



2011 Fosun Corporate Social Responsibility Report



做新商业生态的引导者和先行者

Be a Pioneer in Promoting New Business Ecology

| 汇聚成长力量 推动社会进步 |

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A low-angle shot of a hand pointing upwards towards a bright, cloudy sky. The hand is in the bottom left corner, with the index finger extended. The sky is filled with large, white, fluffy clouds, and a bright light source is visible through the clouds in the upper left. The overall tone is bright and optimistic.

Discover · Manage · Prosper



SCOPE OF THE REPORT

This annual report is a systematic summary of Fosun's achievements in corporate social responsibility. The report serves as an important way to supervise corporate social responsibility and connect with the society. This is also a significant step for Fosun to move towards the transparency and systemization of CSR management.

The principle of scope defining and data selecting.

- All the data and contents in this report are in accordance with Fosun International, which cover its operations in steel, mining, property, pharmaceutical and healthcare, retail, services and other investments. The main businesses include Fosun Pharmaceutical, Forte, Nanjing Steel and Hainan Mining.
All figures are as of 2010.
- Contents are selected for their rank of importance, objectivity and relevance.

PREFACE

BE A PIONEER IN PROMOTING
NEW BUSINESS ECOLOGY



What social responsibilities should a large corporation bear? Fosun has got its own answer in 2010. As one of the leading investment companies in China, Fosun has built a unique corporate social responsibility system. Fosun has drawn huge attention from both the public and the media from home and abroad by achieving rapid yet steady development. Fosun has fulfilled its commitment to the country, the society, investors, employees and the environment. Fosun has actively participated in the construction of Chinese Private Enterprise Pavilion in Expo Shanghai 2010, highlighting one of the core values of Fosun --"Discover Manage Prosper".

This annual report illustrates Fosun's main ideas and achievements in social responsibilities, sketching the "two rejuvenations" and "two healthy ecologies" proposed by Fosun. Fosun will continue to endeavor in performing social responsibilities and strives to be a guide and pioneer in the new commercial ecology of China.

LETTER FROM THE CHAIRMAN



A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

Chairman of Fosun Group

Looking back at 2010, we are overwhelmed with gratitude.

We would like to thank investors from home and abroad, clients, our government and friends from all walks of life. Your support and understanding have enabled Fosun to grow further.

We would also like to extend special thanks to our employees and their families, who have helped Fosun move towards the goal of being a more outstanding China expert with global capabilities.

The year 2010 saw Fosun's first stride towards globalization. We have made huge improvements in business performance and overseas expanding. As an international corporation, we have devoted ourselves in connecting China growth momentum with global resources so as create value for both Chinese and foreign companies. As China becomes a leading force in global economy, we should undertake the historical mission of our time in face of the complicated and uncertain circumstance.



Fosun is looking forward to becoming a world leading investment group with a focus on growth momentum in China. China's growth momentum, from our point of view, is backed up by Chinese culture and spirit, whose core values are peace, hard working and creativity. These values have guided Fosun along the way of development. Fosun has adopted "Self improvement, Teamwork, Performance and Contribution to society" as its core values since it was founded. With Chinese ancient philosophy imprinted in mind, we converged all kinds of resources and powers to develop our corporation and maintained balance between material and spirit, creation and sharing, economic development and environment protection.

Fosun has been actively involved in the construction of new business culture and a better society. We are looking forward to doing an even better job in promoting human health and healthy ecology. We have always emphasized on providing two reports, an excellent corporate social responsibility report and an excellent financial report. We strive to be a pioneer and advocator for new business civilization by propelling China's rejuvenation in economy and culture with our efforts in economy and social responsibility.

Let's embrace 2011 with love and a broader mind!

CORPORATE MISSION AND CORE VALUES





China Expertise Global Capacity

Fosun International, including Fosun High Tech Group and its subsidiaries, is listed on the main board of the Hong Kong Stock Exchange. Fosun is rooted in China and invests in major growth sectors in China. The Group has been benefiting from the nation's consumer power, investment needs, continuous urbanization and manufacturing that serves the whole world. Fosun's core businesses include pharmaceuticals and healthcare, property, steel, mining, retail, services and other investments.

Over the past 19 years, Fosun has been running a virtuous circle by continuously improving management, discovering investment opportunities and seeking optimal financing under the lead of Fosun's entrepreneurial team.

As an investment group focusing on China's growth momentum, Fosun has demonstrated its investment capacity and proved its ability to discover, manage and prosper. Fosun has also shared the fruit of success with its team, employees, community and the country.

In the future, Fosun will continue to build a global platform and to be the best China expert with global capacity. We acquired an in-depth understanding of China through years of experience. We are now devoted to integrating global resources and creating new value for investees. We will perform our acquired power on a global platform which will enhance our capacity.

Brand Values

Discover · Manage · Prosper

We promise to converge growing forces. We exist to create value for the society. We are responsible to investees, employees, clients and the public and we contribute back to the society by creating more value. Relying on our sharp sense of the market, we converged capital, talents, resources, culture, management systems and technologies under the motto of "Discover, Manage and Prosper" and "Creating value and share fruits of development".

We hold on to the brand values "Keep an open mind, emphasize on efficiency, promote team spirit and build a management platform for industrial investment in China depending on our expertise." We bear the responsibility to converge growing forces and grasp every development opportunity so that we can improve our management capacity, upgrade our invested companies and add value to our society. This is a mission that is demanded by our shareholders and it's worth our commitment. We will apply it in every aspect of our business.

Core Values of Fosun

Fosun has been actively involved in the systemization of corporate social responsibility and adopted "Self improvement, Teamwork, Performance and Contribution to Society" as its core value since its establishment. Fosun has also developed harmonious relations between work, family, society and environment and grown with the society.

Embodiments of the core values:



[Self improvement]

Fosun upheld the principle of transparent operation and continuous learning, which formed the core of "self development". Learning and improvement is at the heart of individual employee and the company as a whole. Fosun aims to surpass itself by continuous study.



[Teamwork]

For an enterprise to grow, a unified team is essential. It takes a great team with a same culture identity to achieve miracles. After 19 years, the Fosun's founders have withstood the test of time and set an example for its teamwork culture.



[Performance]

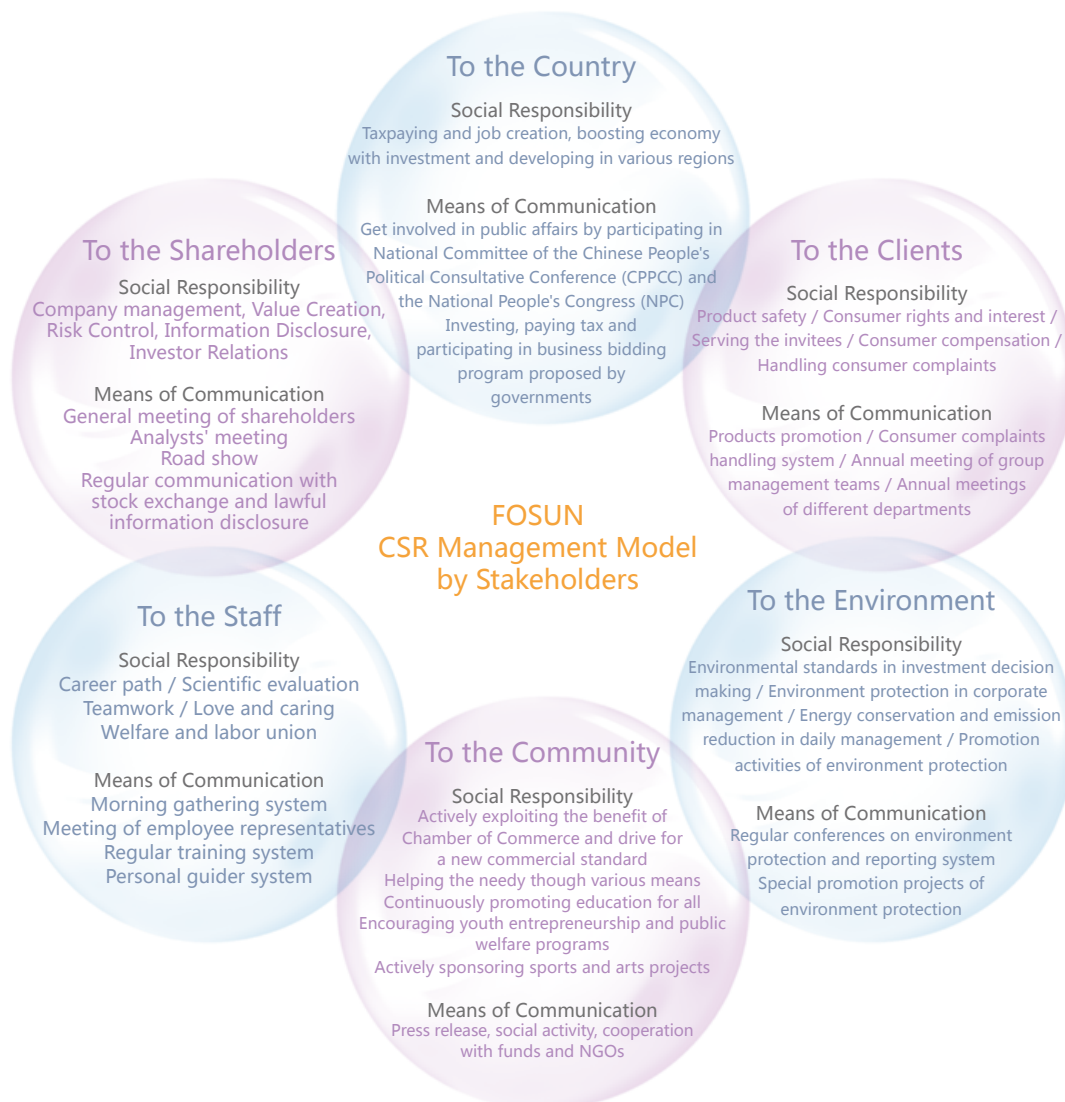
Performance means value creation. A competitive enterprise is one that can maintain its vitality and continuously create value in an ever changing business environment. Performance also means healthy growth which contributes to the development of the ecology of the whole industry and business.



[Contribution to society]

A responsible enterprise values its corporate citizenship, adheres to social value, shares interest with stakeholders and creates a harmonious society. Fosun will try its best to push forward Chinese economy, which has been the best support for global economy. Fosun will also endeavor in the promotion of Chinese culture and connect Chinese values with the world.

MAJOR STAKEHOLDERS AND MANAGEMENT MODEL



Over the past year, Fosun has submitted huge amounts of tax payments and created numerous job opportunities, boosting economies in many regions by investing in local projects. Leaders of Fosun have been actively participating in NPC and CPPCC and propelling the development of private economy. Fosun has also promoted the new business civilization construction by organizing the project of the China Private Enterprise Pavilion in Expo Shanghai 2010.

Fosun holds respect for the interests of all shareholders and maintains a healthy management system by discovering and controlling risks systematically. Fosun discloses relevant information by various means including Performance Press Release and Shareholders' Meeting under the regulations of Hongkong Stock Exchange. Analysts, shareholders and the public could thus get to know the strategies and operating trends of the company.

Fosun has always been prioritizing the interests of consumers and clients. We strive to improve product quality by applying strict quality control and make sure that complaints from consumers are handled immediately. Fosun has actively provided service for investees and core management team. Fosun has also kept track of the needs of its subsidiaries through regular meetings of managers and departments and encouraged them to study industry and macro economic policy in order to excel in their respective industries. Fosun group also provided resource support for its subsidiaries, realizing the concept of "One Fosun" and propelling the healthy growth of the company.

Fosun attached great importance to the career planning of its employees and mapped detailed learning plan for them. New employees received personalized training from older colleagues. All employees managed to improve job through on-job training. In 2010, a world-renowned

human resources consulting company was invited by Fosun to assess its employee satisfaction and made innovations and improvements based on the assessment results. Fosun has also highlighted its corporate culture by holding regular morning gatherings and publishing company periodicals. The Group encourages the communication between different subsidiaries and kept track of the needs of employees through meetings of employee representatives.

As a leading organization in the Zhejiang Chamber of Commerce, Fosun has also made proposals for the development of private enterprises, participated in numerous charity activities and promoted the core value of Fosun--"Discover, Manage, Prosper". Fosun has formed partnership with various charity institutions and established donation principles and a project assessment mechanism. Following are the charity projects Fosun is focusing on.

- Raising the awareness of natural and business ecology
- Encouraging youth entrepreneurship and employment
- Continuously supporting children from poor families in their education
- Cultivating corporate citizen and volunteer spirit

Over the past year, Fosun has made great efforts in environmental protection, energy saving and emission reductions. The core businesses of the company such as pharmaceutical and healthcare, steel and mining are developed in a balanced and healthy way. Fosun has established a comprehensive management system, which includes investment standards concerning environmentally-sensitive companies. The steel and mining industries have all surpassed the average environmental standard in respective areas.

This annual report will illustrate on the topics mentioned above.

Part One

COMMITMENT TO THE COUNTRY



Part 1

Actively Leading the Building of Chinese Private Enterprise Pavilion in Expo 2010 Shanghai, Promoting the Spirit of Private Enterprises of China.

1-1 Fully Showcases the spirit of Chinese private enterprises

Expo 2010 Shanghai is the first Expo event hosted by the Chinese people since Olympics 2008. Sixteen private enterprises created a miracle under the leadership of Fosun. During the 184 days, Chinese Private Enterprises Pavilion welcomed over



▲ Chinese Private Enterprise Pavilion

2.13 million visitors from home and abroad and more than 110 thousand VIP guests. It became one of the most frequented visited pavilions by state leaders, officials and entrepreneurs from China and other countries. Yu Yuan Tourist Mart, which is also invested by Fosun, received 38 million visitors during the 184 days, creating a record and showcasing the enchantment of the local culture of Shanghai.

It uses cutting-edge technologies to depict touching stories related to the growth of private enterprises in China. The exterior of the pavilion resembles an organic combination of cells, echoing the theme of the pavilion "Vitality". The interior design of the pavilion adopts the profiles of various enterprises to exhibit a Tai Chi pattern, highlighting the vitality of private enterprises. Visitors are able to experience the splendor of private businesses in China and get a glimpse of the growth of the Chinese private enterprises.

►
*Xi Jinping pay a visit to the
Chinese Private Enterprise Pavilion
accompanied by Guo Guangchang
of Fosun*



1-2 Honors awarded to the Chinese Private Enterprises Pavilion

Xi Jinping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee and Vice President of PRC visited the Chinese Private Enterprises Pavilion on April 29th, 2010.

Xi said, "The Pavilion is the highlight of Expo Shanghai. The exhibits embody the spirit and vitality of Chinese private economy." The Chinese Private Enterprises Pavilion was awarded as one of the Top Ten Enterprises Pavilions. The Climax Show was ranked as the Top Expo Performance. National financial media outlet CBN awarded the Chinese Private Enterprises Pavilion as the Expo Pavilion with the highest Commercial Value while Chinese newspaper dubbed the pavilion as Outstanding Expo Pavilion. Chairman Guo Guangchang was awarded as Man of the Hour of the Expo. One of the most influential newspaper in China Southern Weekly gave the 16 participants of Man of the Chinese Private Enterprises Pavilion the Award of Outstanding Contribution of Chinese Brand. The pavilion also receives Outstanding Zhejiang Entrepreneurs Award and Excellent Team Award. The director of the pavilion was also awarded as Outstanding Figure of the Expo.

1-3 Social Impact of the Chinese Private Enterprises Pavilion and Words from Participants

Chairman of Fosun Guo Guangchang said in a summary of the social



16 leaders from the participants
of CPEP

meaning of the Private Enterprises Joint Pavilion, "We aim to create a better atmosphere for private entrepreneurs. We came together bearing the same thought of contributing to the private businesses of China. Our values are in accordance with the global mainstream values. In this sense, what we are showing is not our own enterprises and products, but the vigor and the creativity of private economy, which is the best spirit of private business over the past 30 years. We are demonstrating we could bring to the world and China in the coming 30 years. We think more than just promoting ourselves. Chinese economy is open and China needs to be better recognized by the world. The Chinese Private Enterprises Pavilion bridges the world with us and it's both a contribution and responsibility for our current existence and further development."

As one of the earliest participant to respond to Guo Guangchang's initiative of the Pavilion, President of Su Ning Mr. Zhang Jindong said, "We have been thinking of opportunities and ways to participate in Expo 2010 since Olympics 2008. Now Fosun has provided us with a great opportunity. After knowing the founding intention and exhibition theory of the Private Enterprises Joint Pavilion, we immediately decided to take part in it and became one of the earliest confirmed participants."

Che Jianxin, Chairman of Macalline said, "Guo Guangchang calls on entrepreneurs to take part in the Expo, saying it's a precious opportunity and hoping the best enterprise in every sector takes part in it. We held a meeting right away and all agreed to take the opportunity. It's an opportunity to demonstrate both our company and private enterprises as a whole. It would be a huge pity if we don't take the chance."



Star Shining Plan kicks off

1-4 The Chinese Private Enterprises Pavilion multiplied the cooperation

The Chinese Private Enterprises Pavilion promoted the close cooperation between private enterprises and propelled the "multiple effect". With the opportunities brought forth by the Expo, Neoglory and Alibaba, Suning and Huayi Brothers, Fosun and Red Star Macalline, Ou Pu and Meters Bonwe have all made business deals. The Chinese Private Enterprises Pavilion also encouraged over 20 businesses to invest in Star Shining Plan, prolonging the cooperation after the Expo. The Star Shining Plan will help build headquarters for private enterprises and provide service concerning law, consultation, talents, media and government.

1-5 Paying Tax and Providing Job Opportunities

In 2010, Fosun made great progress in transforming itself into a premier global investment group with a focus on China under the guideline of "China Expertise, Global Capacity". Fosun submitted 6.9 billion RMB of tax, contributed 15 thousand job opportunities, ranked 44th in profit among the top 500 Chinese Enterprises and 37th in tax payment among Chinese conglomerates. Fosun is committed to discovering investment opportunities and has launched investment projects in places all over China, which include Guizhou, Shaanxi and Guangxi. These projects helped propel the local economies in perspective regions. As representatives of NPC and Shanghai CPPCC, leaders of Fosun have been actively involved in local and national politics and made suggestions for the national economy and social development.

Part Two

COMMITMENT TO SHAREHOLDERS AND PUBLIC



Part 2

Create Value by Investing in China's Growth Momentum

2-1 Investment Creates Value

Fosun creates value for shareholders and promote social progress by investing in rapidly-growing Chinese businesses. In the aspect of investment, Fosun has realized the rapid and sustainable development by emphasizing on and building three core competencies which are sustainable capability to explore investment opportunities, continuous management Improvement and optimized financing from multiple sources.

In August 2010, Fosun helped Hainan Mining to become more efficient by establishing a new management system. Hainan mining has achieved great performance since then, becoming one of the most successful transformed enterprises in Hainan. Fosun has made more than 10 billion investments in 2010 and helped 6 invested corporations get listed.



2-2 Systemized Corporate Governance and Risk Control

Fosun has held on to the belief that in order to be responsible to shareholders, we need to rationalize our risk control mechanism so as to systematically control all kinds of risk. As the main controller in the corporation, the legal department reduces law-related risks and ensures the realization of strategic objections by establishing management system and handling law-related affairs.

Fosun has attached great importance to risk control and the leader in the legal department is also included in the company board. The law affairs are handled by a combination of interior lawyers and exterior law firms. The Group insists in pre-caution and fully taking part in investment decision and risk control. The Department of Law helps the Group and its affiliates take good care of their shares, contracts, stamps and intellectual rights and practice board system and avoid unfavorable decisions.

Fosun has also formed a competent auditing team, which works closely with their counterparts in Fosun's affiliates. All investment projects are matched with an independent auditing team. All the listed affiliates are equipped with auditing teams that establish perfect management system and interior supervision system that would avoid dead corners in management. Fosun receives auditing service from both internal auditing department and external auditors like Ernest & Young. Apart from regular auditing, special auditing will be conducted on high-risk projects. Professional auditors will provide independent suggestions and consultation during investment and merger.



▼ Fosun International meeting with Analysts in Hong Kong



▼ Fosun International meeting with journalists in Hong Kong



2-3 Emphasize on Information Disclosure and Actively Interact with the Public and media

Fosun complies with the regulations of Hong Kong Stock Exchange and discloses information as well as keeping contact with shareholders and analysts through shareholders meetings and results announcement. The senior managers of the company also discuss managing ideas with investors and listen for their suggestions by participating road shows around the world.

The Office of the Secretaries of the Board and the Department of Investor Relations communicate constantly with the stock exchange and analysts and discloses information according to the law.

Fosun also strives to enhance its transparency by communicating with the media via various press releases in 2010. The company timely introduces its newest projects and progress to the public and the media. Fosun has also established Spokesperson System in order to respond to public concerns in due course.

Part
Three

COMMITMENT

TO CUSTOMERS AND INVESTEES



Part 3

Focus on customers
Improve the management of investees

Customers from Forte Club visit
Expo Shanghai 2010



3-1 Emphasize on quality-oriented and customer-oriented cultures

In 2010, the companies that Fosun has invested in all worked hard to improve their quality and management in order to meet the demands from customers. Fosun Pharmaceutical (FosunPharma) places great importance on product quality and medicine safety, strictly managing production and ensuring product quality and consumer safety. FosunPharma has been a top runner in treating hepatopathy, diabetes, helopyra and gynecology. The company also established a perfect calling back system and a detailed regulation for processing pollutants.

The real estate company Forte invested also promotes consumer-oriented culture and innovates to meet the demands from customers. In terms of quality control, Forte has established a strict quality control system that covers quality check, acceptance check, complaint handling and follow-up service. Forte also hires a third-party institute to survey customer satisfaction.

Forte Club serves as one of the outstanding examples of customer culture. As a membership club open to the public, Forte continuously improves the quality of product, service and management and realizes the branding concept of "Based our plan on people" by establishing an all around experience platform and emphasizing on communication with the customers. Since its founding in May 2002, Forte Club has accumulated a membership of over 40,000 people. Every year, Forte would put forward various interactive activities for members to enjoy and communicate. It has also brought forth an integral system named "Experience, Happiness and Sharing" so that members could get access to better service and life quality.

In 2010, Forte Club organized trips to the Expo, as well as traveling, golf, badminton, baby show, KAROOKE and photograph competition. These activities have received praises from members and increased consumer loyalty. Now Forte Club has become a platform for members and the public to connect with each other. Forte is committed to improving its product, service and management and promoting the development of the enterprise, members and the society by listening to the members and handling their views properly.



◀ President Wang Qunbin of Fosun
in the Forbes Globalization Forum
of Private Companies

3-2 Building a Global platform and Integrating Local and International Resources

Fosun is actively involved in investing growth momentum in China and is committed to being a responsible shareholder to investors and invested industries and companies. Lots of enterprises in China find it difficult to expand overseas, get access to capital and strategic research due to limitations in scale. As an influential and active shareholder, Fosun has been helping the investees to upgrade their management system, explore, financing plan channels and develop overseas expansion. Chairman of Fosun Guo Guangchang was rewarded "Outstanding Director" by Hong Kong Institute of Directors in November 2010 and "Top 25 Influential Business Leaders" by Chinese Leaders Annual Meeting in February the same year.

Along the path towards globalization, Fosun developed an unique Fosun model by connecting China's expertise with global resources. Fosun has invited former US financial secretary John Snow as board consultant, launching strategic cooperation with Carlyle Group and investing in Club Med. As a renowned brand in France, Club Med also enjoys international reputation and possesses 60 years of history and management expertise. Fosun will support the long term

► Chairman Guo Guangchang speaks in the Zhenjiang Chamber of Commerce



▲ Chairman Guo Guangchang visit France

strategy of Club Med in China with an belief in Club Med's future in Chinese market. By investing in Club Med, Fosun has not only pioneered successfully the cooperation model that connects China's momentum with global resources, but also promoted the cultural exchange between China and France.

In order to build a global business network, Fosun has set up a New York office for the Group in 2010, a Tokyo representative office and London representative office for Fosun Pharmaceutical and an Australian representative office for the mining sector. Fosun also promotes the globalization of private enterprises by making investments and hosting seminars. The Group has also organized global forums for China's private businesses with prestigious media outlets such as the Chinese edition of Forbes, attracting the participation of Giant Group and SANY Group.

As the heads of Zhejiang Chamber of Commerce and Taizhou Chamber of commerce, leaders of Fosun have been devoted in promoting the development of China's private businesses. In the Annual meeting of Zhejiang Chamber of Commerce in 2010, Guo Guangchang led discussions with fellow chamber members on the trends of Chinese private economy. Guo said that China's private enterprises should upgrade their brand recognition by grasping the opportunity brought by booming domestic demands and transforming economic mode. Guo also suggested local business to try overseas financing. Board members including Guo also actively seek for overseas investors to enhance their strategy in China and share growth opportunities as well.



▲ Fosun's Macro Economic Seminar



▲ Fosun's Strategic Research Institute



▲ Fosun's Steel Research Institute

3-3 Strengthen Corporation Management and Talent Reservation

Fosun takes effort to find investment opportunities in promising industries, to improve the understanding of macro economic trends and helped investees make better decisions by hosting seminars and meetings for different industries.

In 2010, Fosun established Strategic Research Institute to integrate the resources of investment, industry and administration and improve foresight and upgrading capability. Fosun has also set up a Cultural Industry Department to meet challenges in related TMT industries.

In December 2010, Fosun Group set up a steel research institute, a joint organization that added to the research capability of steel sector of Fosun and provide effective advices that propel systematic innovation.



3-4 Fasten Investees' Pace towards Going Public and Improve Industry Status

Fosun has been promoting the connection between overseas capital and local companies and raise brand awareness by bringing them to the market. Among the companies Fosun has invested in ASD Manufactures, ShaanGu, Yotrio Group and Yashili have launched IPO or have been approved for IPO in Hong Kong or Chinese mainland. Another 17 companies including Hainan Mining have entered pre-listing tutoring period. Many other affiliates have applied for IPO. In 2010, Nanjing Steel as a whole went public.

The core investee companies of Fosun have also achieved significant improvements in 2010. Fosun Pharmaceutical has been one of top runners in terms of globalization, industry chain and research. Forte was ranked top 3 in real estate sales nationwide in 2010. Hainan Mining was ranked as top one in economic efficiency in mining industry. Despite of complicated circumstances and big challenges, Nanjing Steel kept its ranking in the top 3 in economic efficiency in its industry.

Part Four

COMMITMENT TO THE STAFF



Part 4

Building corporate culture and taking care of staff

4-1 Promotion of Fosun Corporate Culture

FOSUN has adopted "Self improvement, Teamwork, Performance and Contribution to Society" as its core values since its establishment. The company applied various means to promote the concept of "One Fosun". With an open mind centered around "Converging Growth Forces", Fosun team paid a cultural visit to Alibaba. Morning gatherings and briefings also serve as an important tool in enforcing and promoting Fosun culture. When a new company joins Fosun, meeting will be conducted between counterpart departments to maximize the effect of resources by "1+N" sharing platform.

All the investee companies of Fosun have established detailed corporate culture promotion plan to help new investees and new employees to get to know Fosun culture systematically. The company also adopts "Personal Guide" method to pass on corporate culture. The Department of Strategic Brand also visited investee companies such as ASD Manufactures on a regular basis, assisting in the construction of their brand image and corporate culture.

▼ Staff members of Fosun visit Alibaba



In July 2010, in order to enhance the understanding between investee companies, Fosun launched a two-month-long "Fosun Ambassador Competition" that selects more than 18 company ambassadors for Fosun. The young employees from all around China applied actively and gathered in headquarters in Shanghai after rounds of competitions. By communicating, training and talent show, they not only demonstrate their respective corporate cultures, but also learn about Fosun culture in the headquarter. A total of 18 employees from 9 investee companies were finally rewarded as corporate ambassadors. They not only learnt more about Fosun culture, but also improved their own understanding of Fosun. After working in the Expo for two weeks, they returned with special memory and experience, carrying on their mission of promoting Fosun corporate culture.



▲ 18 Winners of Fosun Ambassador Competition

Fosun Management Institute kicks
off



4-2 Caring for Staff, Improving Skills and Career Path

Human is the most valuable asset of a corporation. As a stop along the road to a lifetime ideal, the enterprise should bear care and love for its staff. Fosun strives to be one of the best employers by providing space and platform for employees' long term growth. The Group also encouraged Labor Union, Women Union and Volunteer groups to organize various activities on the basis of law and independence. Fosun established a meeting mechanism for staff representatives and insists on signing labor contracts with all the staff members. In 2010, Fosun launched three plans concerning welfare, training and development in order to improve employee satisfaction.

In 2010, world leading human resource consulting firm Hewitt accomplished a "Best Employer Research" for Fosun, providing research and consulting for the company in aspects such as governance ideas, policy, project and practice. Meanwhile, Fosun also started importing global talents and established Fosun Management Institute which will act as a leading force in talent nurturing for Fosun.



▲ Staff cutting cake during a birthday celebration



▲ Families of Fosun staff visit the Expo Park

▼ Staff Tai Chi Competition



In January 2010, all staff voluntarily donated for the families of a staff employee in the mining department who passed away in an accident. A total of 80,000 RMB was gathered in just one day, all these money will be given to the employee's child as college education fee.

The Group also held lots of activities in order to improve the physical and mental health of employees. A sports event is held every three year, football game "Our World" every two years and smaller competitions annually. Until 2010, there have been 9 group level sports clubs, among which some like the badminton club has been holding activities frequently. Since 2010, the Group has been devoted in promoting Tai Chi by providing free space and trainers and organizing Tai Chi competitions. Fosun made an investment in Yi Tai Chi to promote Tai Chi culture.

In order to stimulate the sense of belonging, the labor union founded "Award for 10 years' service" for staff who have worked for the company for over 10 years. The company also cares for the families of its employees by proving job opportunities in the volunteer project in the Chinese Private Enterprises

Pavilion and touring opportunities of the Expo Park. On Mid-autumn Festival, managers also paid visits to the families of staff members who have been sent out to work in other places.

4-3 Safety of Employees

All the investee companies have incorporated safety issue into corporate culture by improving mechanism, clarifying objectives and responsibility, increasing input and establishing effective system of reward and punishment. In Hainan Mining, production safety is a premium issue. The company launched strict safety regulation, promoted safety responsibility system, proving safety training and holding safety skills competitions. They also hold activities like Safety Month and Safety Week. Hainan Mining has been awarded as the winner of "Ankang Cup" for 11 years in a row from 1999 to 2009 and received praise from China's National Labor Union.



Part Five

COMMITMENT TO THE ENVIRONMENT



Part 5

Environmental Protection and Green Economy



5-1 Environmental Standard and Energy Conservation

Fosun has been sticking to the strict environmental standards of investment during investment. Any project that fails to meet the industry policy and environmental standard is denied in Fosun's investment decision-making.

According to the regulation of investment and the features of mining industry, the mining investment team would evaluate a project by resources, production, finance, facilities, law, management, as well as production safety, environment protection, gangue issues, local culture protection and animal protection. Both investment value and risks are evaluated systematically.

Energy conservation policy is applied in every detail of company management. Paper-less working habit is nurtured and two-page printing was promoted among employees. The company also made advantage of high-techs including tele-conference system and video meeting in order to communicate with employees efficiently. In March 2010, water system in Fosun Business Building was transformed and upgraded in order to meet energy saving policy. Posters were also seen in every corner of the work place to remind employees to save water.



▲ Nanjing Steel was awarded "Nanjing Mayor Quality"

5-2 Innovation and Energy Conservation by Nanjing Steel

The investee steel companies of Fosun have made great achievement in terms of recycling economy. Energy conservation, emission reduction and recycling economy have been part of the development strategy of Nanjing Steel. Under the guidelines of recycling economy, Nanjing Steel transformed the development model and realized high efficiency of resources using. By making a series of innovations, the company reduced costs and saved huge amounts of energy. With the fund invested in energy saving and polluted water clearing, Nanjing Steel managed to recycle all the emissions in coal gas and steam. The use ratio of coal gas is above 99 percent and the water consumption level of steel manufacturing is below the national average standard. In 2010, Nanjing Steel consumed 3.868 ton of water for 1 ton of steel while that national average figure stands at 4.07 ton. Nanjing Steel was at 3.874 ton and 4.85 ton in 2009 and 2008 prospectively.

Due to the excellent governance and environmental contribution, Nanjing Steel was awarded "Nanjing Mayor Quality" in 2010. In August 2010, Nanjing Steel cooperated with Southeast University in a project concerning energy saving and emission reduction, which won a second

prize in National technology Advance Award. This was considered to be a breakthrough in research cooperation for Nanjing Steel as it won the technology award for the first time.

Environmental protection is considered as the foundation and guarantee for the future development for Nanjing Steel. In order to improve social satisfaction and corporation image, Nanjing Steel made efforts to raise the environmental awareness of employees, concentrating in the combination of management and control and precautions. The corporation combines professional management and local management to build a respectable and environmentally friendly image.

The safety production department of Nanjing Steel is in charge of the company's environment protection. They hold Environment Protection Meeting every year to summarize the safety work of last year and sketch a blue print for the next year. In 2010 the raw material factory, the iron factory, the steel factory, the electronic stove factory and the resource factory of Nanjing Steel were all awarded as "Model Factories of Environment Protection".



▲ The fruit gardens of Hainan Mining

5-3 "Fruit Garden Factory" and "Green Mining Field" of Hainan Mining

All the investee companies, especially the mining companies are featured with their own characteristics. In order to perform the due responsibilities, Hainan Mining committed to avoid pollution in the process of development. Hainan Mining stick to energy saving, emission reduction and proper pollution handling with the assistance of scientific technology. Green mining hills were constructed and polluted water was recycled to improve economic efficiency. In 2010, Hainan Mining reached 92 percent in water recycling.

Aside from environment protection, Hainan Mining also pioneered in combining re-cultivation with economic fruit garden. Since 2000, the disposal sites were re-cultivated and transformed into fruit garden, whose productions include dragon fruit and guava. Hainan

Mining factory area is now covered by green plants like acacia and ironbarks. The efforts of the workers were turned into a special view of Hainan Mining.

Energy saving is applied in every aspect in the production process in Hainan Mining. The company gradually established a multi-function, multi-structure and comprehensive energy saving system. An effective award and punishment system was also applied to encourage the activeness and initiative of employees. New energy saving equipment and fittings were introduced to increase energy use efficiency. In 2010, Hainan Mining consumed an average of 0.079 ton of coal for every 10,000 RMB worth of output and 1.6 kg of standard coal for every ton of output, achieving the target set by provinces and counties governments.

Part Six

COMMITMENT TO THE COMMUNITY



Part 6

Helping the less fortunate groups and promoting education and entrepreneurship

Miss World Charity Dinner ►
Donnation



6-1 Helping the less fortunate groups and providing aid

Fosun has been helping the less fortunate groups and making donations for social charity enterprises through philanthropic organizations. In 2010, the group made a total of 57,678,000 RMB worth of donation to the society.

The year 2010 has been a year of various disasters including drought in Southeastern China and earthquake in Yushu. The Group donated money, medicine and medical equipments through Youchange China Social Entrepreneur Foundation, China Guangcai Program and Shanghai Charity Foundation. The Group donated 10,000,000 RMB to the disaster area and 5,000,000 RMB to landslide area in Zhouqu, Gansu province.

On May 17, 2010, Fosun contributed RMB 1,000,000 worth of medication to Yushu through FosunPharma, all the medicine was delivered by Hainan Airline instantly after the earthquake. On April 16, FosunPharma contributed some of the most needed medicine including

penicillin, flomoxef capsule, 84 disinfectants and bleaching powder. All the sales stores in Chengdu and Chongqing were working together to provide medicines for the disastrous areas. It became a huge task to deliver 4.5 ton of medication to the disastrous area. Vice chairman and CEO of the Group Liang Xinjun said, "Time is life, Fosun will deliver the medicine to the needy as fast as possible regardless of the price." With the help from Hainan Airline, all the medicine was transported to the disaster area through Communist Youth League Qinghai Committee and Youchange China Social Entrepreneur Foundation.

After Hainan was flooded, Fosun immediately organized a charity donation party with Miss World organization. Over 100 girls from Miss World took part in the charity event and nearly 100 entrepreneurs made bids, donating RMB 2,000,000 through Hainan Philanthropy Committee.



◀ Senior VP Wu Ping and Volunteer Team Representatives

The Group, including its core affiliates is committed to donating money and materials for the poor and needy. In October 2010, Hainan Mining contributed RMB 4,000,000 for the disaster area in Hainan. One of Fosun's affiliates South Guilin Pharmacy also contributed to the anti-malaria business in Africa by developing bio-medication with green Gaoyan. Hainan mining also contributes to the union of ethnic groups by helping Li minority people with housing, transportation, environment, money and equipments. Company head also pay visits to locals and send out rice and oil on festivals. In 2010, Hainan Mining undertook a mission to help a poor village in Changjiang County in Hainan to get rid of poverty in 5 years. The company also assists the frontier defense in Hainan in housing, equipments and library. The party members in the company visit the army force on Army Day and Spring Festival every year and established deep relationships with the frontier soldiers.

Fosun combines charity with volunteer work. In September 2010, a new batch of volunteers were called together to replace the old team of volunteers. In December 2010, Fosun held the Second Volunteer Activity for Shanghai Star Rain Autistic Children Recovery Center.



▲ Chairman Guo Guangchang making speech in Fudan University



▲ CEO Liang Xinjun making speech in Fudan University

6-2 Promoting Education and Entrepreneurship

Fosun believes that in order to achieve social equality, the society has to achieve education equality. The company has long been involved in supporting education and youth entrepreneurship and input huge amount of resources in elementary education and vocational education. In 2010, Youchange China Social Entrepreneur Foundation which is sponsored by Fosun launched a project that allows outstanding retired teachers to help out in poor areas and change the situation in those areas.

Last year, Fosun invested RMB 1,000,000 in Fuping Vocational Skills Training School in Tongzhou of Beijing, aiming to promote employment in rural areas, innovation, poverty reduction and sustainable development and social equality and harmony. In 2010, Fosun Pharmacy invested RMB 2,000,000 in "Future Star" Public Education Plan.

The Group invested RMB 20,000,000 to establish a Win Foundation in cooperation with Youth Business China (YBC) to promote youth entrepreneurship. In September 2010, the Private Enterprise Pavilion provided guidance and capital support for 16 potential entrepreneurs. Fosun also committed RMB 2,000,000 in Shanghai Youth Entrepreneur and Employment Foundation.

Chairman of Fosun Guo Guangchang and CEO of Fosun Liang Xinjun made speeches in Fudan University and help college students gain a better understanding of the society and a healthy view towards life and work, as well as entrepreneurship.

Part
Seven

AWARDS TO FOSUN

IN 2010



Part 7

January
2010

Fosun ranked the third on the list of Social Responsibility of Chinese Private Enterprises 2009 by Southern Weekly, following ShaGang and Huawei. This is the sixth consecutive year for Fosun to be one of the top enterprises on the list of Social Responsibility of Chinese Private Enterprises. Fosun also won a third place in Economic Responsibility of Chinese Private Enterprises 2009.

April
2010

Fosun International Limited (SEHK stock code: 00656) was named China's Most Promising Companies by financial magazine Asset. This award illustrates the endorsement by the international capital markets on Fosun's rapid growth and its potential in the future.

May
2010

Fosun ranked 8th in The Top 100 Green Companies of China put forward by Daonong Center for Enterprise and Green Company Magazine. This is the first ranking with a focus on commercial sustainability, which illustrates Fosun's competence in sustainability.

June
2010

Chairman of Fosun Guo Guangchnag was presented Wensha Jiayao Impact Award – Business forces that change China together with Liu Chuanzhi, Ma Yun, Ma Weihua. The award is presented by Global Entrepreneurs and

Graduate School of China Academy of Science and illustrate Guo's image as an influential and innovative business figure.

July
2010

Liang Xinjun, Vice Chairman and CEO of Fosun was named as Young Business Leaders by the Sixth Chinese Young Leaders Award Ceremony. Liang was voted with leaders from other areas such as art, entertainment, public service, science and media.

With a brand value of RMB 11.629 billion, Fosun is recognized as the 62nd of "China's 500 most valuable brands" issued by World Brand Libratory. Yuyuan Tourist Mart and Nanjing Steel ranked 84th and 135th respectively.

August
2010

China Europe International Business School ranked Fosun as 7th on the 7th consecutive list of Top 100 China's Listed Private Enterprise in 2010. Ping An, Su Ning and Midea were also on the list due to their operating revenue in 2009.

On August 29th 2010, Fosun, with an operating revenue of 36.1 billion RMB, ranked top 1 among the Top 100 Chinese Private Enterprises Pavilion 2010.

On 29th August, 2010, All-China Federation of Industry and Commerce ranked Fosun as the 14th conglomerate and the 7th manufacturer among the Top 500 Chinese Private Enterprises 2010.

September
2010

In terms of net profit, Fosun advanced to the 44th in 2010, up from 37th in 2009, among the Top 500 Chinese Enterprise 2010 issued by China Association of Enterprises and China Entrepreneurs Association.

On September 16th, 2010, Wang Qunbing, president and board member of Fosun ranked top 1 with 862.34 scores among the Huade Top 500 Entrepreneurs Public Image Satisfaction Survey.

On September 25th, a CBN TV program "Fortune Time" awarded Fosun as The Expo Pavilion with the highest Commercial Value.

October
2010

On 13th October, the major performance "Climax Show" by the Chinese Private Enterprise Pavilion was awarded as the Most Touching Performance in Expo Oscar hosted by Shanghai Morning Post.

On October 16th, Fosun, together with Bayer, BASF, Vanke and Haier, was awarded Star of the Future in "Star of the Future – Expo Star Enterprises" held by National Business Daily.

On 25th October, the Expo Channel of qq.com voted the Top 10s concerning national pavilions, local pavilions, enterprise pavilions and news and photographs. The Chinese Private Enterprise Pavilion was named the Top 10 Enterprise Pavilions and won the Best Performance Award.

On 11th October, Fosun ranked 10th among the Top 500 Chinese Private

Enterprise Pavilion credited by China Private Enterprise Association, China Census Association and China Management Science Academy.

Fosun was ranked as the 2nd among the ten M&A cases by Zhejiang businessmen in International Merger Summit Forum in Cixi, Zhejiang. Fosun bought 7.1 percent shares of Club-Med.

On October 30th, Liang Xinjun, Vice Chairman and CEO of Fosun was awarded the Top 10 Outstanding CEOs 2010 in China CEO Summit hosted by China Times.

November
2010

On November 18th, the Chinese Private Enterprise Pavilion was awarded Outstanding Pavilion and Chairman of Fosun was presented Influential Figure at the "Shanghai Post-Expo Economic Development Forum and Award Ceremony" .

General Administration of Press and Publication issued the name list of leading figures in the media industry, in which Vice Chairman and CEO of Fosun Liang Xinjun was included.

On November 21st, Fosun was awarded as "Huazun Award – China's Most Recognizable Brand" in the "China's Marketing Path in the Post-Crisis Time" – China's Most Recognizable Brand Ceremony.

On 23rd November, Mr. Guo Guangchang, Chairman and Executive Director of the Group, received the "Director of the Year Award 2010" (Non-Hang

Seng Index Constituents) presented by The Hong Kong Institute of Directors for his efforts in upholding the Group's corporate governance.

On 23rd November, Fosun ranked 19th on the Green Fortune Index-based "Top 100 Global Green Fortune Enterprises-IGEA Chart".

December
2010

On December 3rd, Mr. Guo Guangchang, Chairman of Fosun was awarded the Model for Most Valuable Management 2010 along with heads of Lenovo, Siemens and Aviation Industry Corporation of China in the Annual Meeting of China Management 2010 hosted by Talents Magazine, sina and Beijing Youth.

Chairman of Fosun Guo Guangchang, together with Chairman of Lenovo Liu Chuanzhi, Chairman of COFCO Group Ning Gaoning and CEO of Alibaba Jack Ma, was awarded "25 Influential Business Leaders 2010".

On December 8th, Fosun was awarded Ten-year Special Contribution Award at Made by Wisdom China Summit hosted by Life Style Media Group and Digital Times.

On December 30th, Fosun ranked 5th on both Chinese Private Enterprise Economic Responsibility Chart and Chinese Private Enterprise Fortune Chart issued by Southern Weekend Group and Chinese Private Enterprise Social Responsibility Research Center.

Part
Eight

PROSPECTS

OF SOCIAL RESPONSIBILITY



Part 8

The primary goals of Fosun's business operation in 2011 are to be the best China expert and to build a global platform. In terms of corporate social responsibilities, Fosun is targeting on two "health" - human health and ecological health and two "rejuvenations" - economy rejuvenation and culture rejuvenation.

Looking back on the year of 2010, Fosun has established the association of social responsibility in the framework of Brand Association, of which the main purpose is to unremittingly push forward the sustainable development of the entire group, every core enterprise and invested enterprise, and meanwhile, fulfill its commitment and responsibility to all the stakeholders. Fosun will keep on investing in industries that are favorable to the development of a harmonious society, and keep on helping investee enterprises in to quicken industrial upgrading, improve their management level, reduce energy consumption and protect the environment.

Fosun will play its role as a leader of Chinese private enterprises, treasure the spirit of the Chinese Private Enterprise Pavilion, gather strength to keep growing and push forward the development of a healthy business environment nationwide. Fosun will continually pay regard to start-ups, serve the entrepreneurs, and advocate a healthy lifestyle for entrepreneurs by promoting Taichi Culture. Fosun will continue to provide a positive work environment, elevate staff satisfaction and seek for the health and balance for every staff member.

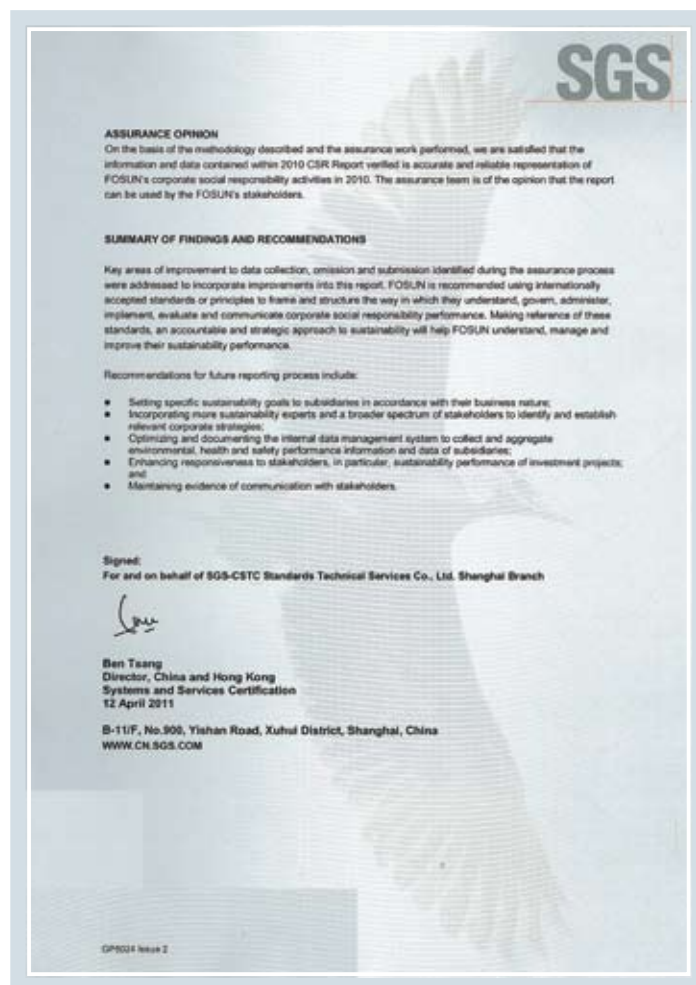
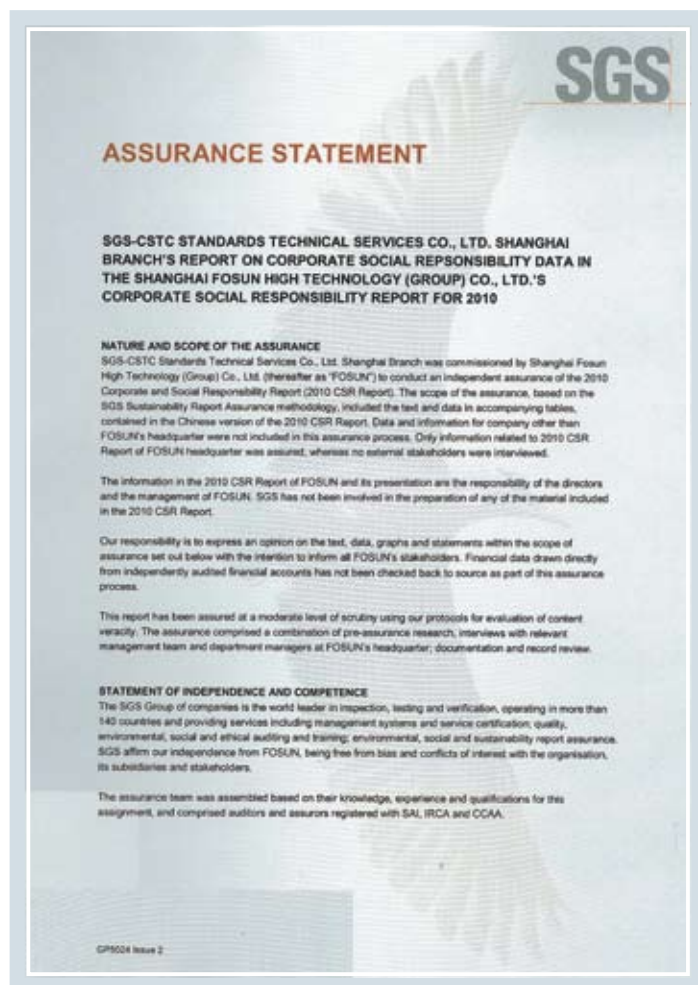
With China's economic boom, Fosun deeply

understand that the rise of a nation and the development of a company are inseparable. Only by laying equal emphasis on culture and economy can an enterprise be respected and sustainable. Fosun is aiming at the synchronous development of culture and economy, assuring the sustainable economic development with soft power.

Chairman of Fosun Guo Guangchang emphasized that strong economic power alone is not to make a nation strong. The rejuvenation of a nation can only be achieved when it rejuvenates in both culture and economy. In 2011, Fosun will use Taichi as a medium to carry on the spirit conveyed by Fosun values "Self improvement, teamwork, performance and contribution to society". Through a series of public activities and cultural exchanges between China and the world, Fosun will encourage the public to pay more attention to cultural undertakings, and therefore make contribution to the great mission of the rejuvenation of Chinese culture and make the world a more wonderful place.

With the leadership of Fosun's Social Responsibility Committee, Fosun will collect its resources from home and abroad to perfect the working mechanism and introduce experts who have CSR background as Fosun's consultants to spread the notion of "an enterprise and the whole society share the same responsibility" among Fosun's core enterprises, investee enterprise and stakeholders and to establish a brand association that share the same social responsibility. Fosun will set different goals for investee companies in different industries according to their respective characteristics.

Assurance Statement by SGS



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