Fosun Pharma. Furthermore, the "Taizhou Zanyang Medical Care Project" (i.e., Taizhou Public Zhedong Medical Care Investment and Management Company Limited (台州市立浙東醫養投資管理有限公司) and its ancillary hospitals) has commenced construction, which will actively explore new healthcare models.

In 2014, Fosun Pharma further promoted its development in the medical diagnosis and medical devices segment by increasing investments and enhancing business cooperation. During the Reporting Period, Fosun Pharma entered into agreements to invest in miacom Diagnostics GmbH, a German enterprise and Genefirst Limited, a company from the United Kingdom so as to strengthen cooperation with international diagnosis companies. In respect of the medical devices segment, Alma Lasers accelerated its development in the international market and especially those key emerging markets such as China, India and etc. and recorded operating profit of RMB62,141.08 million for the year, increased by 13.40% on a year-on-year basis.

In 2014, Fosun Pharma entered into a share transfer agreement with Sinopharm Group to consolidate and optimize resources allocation of its pharmaceutical distribution and retail business including Shanghai Fosun Pharmaceutical Company Limited, Shanghai For Me Yixing Pharmacy Chain-Store Company Limited and Beijing Golden Elephant Pharmacy Medicine Chain Company Limited. Furthermore, Fosun Pharma tried to develop new business model by cooperating with www.guahao.com.

During the Reporting Period, Sinopharm, an associate company of Fosun Pharma, put continuous efforts in accelerating industry consolidation, expanding distribution network of pharmaceutical products and maintaining rapid growth in business. In 2014, Sinopharm realized revenue of RMB200,131 million, net profit of RMB4,552 million and net profits attributable to shareholders of RMB2,875 million, which represented an increase of 19.94%, 27.15% and 27.77% as compared to 2013, respectively. As at the end of the Reporting Period, the distribution network of Sinopharm covered 31 provinces, autonomous regions and municipalities in China. Its direct customers included 12,264 hospitals (only referring to hospitals with ranking, including 1,718 of the tier-three hospitals, which are the largest and most highly-ranked hospitals). During the Reporting Period, Sinopharm's revenue from pharmaceutical distribution business increased by 20.44% as compared with the previous year to RMB191,468 million. Meanwhile, the pharmaceutical retail business of Sinopharm also maintained growth with revenue of RMB5,904 million generated during the Reporting Period, representing an increase of 22.16% as compared to 2013, while its pharmaceutical retail network further expanded with retail pharmacies owned by Sinopharm Holding GuoDa Drug Store Co., Ltd. (國藥控股國大藥房有限公司), its subsidiary, amounted to 2,096 as at the end of the Reporting Period.

Starcastle Senior Living

Starcastle Senior Living is a joint venture jointly established by the Group and Fortress Investment Group LLC, each holding 50.0% of its equity interest, for the purpose of developing the property market for senior citizens in China. The company's first high-end healthcare project customized for Chinese senior citizens has commenced operations in May 2013. Phase 1 has a total number of 209 units with occupancy rate at 56%.

HAPPY LIFESTYLE

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	-	-	/
Profit attributable to owners of the parent	473.5	332.2	42.5%

During the Reporting Period, the increase in the profit attributable to owners of the parent of happy lifestyle segment was mainly attributable to the increase in the market value of the Group's equity interest in Club Med, as well as share of profit of Yuyuan.

Yuyuan

Yuyuan is mainly engaged in commercial retail, and wholesale and retail of gold and jewellery, and it holds certain equity interest in Zhaojin Mining. During the Reporting Period, Yuyuan recorded operating revenue of RMB19,152.9 million, representing a decrease of 14.96% over the same period of last year. Profit before tax was RMB1,166 million and decreased by 7.99% year-on-year. The net profit attributable to shareholders of the listed company amounted to RMB1,003.0 million, representing an increase of 2.25% over the same period of last year. Yuyuan recorded lower operating revenue when compared with the same period of last year mainly as a result of fall in global gold price. Net profit of Yuyuan increased over the same period of last year, mainly due to the significant improvement in the results of its investee Wuhan Zhongbei Real Estate Development Co., Ltd. (武漢中北房地產有限公司), which led to the increase in the investment income to RMB326.2 million. During the Reporting Period, Yuyuan adhered to its development of principal businesses and expansion of sales of gold and jewellery with particular emphasis on establishing sales channels for high value products. Yuyuan established Shanghai Yuyuan Gold and Jewellery Group Co., Limited (上海豫園黃金珠寶集團有限公司) by putting its two major brands "Laomiao Gold" and "Yayi Gold" under the same management to promote the integration of its principal businesses and transformation into a new operating model. As of the end of the Reporting Period, the number of chain stores of the two brands increased to 1,809 from 1,689 as at the end of last year. It will explore room for development by duplicating its existing business model in the future. The Group will assist Yuyuan to explore the potential value of the large traffic flows, create O2O business model, actively seeking opportunity to consolidate high-quality assets in order to obtain high returns for shareholders.

Club Med

Club Med was an important investment of the Group in "combining China's growth momentum with global resources" investment model in 2010. During the Reporting Period, the Group decided to withdraw the takeover offer made by French Ardian (formerly Axa Private Equity) and senior management of Club Med through Gaillon Invest and instead, proposed the takeover offer led by the holding company of the Group through Gaillon Invest II. After the competing Eurooffer, the final offer price proposed by Fosun was Euro24.6 per share and the total investment amount was Euro958 million in December 2014. In March 2015, Club Med delisted from Euronext.

As for its results, despite the continuous decline in Club Med's major European markets, Club Med recorded a net profit of Euro53.0 million for its 2014 financial year, which stayed flat as compared to that of the same period of 2013, relying on the growth of the emerging markets such as America, China and Russia. After the Group's equity participation in Club Med and forming a strategic alliance with Club Med, the development strategy of Club Med in China has achieved significant progress with stronger ties between the two cooperating parties and increasing synergies from both parties' resources. During the Reporting Period, the third Club Med resort in China opened in Zhuhai. According to Club Med's development plan, China will become the second largest market after France for Club Med by 2015.

Atlantis

The Atlantis project is located in Haitang Bay, Sanya, Hainan, PRC, and is a large-scale high-end theme resort hotel project with a water park and aquarium as its signature jointly developed by the Group and Kerzner Group. The scale of the project amounts to nearly RMB10 billion and it is designated as one of the key construction projects of Hainan Province. The project commenced construction in 2013 and will be completed by the end of 2016. As of 31 December 2014, RMB2,349.8 million was invested; this project had obtained the "Fixed Assets Investment Project Certified Report" and "Construction Land Planning Permit" and the first phase of this project had obtained "Construction Works Commencement Permit".

Name of project	Usage	Land area (sq.m.)	GFA (sq. m.)	Ownership of interests	Land costs*(in RMB million)	Development progress	Expected completion time	Construction and installation costs (in RMB million)
Atlantis*	Accommodation, food and beverage, cultural, sports and entertainment	537,420.2	512,653.0	100%	2,091.4	Under development	2016	258.4

* Since the land use right certificate had not been obtained as at the date of the interim report, the land area was disclosed as the area as agreed in the land contract. To date, the land use right certificate has been obtained, therefore, the land area is disclosed in this Annual Report as the area set out in the land use right certificate.

Studio 8

Studio 8 is an important investment made by the Group in the film industry, a significant step for the Group to start the film and televition entertainment industry. As at the end of the Reporting Period, the Company had 80% equity interest in the Class A investors of Studio 8, the Group exercises significant influence over the distribution arrangement of movies produced by Studio 8 in the mainland China, Hong Kong, Macau and Taiwan, whereby the Company will build a global media entertainment investment, financing and operating platform with its base in China's culture consumer market and focusing on the global film and television industry. As at the end of the Reporting Period, Studio 8 had commenced the selection of scripts of a number of movies. It has been confirmed that Studio 8 and Bona will co-invest in Billy Lynn's Long Halftime Walk, to be directed by Ang Lee.

BONA

Bona is an important strategic investment of the Group in the film and television entertainment industry. As at the end of the Reporting Period, the Group held a total of 20.8% equity interest in Bona, and became the second largest shareholder of Bona. In 2014, the gross box office receipts in China amounted to RMB29.639 billion, representing a year-on-year increase of 36.15%. In light of the significant increase in the box office receipts in China, the Group is optimistic about the future prospects of the Chinese film industry in the long run. Bona has extensive experience in local film production, distribution and cinema operation in China, and achieved excellent performance in the Chinese film distribution market in 2014. The Group will integrate resources to complement each other's advantages so as to support the future sustainable development of Bona.

STEEL

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	27,272.0	26,425.3	3.2%
Profit attributable to owners of the parent	280.0	415.5	-32.6%

During the Reporting Period, the increase in the revenue of steel segment was mainly due to an increase in sales volume of products of Nanjing Nangang. Excluding the gain on disposal of available-for-sales investment in 2013 and 2014 respectively, the profit attributable to owners of the parent of steel segment actually increased by RMB414.1 million over the last year, mainly due to the increase in gross profit margin, as well as the decrease in overall operating expenses.

Nanjing Nangang

During the Reporting Period, the economic performance of the entire steel industry were improved. In 2014, the projects such as wide and heavy plate mill of Nanjing Nangang were successively put into operation, resulting in an increase in the production scale of steel. Meanwhile, with the decline in ore prices, the corporate profit margins were improved. During the Reporting Period, Nanjing Nangang vigorously promoted the adjustment of its product mix, increased the proportion of the production and sales of products with higher profitability and turned losses into profits for the year. Nanjing Nangang invested in the establishment an energy saving and environmental protection investment holding company in March 2015, which was an important move to transform and upgrade Nanjing Nangang according to the "steel and energy saving and environmental protection" philosophy. Mergers and acquisitions of domestic and overseas high quality energy saving and environmental protection resources is expected to help transform and upgrade Nanjing Nangang thus improving its corporate profitability, innovation capability and core competitiveness.

For the full year of 2014, Nanjing Nangang produced 8.04 million tonnes of steel. Meanwhile, Jin'an Mining, in which Nanjing Nangang owns a controlling stake, produced 980 thousand tonnes of iron concentrate, representing an increase of 2.32% on a year-on-year basis.

The main product of Jin'an Mining is iron concentrate. Its major production data was as follows:

	Output of iron concentrate	Reserve volume [Note]
2014	980	73.82 million tonnes iron ore
2013	958	76.95 million tonnes iron ore
Change over the same period last year	2.3%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2014 was an estimated value.

Jianlong Group

Jianlong Group is a large enterprise group which integrates resources, steel, shipping and electrical equipment. During the Reporting Period, in the midst of continous downturn and deficit of the national steel industry, Jianlong Group maintained overall smooth production and operation and profitability by adhering to its low-cost strategy, focusing on adjustment to its product structure, enhancing the development of new product offerings and product upgrade, which contributed to the decreasing production costs which is leading in the industry in terms of unit manufacturing cost of a number of products.

For the full year of 2014, Jianlong Group produced steel of 15.26 million tonnes, representing a year-on-year increase of 6.12%; iron concentrate of 3,427.53 thousand tonnes, representing a year-on-year increase of 26.1%; phosphor concentrate of 103.96 thousand tonnes; and sulfur concentrate of 129.09 thousand tonnes, with a total profit of RMB144.7 million, representing a year-on-year decrease of 64.6%.

Meanwhile, Jianlong Group also has a controlling stake in Huaxia Mining which focuses on iron ore concentrate production. Huaxia Mining has been maintaining a sound level of profitability by actively responding to the changes in the market. In 2014, Huaxia Mining produced iron concentrate of 3,427,529 tonnes, representing a year-on-year increase of 26.1%; phosphor concentrate of 103,956 tonnes; and sulfur concentrate of 129,091 tonnes, with a sales revenue of RMB2,830.9 million, representing a year-on-year increase of 1.9% and total profit of RMB144.7 million, representing a year-on-year decrease of 64.6 %.

The main product of Huaxia Mining is iron concentrate. Its principal production data was as follows:

	Output of iron ore concentrate ('000 tonnes)	Reserve volume [Note]
2014	3,427.5	4.15 billion tonnes iron ore
2013	2,719.1	4.18 billion tonnes iron ore
Change over the same period last year	26.1%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2014 was an estimated value.

PROPERTY DEVELOPMENT AND SALES

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	12,149.2	11,664.8	+4.2%
Profit attributable to owners of the parent	2,516.6	2,087.0	+20.6%

During the Reporting Period, the increase in the revenue of property development and sales segment was mainly attributable to the increase in sales area of Forte's property under development as compared with last year, while the increase in the profit attributable to owners of the parent was attributable to the appreciation of investment properties.

Forte

In 2014, the manner in which the PRC Government regulates the PRC property market changed from mandatory administration to differentiation control. Starting from the second half of 2014, various regional governments gradually cancelled the policy of restricting housing purchases. Meanwhile, the central bank began to cut interest rates in the fourth quarter. In line with changes in way of regulation and control as well as economic environment, the transaction volume in the market dropped before it surged up.

Against the backdrop of intensive adjustments in the real estate market in 2014, Forte maintained steady development. With the support of the majority shareholder, the deployment of annual tasks was executed diligently with unified dedication and endeavours, the overall corporate operation quality was enhanced. The ratio of low-cost non-bank financing further increased, with investments from various categories of low-cost insurance funds. The effective implementation of various tasks, among others, a large operation system, integrated design, cost optimization and internet orientation, will further enhance the corporate management level.

Forte is cautiously optimistic about 2015. Attention will be focused on market changes; marketing strategies will be strengthened to capture market opportunities; active and effective measures will be adopted to dispose of inventories, and to ensure the sales rate of new products launched in the market. Through the financing facilities provided by insurance funds in internal and external channels of the Fosun Group system, together with internet finance, further reduction of the overall funding cost of the Group was realized. Coherence & Integration and Hive City will be the core strategies of Forte in 2015, which plays a critical role in the process of its development. In the future, Forte will implement the differentiation strategy that is to initially create new demand through Hive City in order to response to future development and changes, seek new profit models and operate in the increment market.

Project Development

During the Reporting Period, Forte's GFA under development was approximately 6,626,393sq.m., and attributable GFA amounted to approximately 4,062,132 sq.m., representing a decrease of approximately 16.6% compared with the same period of last year (2013: attributable GFA of approximately 4,873,054 sq.m.).

During the Reporting Period, the GFA of newly commenced projects was approximately 1,625,162 sq.m., and attributable GFA amounted to approximately 964,788 sq.m., representing an decrease of approximately 23.2% compared with the same period of last year (2013: attributable GFA of approximately 1,255,549 sq.m.).

During the Reporting Period, the GFA of completed projects was approximately1,968,122 sq.m., and attributable GFA amounted to approximately 1,299,823 sq.m., representing a decrease of approximately 24.8% compared with the same period of last year (2013: attributable GFA of approximately 1,727,468 sq.m.).

Project Reserves

During the Reporting Period, Forte obtained 6 projects as additional project reserves with planned GFA of approximately1,245,000 sq.m. and attributable GFA was approximately 889,212 sq.m., representing a decrease of approximately 38.2% compared with the same period of last year (2013: attributable GFA of approximately 1,439,252 sq.m.).

As at 31 December 2014, Forte owned project reserves with planned GFA of approximately16,089,826 sq.m., and attributable GFA was approximately10,063,876 sq.m., representing a decrease of approximately 0.96% compared with the same period of last year (2013: the attributable GFA was approximately 10,161,074sq.m.).

Property Sales

During the Reporting Period, Forte realized property contract sales area and contract sales revenue of approximately 1,441,193 sq.m. and RMB19,666.6 million respectively, and attributable contract sales area and contract sales revenue were approximately 1,011,106 sq.m. and RMB13,474.4 million respectively, representing an increase of approximately 1.3% and an increase of approximately 5.0% respectively, compared with the same period last year (2013: total attributable contract sales area and contract sales revenue were approximately 997,974 sq.m. and RMB12,837.6 million, respectively).

Property Booked

During the Reporting Period, the property area (booked area) and property amount (booked amount) by Forte were approximately 1,498,093 sq.m. and RMB15,945.1 million respectively. Attributable booked area and booked amount were approximately 1,056,940 sq.m. and RMB11,375.1 million, representing a decrease of approximately 7.1% and 9.4% respectively, compared with the same period of last year (2013: attributable booked area and booked amount of approximately 1,137,754 sq.m. and RMB12,554.5 million).

As at 31 December 2014, the area and amount sold but not booked were approximately 1,238,313 sq.m. and RMB16,076.3 million respectively, and the attributable area and amount sold but not booked were approximately 783,604 sq.m. and RMB10,854.4 million respectively, representing an increase of approximately 4.3% and an decrease of approximately 3.2% respectively, compared with the same period of last year (2013: attributable area and amount sold but not booked were approximately 751,310 sq.m. and RMB11,217.1 million respectively).

The Bund Finance Center

The Bund Finance Center is a high-end complex project located in the core location of the Bund in Shanghai and is expected to pass acceptance examination upon its completion in the first half of 2016. The Bund Finance Center is an experiential finance complex in the Bund financial zone and this project will comprise five different business modes including corporate clubs, corporate headquarters, shopping centre, art gallery and boutique hotel in order to facilitate multiple functions of finance, commerce, tourism, culture and arts under one roof.

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

Name of project	Floor	Area (sq. m.)
GFA		425,153
Corporate clubs	S1	80,569
Corporate headquarters	S2	78,297
	N1	10,898
	N2	12,848
	N4	5,263
Commerce		88,509
Hotel		36,331
Art and cultural center		3,959

Dalian Donggang

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

The project was launched for sale at the end of 2012 and had achieved contracted sales of approximately RMB1,666.72 million in the end of December 2014. It is estimated that the construction of first phase will be completed in 2015 with overall project completion in 2016.

Name of project	Usage	Land area (sq.m.)	GFA (sq. m.)	Ownership of interests	Land costs* (in RMB million)	Development progress	Expected completion time	Construction and installation costs(in RMB million)
The Bund Finance Center	Office, commerce and hotels	45,472	425,153	50%	9,550	Under development	2016	2,489
Dalian Donggang	Residential, office and hotels	141,600	761,003	64%	3,825	Under development	2016	1,064

Resource Property

Resource Property is an integrated service provider in the property circulation sector of the Group. In 2014, it overcame the adverse effects brought by the policy of restricting housing purchases in main cities, and maintained a continuous rising trend in its new business development. Based on the global development strategy of Fosun, Resource Property is dedicated to build an overseas housing purchase and living O2O service platform for Fosun Property in 2014. It will comprehensively integrate overseas industrial resources of Fosun and work together with the renowned global companies. Taking housing purchase as a starting point, Resource Property is striving to provide Chinese customers with one-stop services covering whole industry chain, including housing purchase, immigration, education, health, finance and other aspects of living abroad. The services offered combine online convenient transaction and offline friendly experience, helping Chinese customers to realize their global living dreams.

RESOURCES

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

Unit: RMB million

	2014	2013	Change over the same period last year
Revenue	1,589.2	2,654.4	-40.1%
Profit attributable to owners of the parent	172.2	602.4	-71.4%

During the Reporting Period, the decrease in both revenue and profit attributable to owners of the parent of resource segment were mainly due to a decrease in both sales volume of products and average selling prices, as affected by market fluctuation.

Hainan Mining

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

The main product of Hainan Mining is iron ore. During the Reporting Period, prices of iron ore fell sharply, affected by market fluctuation in the downstream steel industry. Leveraging on its own advantages, Hainan Mining overcame market difficulties and enhanced its sales, with its sales of iron ore reaching 3,307,971 tonnes in 2014, representing a decrease of 18.4% as compared with the same period last year. The finished ore production reached 3,974,858 tonnes, representing a decrease of 2.5% as compared with the same period last year. Hainan Mining obtained the regulatory approval by China Securities Regulatory Commission in November 2014 and completed the public offering of 186,670,000 ordinary (A) shares on 25 November, raising net proceeds of RMB1,758.8 million, and was listed on the Shanghai Stock Exchange on 9 December.

The main product of Hainan Mining is iron ore. Its major production data was as follows:

	Output of iron ore ('000 tonnes)	Reserve volume[Note]
2014	3,974.9	270 million tonnes iron ore
2013	4,077.03	275 million tonnes iron ore
Change over the same period last year	-2.5%	

Note: Based on the standards of Solid Mineral Geology Exploration of China, the figure for 2014 was an estimated value.

ROC

The Company launched a tender offer to Roc Oil Company Limited ("**ROC**") in August 2014. As of 31 December 2014, the Company successfully acquired 92.595% shares of ROC, with a total investment of approximately AUD 490 million. In January 2015, ROC was wholly owned by the Group and officially delisted from the Australian Stock Exchange.

During the Reporting Period, ROC realized sales income of USD276 million, net profit of USD49.45 million, EBITDA of USD158 million and net cash inflow from operating activities of USD112 million. The income statement and cash flow statement of ROC are consolidated into the financial statements of the Company from 1 January 2015.

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

RECENT DEVELOPMENT

Thomas Cook

In March 2015, the Group entered into a share subscription agreement with Thomas Cook Group plc ("**Thomas Cook**") for the subscription of 73,135,777 new ordinary shares of Thomas Cook, representing 5% of the existing issued ordinary share capital of Thomas Cook, at a price of 125.59 pence per share, for a total consideration of £91.85million. The Group intends to purchase further Thomas Cook's shares on the open market at the appropriate time with a view to increase its shareholding in Thomas Cook up to approximately 10% of the enlarged issued ordinary share capital of Thomas Cook. The strong brand heritage and its leading position in the European travel market held by Thomas Cook (stock code: TCG) as one of the world's leading leisure travel groups, combining with the Group's extensive expertise and resources, will capitalise on the increasing demand for international leisure travel. The investment in Thomas Cook complements other recent investments of the Group in the sector, providing opportunities for further value creation.

RHJI

In March 2015, Fidelidade and Billion Infinity Investment Limited ("**Billion Infinity**", a 51% indirectly owned subsidiary of the Company) entered into the Fidelidade Share Purchase Agreement and the Billion Infinity Share Purchase Agreement respectively, pursuant to which (i) Fidelidade agreed to purchase and the sellers agreed to sell to Fidelidade, 8,879,157 ordinary shares of RHJI at a price of EUR4.9 per share for a consideration of EUR43,507,869.3 and (ii) Billion Infinity agreed to purchase and the sellers agreed to sell to Billion Infinity, 3,191,099 ordinary shares of RHJI at a price of EUR4.9 per share for a consideration of EUR15,636,385.1 (the "**Acquisition**"). The total consideration for the Acquisition is EUR59,144,254.4.

After the completion of the Acquisition, RHJI will be owned as to 19.87% by Billion Infinity and 8.74% by Fidelidade and the Company's indirect equity interest in RHJI is expected be increased from 19.49% to 28.61%. The completion of the Acquisition is still subject to the satisfaction of certain conditions precedent including, but not limited to, regulatory approvals.

FINANCIAL REVIEW

NET INTEREST EXPENDITURES

Net interest expenditures, net of capitalized amounts of the Group, increased to RMB3,667.4 million in 2014 from RMB2,661.0 million in 2013. The increase in net interest expenditures in 2014 was mainly attributable to the growth in scale of total borrowings. The interest rates of borrowings in 2014 were approximately between 0.52% and 11%, as compared with approximately between 0.96% and 11% in 2013.

TAX

Tax increased to RMB3,119.2 million in 2014 from RMB1,908.5 million in 2013. The increase in tax was mainly resulted from the increase in taxable profit from the Group.

CAPITAL EXPENDITURES

The capital expenditures of the Group mainly consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights and intangible assets. We have been increasing our investment in the research and development of pharmaceutical products in order to produce more proprietary products with higher gross profit margin. We continued our commitment in property development, but will adjust our strategy according to market conditions. In order to enhance the optimization of product mix, we have properly invested in the steel segment. With an aim to continuously strengthen our leading role in the resources industry, we have made extra efforts in the resources segment. The amount of capital expenditures of the Group during the Reporting Period was RMB5,510.3 million.

INDEBTEDNESS AND LIQUIDITY OF THE GROUP

As at 31 December 2014, the total debt of the Group was RMB95,834.2 million, representing a relatively large increase over RMB69,084.4 million as at 31 December 2013, which was mainly due to the increase in borrowings as a result of business expansion of all segments of the Group. As at 31 December 2014, mid-to-long-term debt of the Group accounted for 51.4% of total debt, as opposed to 54.1% as at 31 December 2013. As at 31 December 2014, cash and bank and term deposits increased by 146.2% to RMB40,338.6 million as compared with RMB16,387.2 million as at 31 December 2013.

INTEREST COVERAGE

In 2014, EBITDA divided by net interest expenditures was 5.1 times as compared with 5.3 times in 2013, mainly due to the net interest expenditures increased 37.8% as a result of the growth in scale of total borrowings compared with last year. In addition, the EBITDA increased 31.9% compared with last year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
REVENUE	3	61,738,449	51,016,883
Cost of sales		(47,122,683)	(40,658,491)
Gross profit		14,615,766	10,358,392
Other income and gains	3	13,789,378	8,853,449
Selling and distribution expenses		(3,271,268)	(2,747,372)
Administrative expenses		(8,078,137)	(3,860,339)
Other expenses		(3,264,172)	(1,365,895)
Finance costs	4	(3,884,565)	(2,765,899)
Share of profits and losses of:			
Joint ventures		1,127,179	(118,653)
Associates		1,671,110	1,407,597
PROFIT BEFORE TAX	5	12,705,291	9,761,280
Tax	6	(3,119,231)	(1,908,511)
PROFIT FOR THE YEAR		9,586,060	7,852,769
Attributable to:			
Owners of the parent		6,853,944	5,518,930
Non-controlling interests		2,732,116	2,333,839
		9,586,060	7,852,769
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
- For profit for the year (RMB)	8	1.02	0.86
Diluted			
- For profit for the year (RMB)	8	0.99	0.86

Details of the dividends payable and proposed for the year are disclosed in note 7 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2014

	2014 RMB'000	2013 RMB'000
PROFIT FOR THE YEAR	**9,586,060**	**7,852,769**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent years:		
Available-for-sale investments:		
Changes in fair value	2,235,085	19,015
Reclassification adjustments for gains included in the consolidated statement of profit or loss		
- gain on disposal	(1,883,168)	(455,892)
Income tax effect	10,592	118,608
	362,509	(318,269)
Change in potential gains on financial assets		
- Life insurance contracts with profit sharing	292,530	-
- Income tax effect	12,091	-
	304,621	-
Share of other comprehensive income of joint ventures	-	4,978
Share of other comprehensive income of associates	158,954	93,723
Exchange differences on translation of foreign operations	(1,107,465)	35,722
Net other comprehensive loss to be reclassified to profit or loss in subsequent years	(281,381)	(183,846)
Net other comprehensive income not being reclassified to profit or loss in subsequent years	-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(281,381)	(183,846)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**9,304,679**	**7,668,923**
Attributable to:		
Owners of the parent	6,806,853	5,041,187
Non-controlling interests	2,497,826	2,627,736
	9,304,679	**7,668,923**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 RMB'000	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		36,037,896	30,215,747
Investment properties		16,883,890	9,896,252
Prepaid land lease payments		2,921,393	1,993,975
Exploration and evaluation assets		156,846	5,189
Mining rights		784,882	794,636
Oil and gas assets		1,512,206	-
Intangible assets		2,226,693	1,871,056
Goodwill		6,842,031	3,050,328
Investments in joint ventures		7,589,150	6,470,034
Investments in associates		26,976,404	20,369,716
Available-for-sale investments		60,849,499	10,050,291
Properties under development		13,671,828	10,528,713
Loans receivable		1,296,977	3,161,103
Prepayments, deposits and other receivables		3,862,611	853,654
Deferred tax assets		4,372,070	2,645,312
Inventories		87,722	207,541
Policyholder account assets in respect of unit-linked contracts		3,769,975	-
Insurance and reinsurance debtors		68,099	-
Reinsurers' share of insurance contract provisions		481,360	-
Term deposits		147,815	-
Total non-current assets		190,539,347	102,113,547
CURRENT ASSETS			
Cash and bank		40,190,807	16,387,191
Investments at fair value through profit or loss		14,867,194	13,465,979
Trade and notes receivables	9	6,371,003	4,684,199
Prepayments, deposits and other receivables		7,619,585	7,049,612
Inventories		6,252,883	6,313,952
Completed properties for sale		7,626,912	8,949,037
Properties under development		23,429,966	20,331,229
Loans receivable		843,086	100,000
Due from related companies		5,249,357	3,175,550
Available-for-sale investments		16,388,314	-
Policyholder account assets in respect of unit-linked contracts		1,535,931	-
Insurance and reinsurance debtors		2,063,919	341,333
Reinsurers' share of insurance contract provisions		624,909	-
		133,063,866	80,798,082
Non-current assets / assets of a disposal group classified as held for sale		1,229,570	212,293
Total current assets		134,293,436	81,010,375

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2014

	Note	2014 RMB'000	2013 RMB'000
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		46,389,197	31,539,941
Loans from related companies		193,000	196,477
Trade and notes payables	10	19,590,569	14,928,283
Accrued liabilities and other payables		23,289,484	19,445,737
Tax payable		3,210,555	2,834,905
Finance lease payables		119,110	46,587
Deposit from customers		1,696,120	1,636,739
Due to the holding company		673,617	3,144,864
Due to related companies		3,118,393	2,392,109
Derivative financial instruments		65,670	-
Unearned premium provisions		2,860,227	207,427
Provision for outstanding claims		6,534,777	318,667
Provision for unexpired risks		438,465	-
Financial liabilities for unit-linked contracts		1,104,752	-
Investment contract liabilities		8,929,945	-
Other life insurance contract liabilities		1,561,511	-
Insurance and reinsurance creditors		1,453,267	67,895
		121,228,659	76,759,631
Liabilities directly associated with the assets classified as held for sale		589,118	-
Total current liabilities		121,817,777	76,759,631
NET CURRENT ASSETS		12,475,659	4,250,744
TOTAL ASSETS LESS CURRENT LIABILITIES		203,015,006	106,364,291
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		46,766,499	35,028,323
Convertible bonds		2,485,546	2,319,675
Finance lease payables		148,117	43,085
Deferred income		311,683	526,864
Due to related companies		-	157,851
Other long term payables		3,944,791	3,220,349
Deferred tax liabilities		6,577,690	3,768,315
Provision for outstanding claims		7,622,616	-
Financial liabilities for unit-linked contracts		4,201,132	-
Investment contract liabilities		43,042,687	-
Other life insurance contract liabilities		12,229,753	-
Total non-current liabilities		127,330,514	45,064,462
Net assets		75,684,492	61,299,829

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2014

	Note	2014 RMB'000	2013 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital: nominal value		-	621,497
Other statutory capital reserves		-	11,795,181
Share capital and other statutory capital reserves		16,281,011	12,416,678
Equity component of convertible bonds		721,171	721,171
Other reserves		31,477,882	25,733,056
Proposed final dividend	7	928,359	757,328
		49,408,423	39,628,233
Non-controlling interests		26,276,069	21,671,596
Total equity		75,684,492	61,299,829

1.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain investments, which have been measured at fair value. Disposal groups and non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

1.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 10 HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) will come into operation as from the Company's first financial year commencing after 3 March 2014 in accordance with section 358 of that Ordinance, which will be the year ending 31 December 2015. The Group is in the process of making an assessment of the expected impact of the changes in the period of initial application of Part 9 of the Ordinance. So far it has concluded that the impact is unlikely to be significant and will primarily affect the presentation and disclosure of information in the consolidated financial statements.

1.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (CONTINUED)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. 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 while 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. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

1.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (CONTINUED)

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the 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 to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 1.2, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

2. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. In the year ended 31 December 2014, as the management changes the structure of the Group's internal organisation to match its business development strategy in a manner that causes the Group's composition of its reportable segments to change, 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.

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

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2014

	Integrated Finance				Industrial Operation						
	Insurance	Investment	Asset Management	Banking and Other Financial Business	Health	Happy Lifestyle	Steel	Property Development and Sales	Resources	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:											
Sales to external customers	7,867,640 *	670,003	360,199	1,996	11,938,243	-	27,272,049	12,111,918	1,516,401	-	61,738,449
Inter-segment sales	-	30,493	85,925	-	-	-	-	37,244	72,795	(226,457)	-
Other income and gains	3,198,526	4,033,663	23,310	13,315	2,042,439	224,346	434,262	1,003,206	95,821	(68,159)	11,000,729
Total	11,066,166	4,734,159	469,434	15,311	13,980,682	224,346	27,706,311	13,152,368	1,685,017	(294,616)	72,739,178
Segment results	102,417	4,045,885	214,366	(32,710)	2,823,279	198,946	1,169,660	3,097,338	358,014	40,918	12,018,113
Interest and dividend income	1,871,285	574,080	36,810	176,822	120,017	-	280,796	81,309	5,044	(357,514)	2,788,649
Unallocated expenses											(1,015,195)
Finance costs	(58,905)	(2,092,886)	(12,031)	(2,805)	(415,040)	(20,752)	(1,001,505)	(375,222)	(50,553)	145,134	(3,884,565)
Share of profits and losses of											
- Joint ventures	(57,790)	(10,850)	(230)	4,967	(20,731)	-	7,684	1,204,129	-	-	1,127,179
- Associates	128,215	118,872	-	(2,650)	929,148	295,279	89,660	112,586	-	-	1,671,110
Profit before tax	1,985,222	2,635,101	238,915	143,624	3,436,673	473,473	546,295	4,120,140	312,505	(171,462)	12,705,291
Tax	(560,102)	(605,794)	(13,500)	(37,314)	(530,286)	-	(104,546)	(1,304,393)	29,293	7,411	(3,119,231)
Profit for the year	1,425,120	2,029,307	225,415	106,310	2,906,387	473,473	441,749	2,815,747	341,798	(164,051)	9,586,060
Segment and total assets	113,085,328	40,295,104	4,360,798	4,987,290	35,280,887	7,406,263	43,533,306	78,803,649	9,354,796	(12,274,638)	324,832,783
Segment and total liabilities	97,021,498	60,896,293	1,027,684	3,547,280	16,233,275	1,686,515	31,811,156	55,844,568	2,262,524	(21,182,502)	249,148,291

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2014 (continued)

	Integrated Finance				Industrial Operation						
	Insurance	Investment	Asset Management	Banking and Other Financial Business	Health	Happy Lifestyle	Steel	Property Development and Sales	Resources	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other segment information:											
Depreciation and amortisation	128,544	35,563	1,164	281	563,038	10,119	1,411,396	29,554	129,780	-	2,309,439
Impairment loss for non-current assets	97,370	-	18,369	-	290,045	-	24,481	-	158,340	-	588,605
Provision for impairment of current assets	147,652	-	-	-	43,562	-	138,325	-	4,564	-	334,103
Research and development costs	-	-	-	-	511,841	-	155,434	-	-	-	667,275
Fair value gains on fair value adjustments											
of investment properties	(33,886)	(28,134)	-	-	-	-	-	(854,642)	-	-	(916,662)
Fair value (gains)/loss on											
investments at fair value											
through profit or loss	(161,193)	(2,552,954)	-	-	10,702	(219,232)	(1,645)	-	-	-	(2,924,322)
Investments in joint ventures	113,848	36,093	2,200	158,034	122,880	-	115,982	7,040,113	-	-	7,589,150
Investments in associates	1,864,786	3,358,527	52,642	71,674	11,727,481	3,352,433	2,535,547	3,583,279	430,035	-	26,976,404
Capital expenditure**	325,265	227,778	561	-	1,312,275	162,974	2,878,652	16,191	586,568	-	5,510,264

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2013

	Integrated Finance				Industrial Operation						
	Insurance	Investment	Asset management	Banking and Other Financial Business	Health	Happy Lifestyle	Steel	Property Development and Sales	Resources	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:											
Sales to external customers	276,798 *	73,865	218,802	-	9,921,487	-	26,425,290	11,601,524	2,499,117	-	51,016,883
Inter-segment sales	-	22,683	224,655	-	-	-	-	63,312	155,279	(465,929)	-
Other income and gains	701,843	2,190,196	21,630	-	1,477,631	114,410	1,711,588	1,694,167	61,761	(198,045)	7,775,181
Total	978,641	2,286,744	465,087	-	11,399,118	114,410	28,136,878	13,359,003	2,716,157	(663,974)	58,792,064
Segment results	585,204	1,975,047	20,432	(29,739)	2,395,481	108,922	1,043,497	3,256,011	1,376,564	(46,073)	10,685,346
Interest and dividend income	64,693	587,003	44,812	115,121	89,545	-	227,499	125,872	5,204	(181,481)	1,078,268
Unallocated expenses											(525,379)
Finance costs	-	(1,231,581)	(13,327)	(144)	(350,451)	(5,099)	(930,192)	(326,907)	(42,153)	133,955	(2,765,899)
Share of profits and losses of											
- Joint ventures	(44,540)	(8,337)	(70,141)	601	(21,518)	-	12,124	13,158	-	-	(118,653)
- Associates	22,663	125,104	-	-	782,462	228,395	51,249	197,724	-	-	1,407,597
Profit/(loss) before tax	628,020	1,447,236	(18,224)	85,839	2,895,519	332,218	404,177	3,265,858	1,339,615	(93,599)	9,761,280
Tax	(8,967)	(155,522)	(18,647)	(18,904)	(506,324)	-	149,030	(1,028,410)	(335,698)	14,931	(1,908,511)
Profit/(loss) for the year	619,053	1,291,714	(36,871)	66,935	2,389,195	332,218	553,207	2,237,448	1,003,917	(78,668)	7,852,769
Segment and total assets	5,448,117	30,699,644	3,139,708	3,152,426	29,419,034	3,685,174	40,212,179	68,492,216	4,811,954	(5,936,530)	183,123,922
Segment and total liabilities	628,732	33,817,210	38,336	2,531,047	11,810,676	315,383	28,783,882	48,024,304	1,445,587	(5,571,064)	121,824,093

2. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2013 (continued)

	Integrated Finance				Industrial Operation						
	Insurance	Investment	Asset Management	Banking and Other Financial Business	Health	Happy Lifestyle	Steel	Property Development and Sales	Resources	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other segment information:											
Depreciation and amortisation	1,374	41,817	6,194	-	420,498	-	1,102,256	31,744	136,986	-	1,740,869
Impairment loss for non-current assets	-	-	-	-	46,000	-	444,905	-	2,029	-	492,934
Provision for impairment of current assets	-	133	-	-	36,562	-	49,928	-	11,053	-	97,676
Research and development costs	-	-	-	-	437,613	-	64,402	-	-	-	502,015
Fair value gains on fair value adjustments of investment properties	-	-	-	-	-	-	-	(1,131,002)	-	-	(1,131,002)
Fair value (gains)/loss on investments at fair value through profit or loss	(463,798)	(947,001)	-	-	(30,370)	(113,303)	12,637	-	-	-	(1,541,835)
Investments in joint ventures	171,638	44,138	-	153,067	118,908	-	112,134	5,870,149	-	-	6,470,034
Investments in associates	784,036	3,117,195	92,401	74,324	8,765,410	1,924,898	2,441,864	3,169,588	-	-	20,369,716
Capital expenditure**	2,455	14,102	2,584	-	1,095,787	-	5,774,491	36,945	445,282	-	7,371,646

2. OPERATING SEGMENT INFORMATION (continued)

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

	2014 RMB'000	2013 RMB'000
Gross premiums written	8,832,514	638,725
Less: Premiums ceded to reinsurers and retrocessionaires	(710,430)	(38,415)
Net premiums written	8,122,084	600,310
Change in unearned premium provisions, net of reinsurance	(254,444)	(323,512)
Net earned premiums	7,867,640	276,798

** Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, exploration and evaluation assets, mining rights and intangible assets.

Geographical information

(a) Revenue from external customers

	2014 RMB'000	2013 RMB'000
Mainland China	51,606,349	49,869,731
Portugal	6,690,283	-
Other countries and regions	3,441,817	1,147,152
	61,738,449	51,016,883

The revenue information above is based on the locations of the customers.

2. OPERATING SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Non-current assets

	2014 RMB'000	2013 RMB'000
Mainland China	90,417,228	79,576,310
Hong Kong	3,197,364	720,939
Portugal	13,419,564	-
Other countries and regions	12,667,211	5,959,592
	119,701,367	86,256,841

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and rights arising under insurance contracts.

Information about a major customer

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2014 and 2013.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods or properties sold after allowances for returns, trade discounts and various types of government surcharges, where applicable during the year. In addition, it includes net earned premiums from insurance business, the value of services rendered and receivable from investment properties during the year.

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

	2014 RMB'000	2013 RMB'000
Revenue		
Insurance revenue:		
Gross premiums written	8,832,514	638,725
Less: Premiums ceded to reinsurers and retrocessionaires	(710,430)	(38,415)
Net premiums written	8,122,084	600,310
Change in unearned premium provisions, net of reinsurance	(254,444)	(323,512)
Net earned premiums	7,867,640	276,798
Sale of goods:		
Pharmaceuticals and medical products	10,558,871	9,334,837
Properties	12,075,864	11,672,053
Iron and steel products	27,376,542	26,516,829
Ore products	1,602,138	2,627,054
	51,613,415	50,150,773
Rendering of services:		
Healthcare	1,425,073	638,457
Property agency	382,249	338,745
Property management	174,044	107,405
Leasing from investment property	837,862	255,642
Asset management fee	360,199	218,802
Others	101,952	48,328
	3,281,379	1,607,379
Subtotal	62,762,434	52,034,950
Less: Government surcharges	(1,023,985)	(1,018,067)
	61,738,449	51,016,883

3. REVENUE, OTHER INCOME AND GAINS (continued)

	2014 RMB'000	2013 RMB'000
Other income		
Interest income	606,402	570,366
Dividends from available-for-sale investments	1,858,347	221,107
Dividends from investments at fair value through profit or loss	323,900	286,795
Rental income	43,753	55,794
Sale of scrap materials	2,603	11,992
Government grants	269,181	273,860
Consultancy and other service income	37,366	62,783
Exchange gains, net	412,034	148,643
Insurance commissions	1,053,461	-
Others	377,233	177,158
	4,984,280	1,808,498
Gains		
Gain on bargain purchase	61,148	-
Gain on acquisition of an associate	-	441,643
Gain on disposal of associates	59,081	666,092
Gain on disposal of partial interests in associates	243,302	15,456
Gain on deemed disposal of interests in associates	728,288	473,111
Gain on disposal of items of property, plant and equipment	13,984	3,804
Gain on disposal of available-for-sale investments	3,597,875	1,822,810
Gain on disposal of investments at fair value through profit or loss	209,183	949,198
Gain on disposal of non-current assets held for sale	51,253	-
Gain on fair value adjustment of investment properties	916,662	1,131,002
Gain on fair value adjustment of investments at fair value through profit or loss	2,924,322	1,541,835
	8,805,098	7,044,951
Other income and gains	13,789,378	8,853,449
Total revenue, other income and gains	75,527,827	59,870,332

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2014 RMB'000	2013 RMB'000
Interest on bank and other borrowings wholly repayable within five years	4,498,132	3,588,844
Interest on bank and other borrowings not wholly repayable within five years	155,693	164,392
Interest on convertible bonds	207,618	21,864
Incremental interest on other long term payables	12,681	31,407
	4,874,124	3,806,507
Less: Interest capitalised, in respect of bank and other borrowings	(1,424,737)	(1,232,304)
Interest expenses, net	3,449,387	2,574,203
Interest on discounted bills	167,152	74,345
Interest on finance leases	50,821	12,408
Bank charges and other financial costs	217,205	104,943
Total finance costs	3,884,565	2,765,899

5. PROFIT BEFORE TAX

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

	2014 RMB'000	2013 RMB'000
Cost of sales	47,122,683	40,658,491
Staff costs (including directors' and senior management's remuneration):		
Wages and salaries	4,944,963	3,621,513
Accommodation benefits:		
Defined contribution fund	189,401	152,127
Retirement costs:		
Defined contribution fund	453,649	384,399
Equity-settled share-based payments	38,360	9,707
Total staff costs	5,626,373	4,167,746

5. PROFIT BEFORE TAX (continued)

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

	2014 RMB'000	2013 RMB'000
Research and development costs	667,275	502,015
Auditors' remuneration	9,800	8,850
Depreciation of items of property, plant and equipment	2,088,031	1,588,489
Amortisation of prepaid land lease payments	46,296	36,397
Amortisation of mining rights	43,298	42,683
Amortisation of intangible assets	131,814	73,300
Provision/(reversal) for impairment of receivables	241,811	(4,481)
Provision for inventories	92,292	102,157
Provision for impairment of goodwill	202,500	-
Provision for impairment of oil and gas assets	158,340	-
Provision for impairment of items of property, plant and equipment	5,853	446,934
Provision for impairment of investments in associates	38,134	34,600
Provision for impairment of available-for-sale investments	99,783	11,400
Provision for impairment of intangible assets	83,995	-
Operating lease rentals	211,109	135,334
Exchange gains, net	(412,034)	(148,643)
Loss on the settlement of derivative financial instruments	53,438	-
Loss on disposal of subsidiaries	15,873	-

6. TAX

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

The provision of current income tax of Alma Lasers Ltd. ("Alma Lasers"), a subsidiary of Fosun Pharma incorporated in lsrael, is based on a preferential rate of 16% (2013: 12.5%).

The provision of income tax of Fidelidade - Companhia de Seguros, S.A., Multicare - Seguros de Saúde, S.A. and Cares - Companhia de Seguros, S.A., subsidiaries incorporated in Portugal acquired by the Group during the year, is based on a rate of 31.5%.

The provision for Mainland China current income tax was based on a statutory rate of 25% (2013: 25%) of the assessable profit of the Group as determined in accordance with the Enterprise Income Tax Law of the People's Republic of China 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%.

The major components of tax expenses for the years ended 31 December 2014 and 2013 are as follows:

	2014 RMB'000	2013 RMB'000
Current – Portugal, Hong Kong and others	465,440	150,412
Current – Mainland China		
- Income tax in Mainland China for the year	1,182,341	1,521,308
- LAT in Mainland China for the year	631,757	254,230
Deferred	839,693	(17,439)
Tax expenses for the year	3,119,231	1,908,511

6. TAX (continued)

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 year, the prepaid LAT of the Group amounted to RMB517,297,000 (2013: RMB317,537,000).

In addition, based on the latest understanding of the LAT regulations from the State Administration of Taxation, the Group made an additional LAT provision in the amount of RMB209,643,000 (2013: RMB79,942,000) in respect of the sales of properties in the year in accordance with the requirements set forth in the relevant PRC tax laws and regulations. During the year, unpaid LAT provision in the amount of RMB95,183,000 (2013: RMB143,249,000) was reversed to the 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. The net accrual of LAT provision for the year is RMB114,460,000 (2013: net reversal of RMB63,307,000).

7. DIVIDENDS

	2014 RMB'000	2013 RMB'000
Proposed final – HKD0.17 (2013: HKD0.15) per ordinary share	928,359	757,328

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

On 25 March 2015, the board of directors of the Company resolved to propose a final dividend for the year ended 31 December 2014 of HKD0.17 per ordinary share, subject to the approval by the shareholders at the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,727,614,266 (2013: 6,421,594,500) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year 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 year, 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:

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	6,853,944	5,518,930
Interest on convertible bonds	207,618	21,864
Profit attributable to ordinary equity holders of the parent, as adjusted for the effect of convertible bonds	7,061,562	5,540,794

	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	6,727,614,266	6,421,594,500
Effect of dilution – weighted average number of convertible bonds	387,500,000	41,404,110
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	7,115,114,266	6,462,998,610
Basic earnings per share (RMB)	1.02	0.86
Diluted earnings per share (RMB)	0.99	0.86

9. TRADE AND NOTES RECEIVABLES

	2014 RMB'000	2013 RMB'000
Trade receivables	3,610,965	2,839,919
Notes receivable	2,760,038	1,844,280
	6,371,003	4,684,199

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

	2014 RMB'000	2013 RMB'000
Outstanding balances with ages:		
Within 90 days	2,794,853	2,436,446
91 to 180 days	517,066	234,822
181 to 365 days	288,425	191,460
1 to 2 years	87,219	19,656
2 to 3 years	10,537	7,501
Over 3 years	23,498	26,169
	3,721,598	2,916,054
Less: Provision for impairment of trade receivables	(110,633)	(76,135)
	3,610,965	2,839,919

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

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

10. TRADE AND NOTES PAYABLES

	2014 RMB'000	2013 RMB'000
Trade payables	11,700,971	11,309,513
Notes payable	7,889,598	3,618,770
	19,590,569	14,928,283

An aged analysis of the trade payables as at the end of the Reporting Period is as follows:

	2014 RMB'000	2013 RMB'000
Outstanding balances with ages:		
Within 90 days	6,528,179	6,460,949
91 to 180 days	1,010,306	1,952,566
181 to 365 days	1,751,277	1,712,907
1 to 2 years	728,176	748,380
2 to 3 years	669,800	213,014
Over 3 years	1,013,233	221,697
	11,700,971	11,309,513

11. EVENTS AFTER THE REPORTING PERIOD

i) On 17 August 2014, the Company and Mettlesome Investments Limited (the "Purchaser", an indirect wholly-owned subsidiary of the Company) entered into an Equity Purchase Agreement with Ironshore Inc. ("Ironshore"), pursuant to which Ironshore agreed to issue to the Purchaser, its class A ordinary shares, which representing 20% of the total outstanding ordinary shares of Ironshore (on a fully diluted basis, as of the closing of the transaction and after giving effect to the capital return transaction). The acquisition is completed in February 2015 and the final total consideration is USD466,600,000. Ironshore will be accounted for as an associate of the Group since the completion of the acquisition.

ii) In December 2014, after the competing bid for the takeover of Club Méditerranée SA ("Club Med"), a company incorporated under the laws of France, the price of Euro24.6 per share ultimately proposed by the Group was the final offer price and the total investment amount was Euro958 million. In March 2015, Club Med delisted from Euronext. Club Med will be accounted for as a subsidiary of the Group since the completion of the acquisition.

CORPORATE GOVERNANCE

During the Reporting Period, the Company applied the principles of and fully complied with all code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except Mr. Guo Guangchang, the Executive Director and Chairman of the Company, had not attended the annual general meeting of the Company held on 28 May 2014 as required under code provision E.1.2 of the CG Code due to important business engagement. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE

The Company has adopted the Model Code.

Specific enquiry has been made to all 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 relevant employees who are likely to be in possession of 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.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises four independent non-executive Directors, namely Mr. Zhang Shengman (Chairman), Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao. The main duties of the Audit Committee are to review and monitor the financial reporting procedures and internal control system of the Company and to provide recommendations and advice to the Board. The Audit Committee has reviewed the 2014 annual results of the Group.

ANNUAL GENERAL MEETING

The annual general meeting of the Company ("**AGM**") will be held on Thursday, 28 May 2015. The notice of AGM will be published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) and dispatched to the shareholders of the Company.

DIVIDEND AND CLOSURE OF REGISTER

The Board has recommended the payment of a final dividend of HKD0.17 per ordinary share for the year ended 31 December 2014 to the shareholders of the Company whose names appear on the register of members of the Company on 5 June 2015. Subject to approval by the shareholders of the Company at the AGM to be held on 28 May 2015, the proposed final dividend is expected to be paid on or around 16 July 2015 to the shareholders of the Company.

The register of members of the Company will be closed from Friday, 22 May 2015 to Thursday, 28 May 2015, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM to be held on 28 May 2015, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with Computershare Hong Kong Investor Services Limited, the share registrar of the Company (the "Share Registrar"), at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "Registrar Address"), for registration no later than 4:30 p.m. on Thursday, 21 May 2015.

The register of members of the Company will also be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be proposed at the AGM, all transfer documents accompanied by the relevant share certificates and other relevant documents, if any, must be lodged with the Share Registrar at the Registrar Address for registration no later than 4:30 p.m. on Tuesday, 2 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

RIGHTS ISSUE

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

After the completion of the Rights Issue, on 22 May 2014, the number of total issued Shares of Company was enlarged from 6,421,594,500 to 6,922,478,871. The shareholding structure of the Company immediately before and after completion of the Rights Issue was as follows:

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

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements involve inherent risks and uncertainties. Please note that numerous factors can cause actual results to differ from any business forecasted or implied by the forward-looking statements. Material differences may even exist under certain circumstances.

ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fosun.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report will be dispatched to the shareholders of the Company and published on both websites on or before 30 April 2015.

GLOSSARY

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

FORMULA

EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Total debt	=	current and non-current interest-bearing borrowings + convertible bonds + loans from related parties
Interest coverage	=	EBITDA/net interest expenditures

ABBREIVATIONS

AUD	Australian dollar, the lawful currency of Australia
BHF-BANK	BHF-BANK AG, a wholly-owned subsidiary of RHJI
Billion Infinity	Billion Infinity Investment Limited
Billion Infinity Share Purchase Agreement	the share purchase agreement dated 23 March 2015 entered into among Billion Infinity and the Billion Infinity sellers in relation to the Billion Infinity acquisition
the Board	the board of Directors
Bona	Bona Film Group Limited
Cainiao	Cainiao Network Technology Co., Ltd.
Cares	Cares-Companhia de Seguros, S.A.
Carlye-Fosun	Fosun-Carlye (Shanghai) Equity Investment Fund L.P.
Caruso	Raffaele Caruso S.p.A
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chuangfu Finance Leasing	Chuangfu Finance Leasing Shanghai Co., Ltd.
Club Med	Club Méditerranée SA
CNFC Fishery	CNFC Overseas Fishery Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange with

	stock code 000798
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
Euro	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade-Companhia de Seguros, S.A.
Fidelidade Share Purchase Agreement	the share purchase agreement dated 23 March 2015 entered into among Fidelidade and the Fidelidade sellers in relation to the Fidelidade acquisition
Focus Media	Focus Media Holding Limited
Folli Follie	Folli Follie Group
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Equity Investment Fund Partnership (L.P.)
Fosun Chuanghong	Shanghai Fosun Chuanghong Equity Investment Fund Partnership (L.P.)
Fosun Finance Company	Shanghai Fosun High Technology Group Finance Co., Ltd.
Fosun Insurance Portugal	Fidelidade-Companhia de Seguros, S.A., Multicare-Seguros de Saúde, S.A. and Cares-Companhia de Seguros, S.A.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
the Group or Fosun	the Company and its subsidiaries
Hainan Mining	Hainan Mining Co., Ltd.
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
Ironshore	Ironshore Inc.
Huaxia Mining	Beijing Huaxia Jianlong Mining Technology Co., Ltd.
Jianlong Group	Tianjin Jianlong Iron & Steel Industrial Co., Ltd.
Jin’an Mining	Anhui Jin’an Mining Co., Ltd.

JPY	Japanese yen, the lawful currency of Japan
Linekong Interactive	Linekong Interactive Co., Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 08267
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
MIG	Meadowbrook Insurance Group, Inc., a corporation incorporated in Michigan, the United States and its shares are listed on the New York Stock Exchange with stock code MIG
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare-Seguros de Saúde, S.A.
Nanjing Nangang	Nanjing Nangng Iron & Steel United Co., Ltd.
New China Life Insurance	New China Life Insurance Company Ltd., whose A shares are listed on the Shanghai Stock Exchange with stock code 601336 and whose H shares are listed on the Hong Kong Stock Exchange with stock code 01336
Peak Reinsurance	Peak Reinsurance Company Limited
Perfect World	Perfect World Co., Ltd.
Pramerica - Fosun China Opporunity Fund	Pramerica – Fosun China Opportunity Fund, L.P.
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd.
PRC	the People’s Republic of China
Reporting Period	the year ended 31 December 2014
Resource Property	Shanghai Resource Property Consultancy Co., Ltd.
RHJI	RHJ International SA, whose shares are listed on the Euronext Brussels with stock code RHJI
Restricted Depositary Shares	has the meaning given to it under the the Restricted Deposit Agreement, dated as of 31 March 2005, among RHJI, the Bank of New York Mellon (formerly known as The Bank of New York), as Depositary thereunder, and Owners and Beneficial Owners (as such terms are defined therein)

Rights Issue	the issuance of the rights shares at the subscription price on the basis of 39 rights shares for every 500 shares held on the record date, payable in full on acceptance
RMB	Renminbi, the lawful currency of the PRC
ROC	Roc Oil Company Limited, a company formerly listed on the Australian Securities Exchange with stock code ROC
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd., a company whose A shares are listed on the Shanghai Stock Exchange with stock code 600429
Shanjiaowulin	Shanxi Coking Coal Group Wulin Coal Coke Development Co., Ltd.
Shares	the shares of the Company
Sinopharm	Sinopharm Group Co. Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099
Star Capital	Shanghai Star Equity Investment L.P.
Starcastle Senior Living	Starcastle Senior Living Corporation
St. John	St. John Knits International, Incorporated
Studio 8	Studio 8, LLC
USD	United States dollars, the lawful currency of the United States
Weishi Fund	Shanghai Fosun Weishi Phase I Equity Investment Fund Partnership (L.P.)
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd.
Zhaojin Mining	Zhaojin Mining Industry Co., Ltd., whose H shares are listed on the Hong Kong Stock Exchange with stock code 01818
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd., a company whose A shares are listed on the Shenzhen Stock Exchange with stock code 000685

By Order of the Board
Fosun International Limited
Guo Guangchang
Chairman

Shanghai, the PRC, 25 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping; the non-executive director is Mr. Fan Wei; and the independent non-executive directors are Mr. Zhang Shengman, Mr. Zhang Huaqiao, Mr. David T. Zhang and Mr. Yang Chao.