

Corporate Social Responsibility Report

2012



**Self-improvement, Teamwork,
Performance, Contribution to Society**

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DISCOVER
MANAGE
PROSPER

Scope of the Report

This Corporate Social Responsibility annual report ("CSR report") is a systematic summary of Fosun Group's achievements in corporate social responsibility. Through the report, the Group effectively manages its CSR function and communicates with the society. This is also a significant commitment by Fosun in its efforts of achieving transparency and systemisation, as a public company.

The principle on scope definition and data selection:

- All the data and content, and selection scope of this report are in accordance with Fosun International Limited ("Fosun" or "the Company"), ie: Shanghai Fosun High Technology (Group) Co., Ltd. and its subsidiaries. {Unless otherwise defined herein, the subject party in this report is referred to Fosun; while "the Group" and "Fosun Group" are referred to Shanghai Fosun High Technology (Group) Co., Ltd., ie: it is not related to Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma") and Shanghai Forte Land Co., Ltd. ("Forte Group")}. Fosun has diversified operations covering steel, mining, property, pharmaceutical and healthcare, retail, and other strategic investments, including mainly these companies: Fosun Pharma, Forte Group, Nanjing Iron & Steel and Hainan Mining, etc. All figures in the report are as of 2011.
- Content of the report was selected according to importance, objectivity and relevance to stakeholders.

Preface

During 2011, Fosun Group continued to strive to become a premium investment group with a focus on "China's growth momentum". On the path of Fosun's bid to accomplish this strategic vision, Fosun also shoulders social responsibilities in harmony with explicit business strategy and advocates "Two- ecology" and "Two- renaissance" to account for corporate social responsibility. With the recognition of the society, it lives up to its commitment to the State, the society, investors, employees as well as the environment by taking a series of concrete actions.

This CSR report has summarised a set of core philosophy, major practices and results of Fosun Group in 2011 in promoting corporate social responsibility as a holding company, which is also a performance report delivered to the community by Fosun Group in relation to social responsibility in addition to the financial report. In hopes of uniting the strength of the "Fosun Family", we would like to join forces with the society to improve the commercial environment and natural environment of China so as to facilitate the rejuvenation of the Chinese economy and culture.



GUO Guangchang

LIANG Xinjun

WANG Qunbin

FAN Wei

DING Guoqi

WU Ping

QIN Xuetang

Message from the Management

Upholding to the philosophy of value investment since its establishment in 1992, Fosun Group has been investing in outstanding enterprises related to China's growth momentum. With "Together We Make a Difference" as our brand slogan, the Group's vision is to become a premium investment group with a focus on China's growth momentum.

Intertwining with the intricacies of the international economic situation, Fosun Group overcame the uncertainty and volatility of the macroeconomic environment in 2011, achieving rapid development in our three growth engines: industrial profits, investment profits and asset management profits.

We have always emphasized on the importance that Chinese enterprises must have global vision under nowadays' inevitable trend towards economic globalisation. We also believed that as an integral part of the world, large Chinese companies should learn to undertake more social responsibility.

As a sizable non-state owned listed group, Fosun regularly introspects and reviews its relationships with different stakeholders over the year with its cordial presentation of two reports to the community - an outstanding corporate social responsibility report and an excellent financial report. With our contributions to the economy and efforts in social responsibility, we hope to facilitate the development of a new commercial environment, promote sino-foreign cultural exchange and business, as well as supporting the rejuvenation of Chinese economy and culture, with a view to becoming a pioneer and advocator of China's new business ecology.

Cultural Values of Fosun

1

We advocate

the utilisation of the platform provided by Fosun to realise your own dreams and unleash your passions, and to think and act with hearts to accomplish the goals of the Company and of yours.

We object to

taking Fosun's platform as a "shelter" to dawdle away the time with neither aspiration nor passion to seek for improvement.

2

We advocate

placing corporate interests as the first priority in the pursuit of value creation and co-development for an individual and the Company to grow together.

We object to

the mere quest for personal interests at the expense of the interests of the Company and others, and involving in illegal activities by exploiting corporate power for personal benefits.

3

We advocate

the absolute accordance with Fosun's culture and core values, and actively promoting to others and the public with practice.

We object to

saying something with one's tongue in one's cheek and diverging from Fosun's culture with solitude.

4

We advocate

adhering to the philosophy of value investment, emphasizing investment discipline and the centralised management of investment by Fosun headquarters.

We object to

all kinds of speculation and fractional ownership in investment as well as risking the long-term corporate value for the alleged short-term gains, which we will never long for however high such profits are.

5

We advocate

caring for the lives of our employees, adhering to humanities, fully understanding the needs of employees, and maintaining a stable and favourable environment for the Company's development.

We object to

the achievement of the so-called "high-speed development" by "contempt of life and ignorance of humanities". We resolutely reject this unharmonious development which is contrary to the healthy development of Fosun's "two-ecology" concept.

6

We advocate

learning by benchmarking with top-notch companies in the world and in the industry, through which we identify differences and development goals and enhance our learn ability and systems.

We object to

be self-satisfied and complacent and not wanting or daring to become a leading first-class company, but becoming a second-rate company by acting cautiously without passion and goal.

7

We advocate

team building and personnel development by vigorously promoting the "Successor Plan", soliciting a strong team, experts and consultants to form an excellent strong team that fits with our global strategy.

We object to

people who are arrogant and narrow-minded, oppose to nurturing "successors", lack of confidence and motivation or incapable of employing talents with greater abilities and qualifications.

8

We advocate

resources sharing, collaboration, comprehensive communication with the Fosun family. We encourage mutual support between the Group and various companies and among companies to create value and promote our development.

We object to

taking resources as their own competitive advantages with excessive manipulation and exclusive use, not willing to share with others but for its self-interest, thereby limiting the value that can be generated.

9

We advocate

the undertaking of greater social responsibilities as an outstanding corporate citizen, combining corporate development with social betterment, environmental improvement and humanistic care to truly achieve harmony and win-win situations.

We object to

being greedy, ignoring the environment and disregarding life and human rights.

CSR Management Model to Major Stakeholders



During the past year, the Group surmounted the economic fluctuations and achieved excellent operating performance, thereby generating considerable taxes and creating myriad of jobs for the State and society. In addition, the Group carried out a number of investment projects which could effectively promote the local economic development. Taking the lead to making suggestions in the National People's Congress ("NPC") and Chinese People's Political Consultative Conference ("CPPCC"), the Group strives to promote the healthy development of non-state owned economy by all means. As a business leader with overseas investment undergoing, the Group advocated a new commercial environment and sino-foreign cultural exchange, earning itself a number of credits within and outside China.

To safeguard shareholders' interests, the Company has maintained a sound corporate governance system through which various risks are under detection and control. According to the relevant provisions of the Hong Kong Stock Exchange, the Company fully discloses the relevant information in a timely manner and maintains multiple channels such as results announcement conference and shareholders' general meeting to keep analysts, shareholders and the general public who are interested in our Company abreast of our strategies and the latest operating activities.

Providing dedicated advices and services to investees and

their core entrepreneurial teams, the Group realises the needs of enterprises through annual meetings for their managers and various function lines. The Group encourages these enterprises to observe the macroeconomic situation, conduct research on industry and policy, and enhance their management with reference to industry-leading companies. Fostering the idealism and service support of the "Fosun Family", the Group also provides all sorts of resources to assist investees through hundred-day service plans for its counterparts to create values for investees and promote the healthy growth of the enterprises.

The Company concerns about its employees' career prospects. With staff morning briefings and internal publications, the Group cultivates its corporate culture and reinforces mutual cultural exchanges between enterprises through cultural activities including sport events and tai-chi trainings to encourage the well-being of employees. Through the staff representatives' congress, the Group is also able to collect the pledges and opinions of grassroot employees.

To advocate and promote its core value of "Together We Make a Difference", the Group has organised and participated in numerous social welfare activities. Fosun has donated over RMB24 million to the society for public events with its donation amounting to over RMB600 million since its establishment.

Fosun has established a cooperative relationship with a number of charity organisations, making donations to the following areas based on the clearly-established principle and evaluation mechanism of charitable donations:

- Care for the health and well-being of people and ongoing assistance and alleviation for the disadvantaged
- Arousing the awareness for the natural and commercial environments
- Promotion of youth entrepreneurship and employment
- Maintenance of social equity by increasing the number of educated youths in deprived districts
- Preaching corporate citizenship and volunteerism
- Urging the conservation of traditional Chinese culture and active involvement in sino-foreign cultural exchange



Part I

Commitment to the State



Business development, taxation and job creation

In 2011, Fosun Group fully leveraged on its competitive advantages of "China Expertise, Global Capacity", thereby making remarkable headway in establishing a global-leading investment group with a focus on China's growth momentum.

Our tax revenue contribution to the State amounted to RMB6.29 billion in 2011, creating over 30,000 jobs. In 2011, the Group ranked 81st among "China's top 500 enterprises by Fortune" and 88th among "China's top 500 enterprises by net profit". Additionally, the Group was included in the league of "Top-Ten Modal Non-SOE Economies in China".

With its unremitting efforts in exploring investment opportunities, the Group has investment projects throughout China, among which a vast amount of investment projects in the central and western regions have directly bolstered the economic and social development in those areas.



The Group was included in the league of "Top-Ten Modal Non-SOE Economies in China"

In 2011, Fosun Group was included in the league of "Top-Ten Modal Non-SOE Economies in China". In early December 2011, the Top-Ten Advanced Modal Non-SOE Economies Presentation Conference was held in Beijing. Guo Guangchang, Chairman of Fosun, was invited to present Fosun's case in the conference. The conference was jointly held by United Front Work Department of the CPC Central Committee and All-China Federation of Industry & Commerce. Jia Qinglin, Member of the Politburo Standing Committee of the Communist Party of China and Chairman of the Chinese People's Political Consultative Conference, attended the conference and delivered a speech. The conference also saw attendance of Liu Yunshan, member of the Politburo Standing Committee of the Communist Party of China, Secretary of Secretariat of the Communist Party of China Central Committee and Head of Publicity Department of the Communist Party of China; Huang Mengfu, Vice Chairman of the Chinese People's Political Consultative Conference and Chairman of the All-China Federation of Industry and Commerce attended. Du Qinglin, Vice Chairman of Chinese People's Political Consultative Conference and Director of United Front Work Department of Communist Party of China officiated at the conference.

Mr. Guo outlined to the conference Fosun's 19 years of development since establishment. In addition, he also presented Fosun's case of perpetual learning and forging growth powers among the entrepreneurial, surrounding the principles of "Institutionally-Secured Development, Culture-driven Growth".

Jia Qinglin, on behalf of the CPC Central Committee, expressed his appreciation to the commencement of the conference, the persisting faith in socialism with Chinese characteristics of Fosun and other enterprises, and their ongoing pursuit of excellence. "The non-SOE economy is an indispensable and important constituent China's modernisation development. Promoting the healthy development of the non-SOE economy has evolved into a long-term policy directive that calls for perseverance." Jia Qinglin said.



Introduction of overseas investment policies for non-state owned enterprises

Guo Guangchang, a member of the NPC and Chairman of Fosun submitted a motion for the development of the non-SOE economy at the "two meetings" of NPC and CPPCC in 2011. Guo Guangchang suggested the relevant authorities to promulgate a series of initiatives targeting overseas investment of non-state owned enterprises to support the "going-out" strategy of non-SOE economy in terms of industry guidance, credit support, information exchange and overseas coordination. Guo Guangchang pointed out that the total number of non-SOE enterprises in China has currently exceeded 7.5 million, accounting for over 70% of the total number of legal entities in China. According to a survey, one-third of non-state owned enterprises will set up overseas sales networks in the next three years, a quarter of which will set up overseas representative offices, while 15% will invest and build factories overseas. By investing overseas, various "acclimatisation" issues were experienced by non-state owned enterprises primarily on issues including industry selection, talent pool, brand recognition, credit support and overseas communication.

The non-SOE enterprises need the government to spearhead the strategy in overseas investment. Guo Guangchang recommended the relevant authorities such as the National Development and Reform Commission to formulate an overseas investment industrial catalogue to provide overseas investment information and policy guidance to non-state owned enterprises.

Banks that are under the direct jurisdiction of the State including China Development Bank shall provide "green-channels" credit supports to enterprises and investment projects that are justifiable for the industrial catalogue. Also, it is proposed that departments including the Ministry of Commerce should coordinate in establishing an information sharing system for state-owned enterprises' overseas investment projects, support the formation of an alliance between non-state owned and state-owned enterprises to carry out a variety of overseas investment by capitalising on their respective strengths and to minimise overseas political obstacles that can be circumvented.

Concerning people's livelihood, advocating the income growth plan

As a member of the NPC, our Group leader Guo Guangchang plays an active role in politics by making suggestions for the State's economic development and social progress as well as deliberate motions for the betterment for the society and people's livelihood.

In his motion, Guo Guangchang suggested the government to formulate the "Income Growth Plan" promptly. The government can allocate its fiscal revenue to protect low-income needy groups by introducing more measures in the fields of health, education and transportation. It can further cut tax, implement structural tax reduction policy in respect of dependent elderly and children education while considering the provision of tax relief or tax rebate for companies that offer substantial benefits to employees and encourage these companies to redistribute the tax relief or rebate to employees, with a view to facilitating companies to increase income of their employees.

CPPCC proposal to promote economic development and transformation

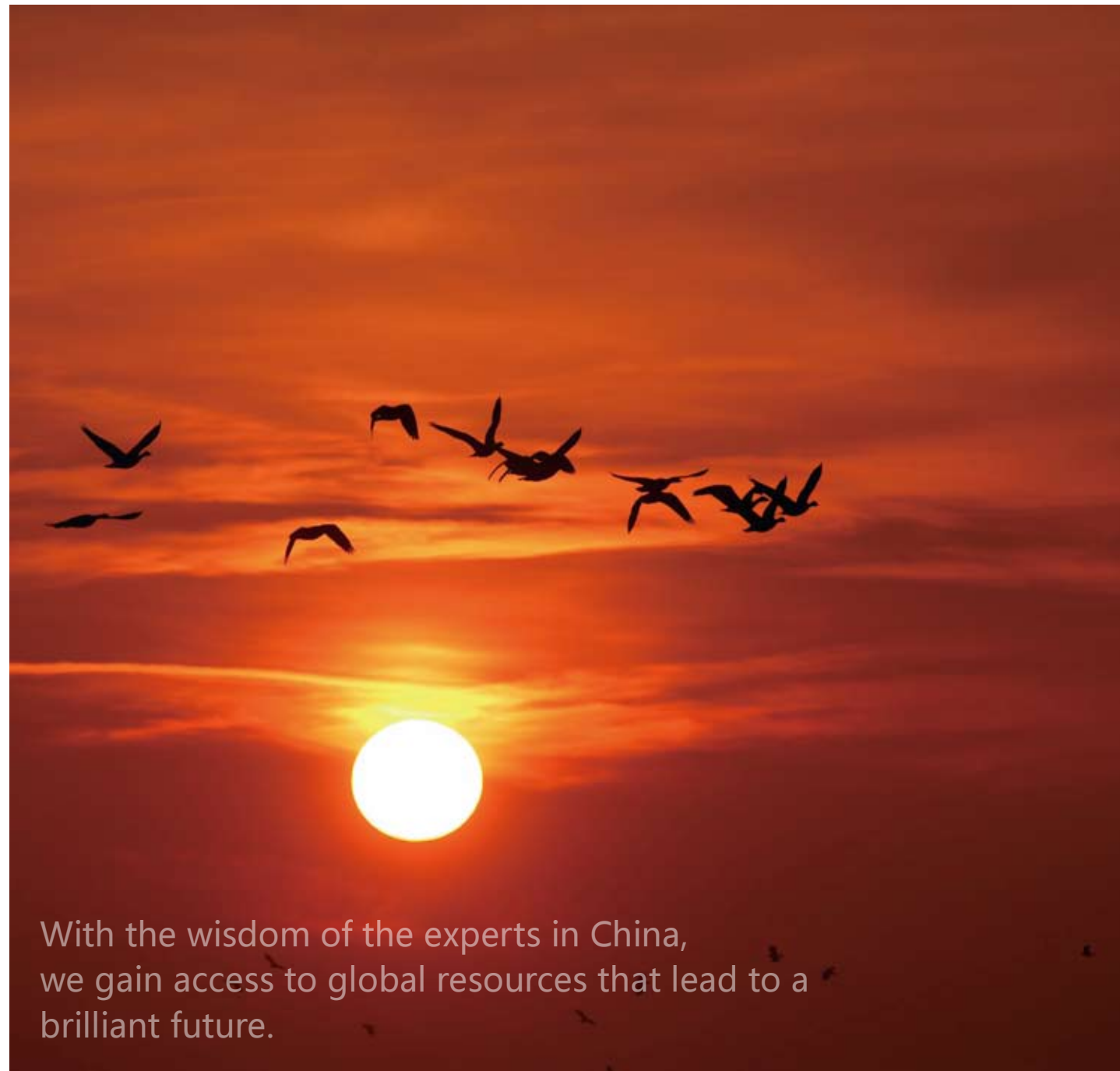
In 2011, Liang Xinjun, Vice Chairman and CEO of Fosun, fulfilled his responsibility as the committee member of the CPPCC of Shanghai, putting forward the following economic restructuring proposals of Shanghai: 1) grasping the characteristics of the strategic transformation of China in the world, developing systems and policies to attract global enterprises to set up their headquarters in Shanghai; 2) deepening its linkage with Hong Kong to turn Shanghai and Hong Kong into investment bases built to repurchase high-quality and underestimated Chinese overseas assets; 3) introducing concrete measures to encourage Chinese companies to adopt the investment model of "Combining China's growth momentum with global resources", which is equivalent to the new mode of overseas merger-and-acquisition through "minority investment in a global enterprise as its influential shareholder by leveraging the attractive power of China's rapid economic development to overseas enterprises, subsequently, becoming a substantial shareholder of the global enterprise in its domestic business by assisting our global partner to explore and develop the Chinese market and thus increase its global value". It was proposed to actively attract the regional headquarters of such global enterprises to secure a foothold in Shanghai.

The Group's active involvement in election of new session of the NPC

In the 2011 election of new session of the NPC, Fosun Group solemnly conducted voter registration and voting works for all staff. Chen Qiyu, Vice President of the Group and Zhang Hua, Chairman of Forte Group, were elected to be the representatives of People's Congress of Putuo District and Pudong New Area of Shanghai respectively and will continue to make contributions to the community by enrolling in politics in the next five years.

Part II

Commitment to Shareholders & the Public



With the wisdom of the experts in China, we gain access to global resources that lead to a brilliant future.

Contributing to economic growth through the reinforcement of three growth engines

Through investment in China's fast-growing companies, Fosun Group creates value for shareholders and promotes social advancement. Fosun Group overcame the uncertainty and volatility of the macroeconomic environment in 2011, achieving rapid growth in its three growth engines: industrial profits, investment profits and asset management profits.



In terms of investment, the Group has consistently emphasized the importance of our three core competencies through which the Group has achieved high-speed, sustainable and stable growth over the years, namely "Continuous management and operational improvements, Exploring investment opportunities, Optimisation of financing from multiple sources."

In 2011, Fosun's core enterprises continued to optimise their operational capabilities and achieved stable growths in their results performance. Fosun Pharma, Sinopharm, Yuyuan, Hainan Mining, Zhaojin Mining all recorded growth in sales revenue and profit, whilst the Forte Group went into privatisation and was delisted from the Hong Kong Stock Exchange, which allowed resources integration of and provided favourable growing conditions for the property investment segment.

In the past year, Fosun Group expedited the formation of long-term quality capital for value investment with reference to the Buffett model by increasing its investment in the insurance sector through cooperation with Prudential Financial, Inc. in U.S., the world's leading asset management group. The launch of a new life insurance joint venture company in China between Fosun and Prudential Financial, Inc. were approved. Meanwhile, as a pivotal step for Fosun Group to actively participate in the development of non-bank financial institutions so as to turn Shanghai into an

international financial center, Fosun Group Finance Corporation Limited has been formally established in August 2011, which becomes the first finance corporation established through promotion by non-state owned enterprises in Shanghai.

Leveraging on its established industrial base, Fosun Group vigorously explored the "win-win model of "Combining China's growth momentum with global resources" in 2011. With persistence in creating value by investment and commitment to corroborating the real economy, we have successfully acquired the stakes in Folli Follie, a renowned fashion retail group in Greece, and demonstrated an open, cooperative, regulated and assertive image of a non-state owned enterprise in the overseas market, with one of our leaders was awarded the "Chinese Business Leader of the Year" by the 7th Session of Horasis Global China Business Meeting. As for PE and strategic investment, Fosun created history by promoting the listing of eight companies, namely Shanghai Ganglian, Tofflon, Jasic Technology, New China Life, Hangzhou D.A. Medical Laboratory, Jinhe Industrial, Jincheng Pharma, and Henan Billions Chemical. At the same time, Fosun also completed the investment in approximately 15 new PE projects and reserved a number of outstanding listed projects.

Sound operations with systematic risk management

Fosun Group always insists that in order to have accountability to shareholders, we must strengthen the risk management mechanism to manage risks systematically. As our risk management functional department, the Legal Affairs Department transacts all businesses involving legal matters through the establishment of our compliance management system, thereby reducing the Company's legal and compliance risk to ensure our normal operations and the realisation of our strategic objectives. One of the characteristics of Fosun Group is, Qin Xuetang, a director with law background, has joined the board of directors of Fosun Group for long. Nowadays, the Group and our portfolio companies have more than 130 experienced audit and legal talents.

In 2011, Fosun Group's Legal Affairs Department and Audit Department set a new target which is comparable with world-class enterprises. Not only has the Group established a strong legal and audit team, it also worked closely with the legal and audit task forces of its subordinated companies. There are legal affairs and audit directors to provide independent advice for each investment project before and after investment. Each independent listed company invested by the Group is required to have a legal and audit department to oversee every process for corporate management through the establishment of a sound management system and internal control system, leaving no stone unturned. The Group also conducted its own internal audit while being audited externally by Ernst & Young, a well-known international accounting firm. Fosun continues to strengthen its risk management and internal control of internal audit, with the implementation of a comprehensive risk assessment and continuous improvement to the established risk management system. Fosun places great importance on the building of an audit system through strengthening the auditing standards and actively carrying out "corporate governance" audit to enhance the standards and transparency of the Company's operating activities and management. To establish our risk assessment and internal control system, we introduced an advanced risk intelligence platform and underwent redevelopment according to own needs and conducted risk quantitative management with the effective use of risk assessment model, which was recognised by the Shanghai Municipal Auditing Bureau and Shanghai Internal Audit Association for several occasions.

Fosun Group stressed that everyone is responsible for risk control whilst legal staff is held directly responsible for risk management. The risk management of legal affairs function line emphasizes on managing risks systematically, and also keeping an eye on every

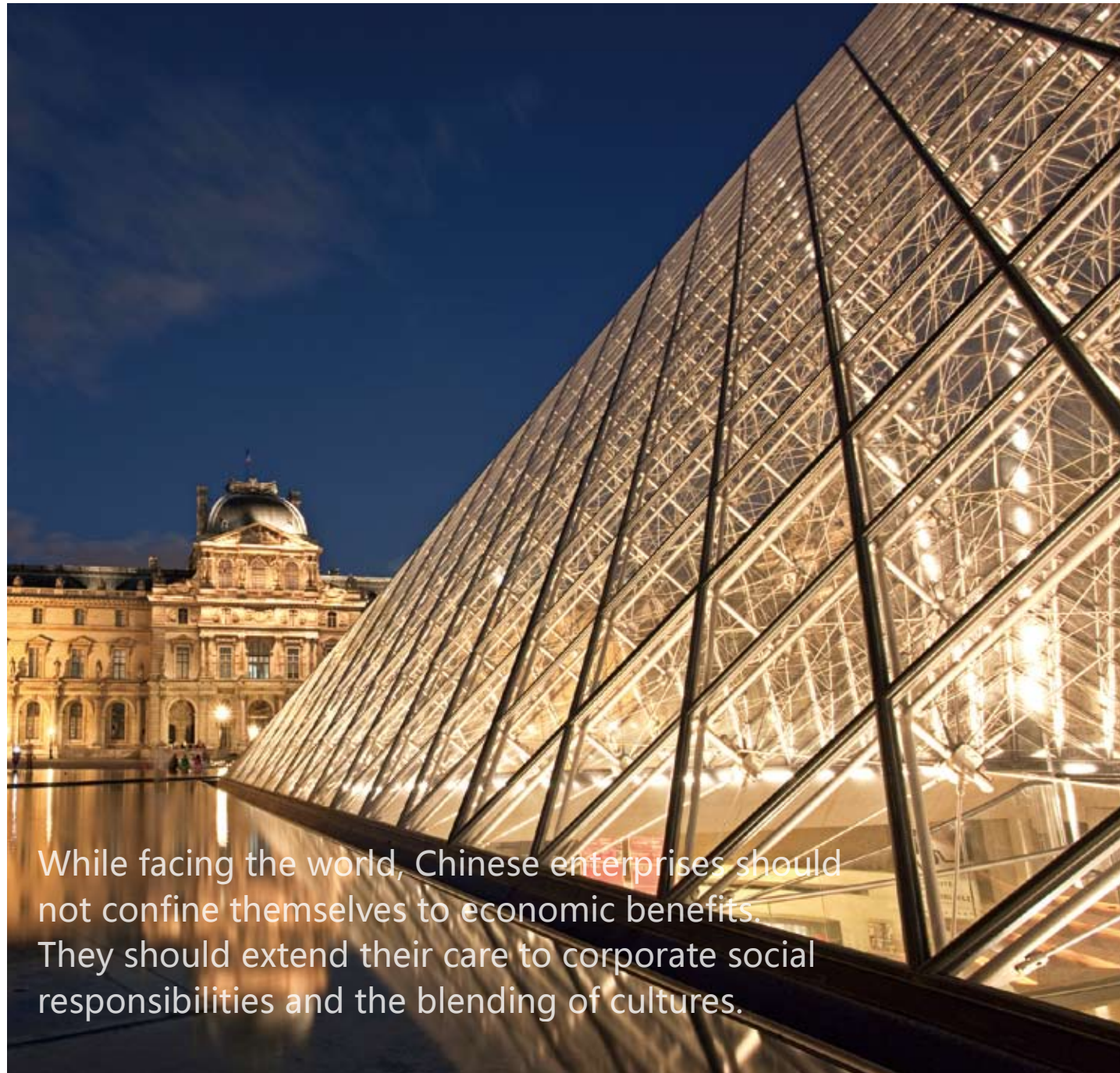


The Group strictly complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and makes timely disclosure of information. Through shareholders general meetings and results announcement conferences, Fosun maintains timely and adequate communication with shareholders and analysts on a regular basis. The Group's management regularly participate in global roadshows, discuss business ideas and the Company's important issues with investors and listen to the opinions and suggestions of investors and shareholders in relation to our business. The Group's Office of Board Secretary and Investor Relations Department maintain regular communication with the Stock Exchange and disclose information in accordance with laws. The Group was awarded the "Annual Best Investor Relations Conglomerate in Asia Prix" by IR Magazine. By clinging to the sincere and transparent culture, the Group ensures timely communication with the media. Our Branding Department held a number of press conferences in 2011 to release information regarding the latest progress of our projects and the Company's up-to-date news to the public and media. In April 2011, the eye-catching brand activity "Shining Star in New York" was successfully held in Wall Street, New York, USA by the Group, receiving commendation from the U.S. business community and international authoritative media such as The Wall Street Journal and The New York Times. In October 2011, the Group was successfully put on the cover of Institutional Investors, an authoritative U.S. magazine for the global investment industry, and honored with the title of the "China's Berkshire", making it the first time for a non-state owned investment group in China to get published on the cover of the magazine.

Part III

Commitment to Customers and Investees

Actively investing in overseas and promoting the growth of investees



While facing the world, Chinese enterprises should not confine themselves to economic benefits. They should extend their care to corporate social responsibilities and the blending of cultures.

Pioneer of overseas investment culture

In September 2011, the opening ceremony of the Fosun-sponsored exhibition of objects from Chinese Emperors was held at Musée du Louvre of Paris in France, which demonstrates the association of economy with culture for Fosun's overseas investment.

On 26 September 2011, the opening ceremony of exhibition of objects from Chinese Emperors at Musée du Louvre of Paris in France, sponsored by Fosun Group, was officially held. Over 500 guests, including Mr. Kong Quan, the ambassador of the People's Republic of China in France, Mr. Frédéric Mitterrand, the Minister of Culture in France, Fosun Group, and representatives from other patron enterprises, attended the opening ceremony.

Titled "The Forbidden City at the Louvre, Chinese Emperors and French Kings- exhibition", the exhibition displayed several objects from China and contemporary French palace relics, and attracted over 3,600 celebrity visitors from different walks of the French society on the first day of beta exhibition. Fosun Group sponsored €200,000 to the event.

"In the era of economic globalisation, China's rapid-growing enterprises are reaching out to the world in moves that have established a trend and captured eyeballs from different geographies. While facing the world, Chinese enterprises should not confine themselves to economic benefits. They should extend their care to corporate social responsibilities and the blending of cultures. Fosun's patronage illustrated our respect to French culture and endorsement to cultural exchange efforts between France and China. With Fosun's unique investment model of 'Combining China's growth momentum with global resources', we adhere to our corporate mission of 'Together We Make a Difference'. We hope to pay tribute to cultural plurality and express our support in transnational cultural exchanges through this patronage," said the representative of Fosun Group.

"We are pleased to see more frequent cultural exchanges between China and France. The number of Chinese tourists visiting the Louvre Museum in France has been increasing. There were nearly 350,000 Chinese tourists who visited the Louvre Museum in 2010 alone. We express our sincere gratitude for Fosun's support to the Louvre Museum as well as their respects to and efforts in propelling Chinese-French cultural exchanges," said the representative of Musée du Louvre Museum.

Fosun Group firstly became a sponsor of Musée du Louvre drew the attention of foreign media. Famous media including the French Daily "Le Figaro" has reported on Fosun Group's cultural sponsorship events.





**Establishment of an international platform
Combining China's growth momentum with global
resources received international recognition**

Taking the responsibility of a shareholder and exercising the power of the chamber of commerce, Fosun Group strives to promote the transformation of investees to increase their competitiveness while encouraging them to connect with the capital markets, explore overseas markets and enhance corporate governance.

Fosun Group expedited its internationalisation process in 2011. In addition to investment in Folli Follie Group, Fosun established a joint venture in China with Prudential Financial, Inc. Also, Fosun Group assisted its business partner - Club Med, to attract a large number of tourists, with Club Med's business in China recorded a year-on-year increase of nearly 40% in 2011.

On 19 May 2011, Fosun announced its investment in the Folli Follie Group, a renowned Greek fashion group, thus becoming one of its largest strategic investors. Upon the completion of the strategic cooperation, net profit of the Folli Follie Group increased by 27.5% in the first three quarters of 2011. With extensive international media's coverage, it represents another important international cooperation and investment project by Fosun, subsequent to the establishment of strategic partnerships with The Carlyle Group and Club Med.

In September 2011, Fosun and Prudential Financial, Inc. announced that they received duly approval from the China

Insurance Regulatory Commission on the preparation to launch a new life insurance joint venture company in China. The company will be the only life insurance joint venture in China between a non-state-owned enterprise and a foreign capital enterprise. The initial registered capital of the life insurance joint venture company is RMB500 million, with Prudential Insurance Company under Prudential Financial, Inc. and Fosun each contributes 50%.

The Wall Street Journal, the famous finance newspaper in U.S. made special reports under the title of "Corporate China Spreads Its Wings" and "Fosun Group develops a new style of 'going out' strategy". In the articles, detailed coverage and elaboration were made on the Fosun's global strategic moves together with Fosun's investment model of "Combining China's growth momentum with global resources" as well as Fosun's "Tai-chi philosophy", while the whole media story is in a very positive tone.



**International honors
received during Fosun's
road to globalisation**

In recognition of achievements in globalisation, Mr. Liang Xinjun, Vice Chairman and CEO of Fosun Group was awarded "Chinese Business Leader of the Year" at the 7th Horasis Global China Business Meeting in Valencia, Spain in November.

A jury led by Horasis, an internationally-renowned business strategy consultancy, lauded Liang Xinjin for his "anticipation of the internationalisation of the Chinese economy, his active participation in civic society, and his tremendous entrepreneurial spirit, which continuously propelled the growth and development of the Chinese economy actively".

In November 2011, in the annual meeting held in Singapore, the "2011 World Entrepreneurs Award" selected by EMLYON Business School, KPMG and Nanyang Technological University, etc was officially presented. Fosun was one of the four parties which received the award, and was the only Chinese enterprise receiving the award. The reason of Fosun receiving the award is that it actively invested in overseas enterprises such as Club Med, and strategically combined the upgraded consumption demand of the vast Chinese population with these overseas enterprises.

Part IV

Commitment to Employees

Establishment of Corporate Culture and Staff Caring



Gathering the strength of "One Fosun" for us to excel.



Establishment of Fosun Corporate Culture and Establishment of Staff Representative System

Fosun Group nurtures and cultivates the corporate culture of Fosun with an open mind. As it gradually grows in size and achieves long-term development in various investment sectors, Fosun Group has diversified the scope of businesses, investees, employees' backgrounds and cultural values, which injected not only new vitality but also new challenges to the Group's development and management. As such, the "One Fosun" project becomes a platform for the open communication, business collaboration and resource sharing amongst all members within the Group under the support of a professional consulting firm. It improves resources sharing, operational synergies and value creation under different business environments, and provides the Group and investees with plenty of information and exchange, which promotes and facilitates the rapid co-development of the Group and investees.

Fosun Group also initiated the "One Fosun" corporate culture discussion between the Group and the investees. In respect of stimulating the sense of identity of employees and cohesion, the staff union of the Group expanded the scope of care to the families of the employees: during festivals such as the Mid-autumn festival, greetings and care are also given to the families of managers who are delegated to overseas.

In order to protect the legal rights of the employees and facilitate the healthy development of the enterprise, pursuant to the requirements of the Labour Law, Labour Union Act, Labour Contract Law and the relevant laws and regulations, the 3rd Staff Representative Committee of the group. was formed through democratic election after taking into account the situations in Shanghai and the internal situation of the Group. The representatives come from different departments and positions and have sufficient mass bases. The first meeting of the 3rd Staff Representative Committee was held on 25 November 2011, and 64 staff representatives attended. In the meeting, the amendment details of Collective Contract, Labour Contract and Staff Handbook were discussed, and some directions for improvement of the company rules and regulations closely related to the staff members were also discussed. These include "Proposal for supplementing, enhancing and adjusting the commercial medical insurance", "Enhancement proposal for raising the standard of staff entry body check" and "Enhancement proposal for raising the standard of meal compensation for staff on business trip", etc.

Caring the physical and mental health of employees

In respect of the improvement of employees' physical and mental health, the Group opened a "Body & Soul" column in the Group's "Fosun People" newspaper to publish whole page articles in each issue so as to guide soul regression and growth. Since 2011, articles including "How to shoulder the weight of life", "Big love without a trace", "The delight of returning", "Shouting out loud I love myself", "Everything has energy", "Let life be filled with love, let the world be filled with light" and "Being calm in the city, walking around the world" were published in that column to guide healthy way of thinking and promote a positive and optimistic living attitude. The Group designated an area as "Love Community" on 13/F of Fosun Headquarters to provide our employees with food and beverage services including vegetarian meal. In order to resolve our staff's dining problem, the Group opens a canteen in the existing office space to provide staff with a spacious and comfortable dining environment.

The organisations including the labour union of the Group put great effort in organising several cultural and sports activities:



In September 2011, the Group's 5th large scale staff sports game was held at Luwan Stadium. Over 2,000 employees from the Group and different businesses took part in various sports competition and performances including 800m run, 100m run and fun running, etc.

On the Group level, doing sports and exercises has also become common among the staff members. A total of over 10 staff sports activities clubs were established, and sports activities such as badminton has become organised and are held more often. The Group greatly encourages the employees to practice Tai Chi, and a Tai Chi Club was established to provide free venue and coach to staff members. Tai Chi competition has also been held to encourage participation in Tai Chi. Over 200 Tai Chi enthusiasts took part in the Tai Chi performance on the sports game, and Tai Chi has become the sports activity with most participants in the sports game. In 2011, the second Tai Chi competition was held, and the number of participants increased significantly.

The Fosun long-distance running team was established in 2011 and took part in a collective charity long distance run – J.P. Morgan Corporate Challenge. This race started on 20 October at Binjiang Longteng Raod, Xuhui, Shanghai. 3,810 employees from 176 companies in Shanghai formed teams to take part in the Shanghai running race with a distance of 5.6km.

14 long-distance running enthusiasts in Fosun Group took part in the race, fully demonstrating a healthy, charitable and teamwork spirit. It was the first time in the past 35 years that JP Morgan organised this series of long-distance running activity in Shanghai. As a tradition, JP Morgan Foundation makes donation to designated charity organisations after each race is finished. All local and foreign long-distance runners of Fosun Group finished the race with outstanding performance and achieved good results, demonstrating the energy and health and concerns over charity of the employees of Fosun. In order to show team spirit, the Group also designed a T-SHIRT race costume competition for this race.

Fosun Group also established a dancing club in 2011, and the first dancing training attracted around a hundred participants. Moreover, Fosun Group also considered the mental health of the employees, and provided our employees with psychological lectures.

Fosun Group also organised a variety of special events during holiday seasons, such as inviting female staff to participate in cross stitch competitions during the Women's Day on 8 March and organising spring tour for employees in spring, which enriched employees' personal lives while enabling them to be fully aware of Fosun's culture.



Providing diversified trainings to talents

In 2011, the Fosun Management Institute was opened, which plays a role of "Huangpu Military Academy" for the training of talents of the Group. 27 sections of different training projects were launched in 2011, in which 3 sections of general manager training, 6 sections of human resources director training, 4 times of large-scale new staff training, 2 sections of audit director training and a series of investment and financing salon activities were held. The total number of employees who participated in the trainings was 2,056 person-time, raising the employees' business qualities and competitiveness.

The Group encourages the employees to learn, and in 2010-2011, a lot of resources was put into building up an E-learning system, so as to make it easier for the employees to learn online using flexible methods. Official staff at the headquarters of the Group who participated in the KPI assessment must complete 4 courses every year, representing 5% of the scores of the annual KPI staff assessment. 332 excellent local and overseas courses were introduced to the study centre of the E-learning system, which provides the staff with choices based on their needs and positions. The Group also encourages its employees to take other courses apart from the mandatory courses. The most active staff member of the Group took 21 courses in a year.

Part V

Commitment to the Environment

Concerning about public safety and health, energy consumption reduction, environmental protection and providing customers with quality products and services.



We cherish peacefulness and contentment by providing a caring and solid shelter with our system.

Fosun Group realises that people are the most valuable asset of the Company. Therefore, we have clear safety, quality and environment guidelines and policies in place, and are committed to the society in the following aspects: ➤

Fosun Group believes that: ➤

Specifying policies of and commitments in and establishing and improving the monitoring mechanisms of safety, quality and environmental protection

In 2011, the Group specifically recruited talents and newly established a Safety & Quality Control & Environment Protection Department, so as to illustrate and improve the ability of the Group to identify risks in respect of safety, quality and environment and to ensure the serious implementation of the risk preventive and control measures to safeguard the stable operations of the Group in compliance with the respective standards.

- strict compliance with the PRC laws and regulations and Fosun's standards, and all laws and regulations of the countries and regions where we operate our business in the course of operation;
- establishing a safe, healthy, environmental-friendly and reliable living and working environment for our employees, contractors, visitors and the community where we live and work in the course of operation;
- provoking the holding companies, investees and partners of the Group to establish and improve the safety, quality and environmental protection management system with regular inspection and assessment to ensure their effective operation;
- being responsible and obliged to duly perform safety, quality and environmental protection work by all employees of Fosun Group, regardless of the time and place, and without hurting themselves, others and being hurt; and all employees are responsible and obliged to remind others to duly perform safety, quality and environmental protection work regardless of the time and place, which becomes our prerequisite for recruitment;
- adherence to the principle of sustainable development. We will monitor the companies in the areas of: reducing waste generation and gas and waste water emissions; efficient use of energy and recycling and reuse of waste wherever possible; minimising the impacts of our production and operating activities on the environment and public health; production of high quality products; and assurance in the safety use of customers.

- managers are responsible for the management of safety, quality and environmental protection
- all operation and work hazards can be controlled, reduce and eliminated
- all employees must unconditionally attend the safety, quality and environmental protection training
- all staff must promptly remedy the unsafe behavior of people and the unsafe condition of objects
- safe environment is equally important to production and quality

The Group will ensure the effective implementation of the safe, quality and environmental protection policies in the Group and also in the members of the Group, including various invested industries and companies, as well as office premises and its partners.

Furthermore, the headquarters of the Group strictly complies with the safety, quality and environmental policies and controls investment philosophy on environmental protection. The relevant investment teams (particularly the investment teams of the mining division) adhere to strict investment selection standard in choosing investment items, in which those items which do not meet the State's industry policies and environmental protection standard will not be invested in. According to the requirements of Fosun Group's investment business management, and taking into account the features of investment in industries such as the mining industry, not only the resources and production aspects, financial aspect, utilities and logistics aspects, legal aspect, operation aspect and management aspect are analysed during the preliminary analysis and due diligence processes of the mining investment business, the safety and environmental aspects and social environment aspects shall also be analysed. Issues such as safe production, environmental protection works, tailing dam, local indigenous cultural problems, animal and plant protection and relevant certificates shall also be assessed. The investment values and risks shall be systematically evaluated.

The Group's daily energy saving

In the daily work and operation aspects, the Group promotes energy-saving from small details. In daily works, we promote paperless office work; when printing is necessary, we promote two-sided printing. To save energy, the Group advocates the use of teleconference system to raise the efficiency of communication and reduce energy consumption of business trips.

From December 2011, the Group's Staff Union and Gaodi Real Estate Company jointly organised all the staff of the Group, Fosun Pharma and Forte Group, etc, to "Use less lift between neighbouring floors, walk more for health", so as to respond to the call of the fitness festival by taking action to take part in energy-saving activities from small details.

In order to reduce energy consumption, we adopted reasonable measures to affix commonly used lighting devices along the corridor of Fosun buildings with voice-activated devices, which avoid overconsumption of energy while ensuring employees are provided with sufficient lighting by setting a reasonable turn-on time for the devices.



Focus on changes in way of economic development, pay attention to strategic industries such as the cultural industry

In 2011, the Strategic Research Institute of Fosun Group strategically enhanced the Group's forward-thinking with a focus on the Group's transformation into an investment group, so as to discover opportunities and develop the capability to respond to changes. The Group actively benchmark with renowned financial enterprises overseas and raise the capability of overseas investment.

In 2011, the Group also established Fosun Property Holdings Limited and Fosun Cultural Industry Group, strengthened its forward-looking research and project reserve for the TMT industry and cultural industry, etc.

In 2011, the Sixth Plenary Session of the 17th Central Committee expressly proposed to promote the cultural industry to be a pillar industry for the national economy. In order to grasp this historic opportunity, on 27 October 2011, the Group decided to set up the "Fosun Yuyuan Business & Tourism & Cultural Industries Fund" to effectively promote the accelerated development of the business, tourism and cultural industries. The registered capital of the fund management company is RMB50 million, in which Fosun Group owns 84% shares. RMB5 billion is intended to be raised for the development of business, tourism and cultural industries.

The Group's management pushed forward the Company to carry out a business transformation continuously for the future: from the original high energy consumption, low labour cost mode of economy of China to knowledge economy and service economy. On 18 November 2011, in the Group's strategic seminar for the coming 5 years, the well-known economist invited by the Group and the entrepreneurs who attended the meeting forecasted the trend of the future macro economy as well as the change of the way of development. How their respective enterprises realised business transformation and upgrade was also discussed. The renowned economist and the entrepreneurs reached consensus that in the coming five years, the way of economic development of China which relies of cheap labour can no longer sustain the competitiveness of Chinese enterprises. The enterprises' own position on the value chain must be raised and the domestic market shall be continually explored and developed.

Part VI

Commitment to the Society

Support the cultural and education industries, actively promote charitable spirit.



We emphasize the balance of life and work. We care for the life of employees. We concern about long-term cultural development.

Fosun Group sponsored RMB20 million to support YouChange China Social Entrepreneur Foundation. The key projects launched in 2011 were:



Carry forward humanism, actively provide disaster relief

For years, the Group care about the disadvantaged groups in the society. The Group makes long-term donation to social charity through charity organisations in the society, and expresses its care to the people in need.

On 24 March 2011, Fosun Group donated RMB5 million through Red Cross China to the frontline rescue workers at the nuclear-crisis-stricken area in Fukushima and their family members. We are the first Chinese

company earmarking the donation specifically for the frontline rescue workers and their family members after the earthquake happened. Mr. Kawauchi Toshio, Consul of Consulate General of Japan in Shanghai, Mr. Wang Qunbin, President of Fosun attended the donation ceremony.

Mr. Kawauchi Toshio, Consul of Consulate General of Japan in Shanghai expressed thanks to Chinese companies for their concerns and regards for Japanese people in the ceremony. Following the earthquake in Japan on 11 March, the Chinese government offered material aid to Japan and swiftly send an international rescue team to help with the disaster relief operations. With the support of various sides, the Japanese government and Japanese people display confidence in overcoming the difficulties. He said the disaster relief operation and rebuilding involve massive efforts, and it would be good if China could continue to lend a helping hand. The donation of Fosun Group also drew the attention of the Japanese media, in which the two famous Japanese news agencies - Asahi Shimbun and Mainichi Shimbun reported this donation.

Concerning about the education industry, motivating the youth to start business and do charity work

As always, Fosun Group considers that education is a key to fairness in society and equality of opportunities. The Group has long been concerned about education, youth employment and entrepreneurship as well as their participation in charity works.

- Since the beginning of 2011, YouChange University has been sending retired teachers to poor areas to conduct teaching activities. This activity has been expanded from Nanning to Guilin, Kunming, Lijiang, Beijing, Anshan, etc. Activities in places such as Wuhan and Taiyuan are being planned.
- The "Small eagle plan" of YouChange sent university students who are willing to receive tough training to a poor village to have a one-year experience. In the first round, 20 people were chosen from over 300 applicants, and the applicants include master degree holders from the University of Cambridge and the Chinese University of Hong Kong, etc. Graduates from Peking University, Remin University and Fudan University, etc. were also included. These graduates have been sent to places such as Henan and Chongqing to take part in poverty relief projects.
- Non-governmental disaster relief network class and charity leadership class of YouChange, as well as youth volunteer training classes were launched.
- "2011 YouChange university student entrepreneurship enlightenment and education scheme" was launched. The major targets of this scheme are second year and third year undergraduates and vocational institute students. From October 2011, entrepreneurship enlightenment pilot project was launched in 10 different colleges and universities such as Peking University and Remin University, and it was called "entrepreneurial coffee". Each week, one entrepreneur will give lecture in a main venue, and students in other schools will attend the lecture through video conferencing systems. The first lecture was given by Xu Xiaoping of New Oriental to share his failure and success in starting businesses.

The Group continued its in-depth cooperation with Youth Business China (YBC) in 2011, and acted as the governing unit to delegate members to take part in the daily operation of the scheme in full-time. In 2011, YBC continued to expand its network in the country, it established incubators to help the youth to start businesses in various large and medium-sized cities to provide one-on-one tutor counseling and entrepreneur training to the young entrepreneurs. 40 outstanding young entrepreneurs were chosen to take part in the Summer Davos held in Dalian in summer 2011, providing a globalised platform to the young entrepreneurs.



Subsidizing cultural activities

Fosun Group has always considered that culture and economy shall develop in a balanced and harmonious way, such that a prosperous and happy society can be created. In 2011, the Group started subsidizing the Shanghai Symphony Orchestra and became its governing unit, actively driving this local symphony orchestra to go towards the world. In 2011, the following key cultural projects were also pushed forward:

➤ Promoting non-material intangible cultural heritage - Dongyang woodcarving culture

On 16 June 2011, Fosun Group and 6 Zhejiang enterprises including Alibaba entered into a cooperation agreement with the People's Government of Dongyang, Zhejiang Province in Hangzhou to jointly build the China wood carving culture expo city and China wood carving museum in Dongyang. Dongyang has long been called "China's city of wood carving". Wood carving was the first batch listed in the national intangible cultural heritage list. Fosun Group hopes that together with a group of Zhejiang enterprises, through capital investment, wood carving enterprises can be fully integrated and wood-carving in Dongyang can be industrialised, such that this intangible cultural heritage can be inherited. The media including Shenjiang Newspaper and Chengdu Ladies also reported the charm of Dongyang wood carving at great length.

➤ Subsidizing intangible cultural heritage - Wu Opera

On 10 June 2011, the large-scale modern Wu opera "Chicken feather flying in the sky" created by the Wu opera troupe of Yiwu, Zhejiang Province was performed in the Yi Fu Theatre. This was the first time that national intangible cultural heritage – Wu opera was performed in Shanghai upon invitation. Wu opera, which is listed in the national intangible cultural heritage list together with Beijing opera, Kunqu, Qin opera and Huangmei opera, can be traced back to the originator of Chinese opera – Southern opera. Modern Wu opera – "Chicken feather flying in the sky" is based on the development history of Yiwu, the changes in the Yiwu market after reform and opening up was reflected through the changes of three generations in a family experienced in conducting business. This time, with the support of Fosun Group, the performance of intangible cultural asset - Wu opera in Shanghai was a great success. Shanghai newspapers including Evening Post and Labour Daily also paid close attention to and reported this performance.

➤ Facilitating Shanghai's sino-foreign cultural exchange

In the evening of 19 June 2011, The Dukes band from France held a French pop concert for local and foreign tourists in the famous Jiuquqiao square of Shanghai Yuyuan Tourist Mart. This was one of the theme activities of Yuyuan's active support to French pop music and promotion of the Fete de la musique, and this was also the first time that a French pop concert appeared in the old town of Shanghai. The active promotion by Guo Guangchang, Chairman of Fosun Group, and the great support of Yuyuan have facilitated this activity to be held at Yuyuan Tourist Mart – a symbolic area of Shanghai.

Since its establishment in Paris in 1982, Fete de la musique has become a widely-known cultural activity in France. Every year on this day, in every street and lane in every city in France, you can hear beautiful music. This activity is now held in over 350 cities around the globe, and has become an important way of exchange of French culture and the culture of other countries. In 2010, the Fete de la musique of France made its first appearance in Shanghai World Expo. In 2011, over 40 bands of different style took part in performances at various venues in Shanghai. The open-air performance at Yuyuan Tourist Mart attracted over 600 local and foreign music enthusiasts and achieved a huge success. The show started from 1:00 p.m. till midnight, after which the tourists and music lovers left reluctantly.

Fosun also actively pushed forward the promotion of traditional Chinese culture at Yuyuan Tourist Mart in Hamburg, Germany. In 2011, various cultural talks and exhibitions were organised. The master craftsman at Yuyuan was also invited to Hamburg, Germany to give folk arts and crafts performance.

As a friendly cooperation project between China and Germany, the "Hamburg-Shanghai European Cultural Centre" held the "Folk arts and crafts performance of Yuyuan, Shanghai" on 13 November. This activity attracted a lot of tourists and Germany citizens. Seven folk arts and crafts masters demonstrated face painting, leather-silhouette show, stone pot carving and knotting, etc, and the performances were simply amazing.

➤ Facilitating the rejuvenation of Chinese traditional culture, actively promoting Tai Chi

Fosun Group actively promoted the traditional Tai Chi culture during the past year. The Group not only promoted Tai Chi within the Group, but also promoted Tai Chi in the community of Shanghai. Tai Chi culture was also promoted overseas in international financial centres such as New York where spectacular Tai Chi performances were demonstrated. Moreover, we actively helped I-Tai Ching to establish a club overseas. In the Group and its different business segments, a group of over 1,000 Tai Chi enthusiasts has been formed, and different activities and competitions have been organised. The Tai Chi promotion activity of Forte Group was being held throughout the country in full swing. Tai Chi classes started one after another in cities including Wuhan, Wuxi, Beijing, Chengdu, Hangzhou, Xian, etc, which drove the popularity of Tai Chi throughout the country.

Part VII

2011 Major Honors Awarded to Fosun



We look forward to further growing as a corporate citizen as well as a healthier natural and commercial environments.

➤ April 2011

Fosun was named "Top 100 Chinese Green Enterprises" by Daonong Center for Enterprise.

➤ August 2011

The Audit Department of Fosun Group was named "Advanced unit of internal audit of the State" of 2008-2010 by the Auditing Administration of the State. This is the first time that an internal audit department of non-state owned enterprises received this kind of honor.

➤ September 2011

China Europe International Business School's "Top 100 Listed Non-state Owned Enterprises of China" was announced, and Fosun was listed in the top 10 of the listed non-state owned enterprises of China.

➤ December 2011

Fosun Group was ranked in the "2011 China Overall Ranking of Chinese Non-state Owned Enterprise of Corporate Social Responsibility" by the renowned media - Southern Weekend, with its comprehensive ranking at No. 4 among the top 100 non-state owned enterprises in China. This is the eighth consecutive year which this newspaper announced this authoritative social responsibility ranking of enterprises. With "Ethical in Business, Benevolent to the World" as its theme, enterprises' fulfillment of social responsibility is assessed from aspects such as "operating conditions", "contribution to the society", "social responsibility" and "public image", etc.

Self-improvement, Teamwork,
Performance, Contribution to Society

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