

ANNUAL REPORT
2018



FOSUN 复星

復星國際有限公司
FOSUN INTERNATIONAL LIMITED

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



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INNOVATION FOR EXCELLENCE

Environmental, Social and Governance Report

ABOUT THIS REPORT

This environmental, social and governance report aims to illustrate the Group's policies, performance and measures during the Reporting Period on environment, employment, health and safety, development and training, labor standards, supply chain management, product liability, anti-corruption and community investment in an objective and balanced manner, and covers the main businesses operated by the Group and its important portfolio companies, so as to comply with Environmental, Social and Governance Reporting Guide, Appendix 27 of the Listing Rules.

This report shall be read in conjunction with the section "Corporate Governance Report" of this annual report.

ROLE OF THE BOARD

The Board is committed to promoting the long-term and sustainable development of the Group's operations and delivering the value of sustainable development for all stakeholders. The Board undertakes responsibility for the strategies and reporting on the environment, society and governance, and is liable for evaluating and determining the Company's risks in relation to the environment, society and governance as well as formulating strategies and bearable risk levels for the Company.

STRUCTURE OF ENVIRONMENT, SOCIETY AND GOVERNANCE

The Company set up the ESG Committee in March 2019. The committee is responsible for assisting the Board in directing and supervising the Group's development and implementation of its work on environment, society and governance, which includes corporate social responsibility, environmental protection, philanthropic and community investment.

During the Reporting Period, each of the Office of Board Secretary, Public Affairs and Corporate Communications Centre, Cost and Procurement Management Department, Anti-Corruption and Supervision Department, EHSQ & Supply Chain & Project Operation Department (formerly known as Environment, Health, Safety & Quality Supervision Department), Legal Department, and Human Resources Management Centre and other relevant departments performed its function, communicated with each other on matters in connection with environment, society and governance, collected data and prepared reports, in order to better implement and refine the Group's strategies and actions on environment, society and governance.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY

The Group, deeply rooted in China, builds a happiness ecosystem to bring health, happiness and wealth to the world's one billion families. "Creating happier lives for families worldwide" is the mission of Fosun. The Group upholds the environmental, social and governance spirit in its business rules and business operations. In making business decisions, investment decisions in particular, the Group remains its commitment to environment, society and governance and dedicates to promoting environmental, social and governance practices being in line with the interests of all stakeholders, with a view to creating value for all stakeholders and the society.

STAKEHOLDER COMMUNICATION AND MATERIALITY ASSESSMENT

Stakeholders play a very important role in the Group's decision-making process. Through various channels such as forums, charitable activities, complaints, performance evaluation, internal notifications, interviews, reporting emails, meetings, feedback, contact groups, etc., the Group maintains an ongoing communication with its stakeholders, including communities, suppliers, employees, shareholders, potential investors, clients and the media, to identify concerns and interest demand of stakeholders.

In view of the extensive business coverage of the Group, the environmental, social and governance aspects that stakeholders believe material and relevant are different. This report will elaborate the Group's policies and actions at the environmental and social levels in terms of social responsibility, supply chain management, anti-corruption and supervision, environment, health, safety and quality, privacy protection and human resources, to demonstrate how the Group benefits all stakeholders through its operations.

SOCIAL RESPONSIBILITY OF FOSUN

Since its incorporation, the Group has been fulfilling deep-down its corporate social responsibilities by upholding the values of "Self-improvement, Teamwork, Performance and Contribution to Society" and working tirelessly to serve the society, the people and the nation.

Founded in November 2012, Fosun Foundation is a corporate foundation and receives the majority of its donation from the Group and its portfolio companies. Fosun Foundation's projects include: disaster relief; poverty alleviation; culture, education and young entrepreneurs and youth employment; and other corporate social responsibility ("CSR") causes. In recent years, Fosun Foundation mainly focuses on areas such as culture, education and healthcare. In 2018, Fosun Foundation made donations to more than 40 CSR projects, with the amount of donation totalling at over RMB135 million.

Since 2015, Fosun Foundation has been expanding its CSR projects overseas. CSR projects were carried out successively in New York, Lisbon, and Berlin, etc. Fosun Foundation has also established relevant organizations in Hong Kong and United States. Fosun Foundation consolidated public recognition of Fosun as a leading global citizen with the interest of the community at heart.

Fosun Foundation's 6th anniversary was celebrated in the week of 26 November to 7 December 2018. Fosun Foundation, together with ONE Fosun, initiated the community service week named "FOSUN FOR LOVE" and called for participation within its global network. The week was centred around four themes: be grateful, stay disciplined, humble and cherish every day. Over 40 Fosun's portfolio companies across 50 cities in 8 countries held in total more than 60 events in which more than 30,000 Fosun employees were involved. Over the past six years, Fosun CSR's saplings have been growing steadily and contributing their own strength. Up to now, the accumulative donation has exceeded RMB339 million, contributing more than 40 CSR projects every year, covering 50 countries around the world and benefiting more than 50 million people.

Major CSR projects:

Rural Doctors Poverty Alleviation Program

The Rural Doctors poverty alleviation program set off ceremony took place on 4 April 2018. 18 full-time program staffs, under the guidance of Fosun global partners, were assigned to 24 poverty-stricken counties in 12 different provinces, cities and autonomous areas in mid-western China. They will be serving on the site for the poverty alleviation project. On 1 August 2018, the "Health by Heart—Rural Doctors Poverty Alleviation" conference was held at Shanghai Bund Finance Center, aiming at discussing critical matters and exchanging ideas on the project, and confirmed the "Five One Plan". As at the end of the Reporting Period, number of poverty-stricken counties involved increased from 24 to 37. The project basically operates as assigning staff to support on-site poverty alleviation. Fosun Foundation selected 38 on-site members from 21 companies and assigned them to the 37 counties. With the support of the local governments, the project is implemented properly with quality.



In 2018, remarkable progress has been made in promoting public awareness, and advocating the society when implementing the “Five One Plan”. The program provided assistance to 4,083 village clinics in the 37 counties. It also offered help to 10,659 rural doctors and approximately 2 million households in need. The total donation provided was worth nearly RMB30 million. So far, nearly 100 medias have featured the Rural Doctors poverty alleviation program. The program has obtained a great level of public exposure, the articles were viewed more than 50 million times and the videos achieved more than one million views. In addition, the on-site members live in the local community, assist in the daily work of rural doctors and deploy resources with Fosun that help connect with the local communities and the rural doctors and maintain the team of rural doctors.

Fosun Foundation Art Center

In 2018, Fosun Foundation Art Center completed its second year of operation since its commencement. This shiny pearl on the bund of Huangpu River had brought forth an unique cultural and arts experience to Shanghai.

From 25 March to 3 June 2018, Fosun Foundation Art Center presented Tomás Saraceno’s Aerographics. It was the first exhibit of Tomás Saraceno, who masters science, architecture, and art. Fosun Foundation Art Center collected the most remarkable work from artists who have utopian envisions of the world in the future. From 28 April to 12 May 2018, the Center invited Robin Peckham, editor of LEAP and curator, and held *A World in a Grain of Sand: Mapping Shapes and Sites for Social Geometries*, featuring 40 middle-aged and young artists from all over the world. From 3 July to 26 August 2018, the Center held China-Portugal Contemporary art exhibition-*saudade: Unmemorable Place in Time*, it’s the first exhibit using the concept of “One Belt One Road” since the opening of the Center. The exhibit featured about 100 art works from 12 Chinese and Portuguese artists, covering a wide variety of elements that include paintings, handicrafts, videos, and photography. It was the first in kind in China that presented a systemic comparison and academic categorization of Chinese and Portuguese contemporary art. From 8 September to 18 October 2018, Fosun Foundation Art Center used advanced photography works to present the development of photography equipment and techniques from several perspectives, interpreting the unique culture and historic significance that photography art holds. The exhibit consisted of three units: *Collecting the Contemporary: Video and Photography from the Fosun Foundation (2010-2018)*, Photography works by Annette Kelm, and *Fifty, Fifty* shown in the ANNEX Space. From 7 November 2018 to 13 January 2019, Fosun Foundation Art Center held Cindy Sherman’s first exhibit in China. Cindy Sherman is known for the style called “make-up selfie”, the style is mostly applied to shoot performative selfie portraits, that revolved conventional photography which emphasised on documentation, which creates more possibilities for photography art.

Besides the five major exhibits, the Fosun Foundation Art Center insisted on fulfilling its educational obligations. It has been promoting public education by carrying out educational sessions to satisfy a wide range of needs of the public. During the period of time, Fosun Foundation Art Center held 54 public education events, including public art education weekend activities, 12 creative art class sessions for parents and children, 2 special events, and 1 career boot camp and children’s game manuals. In addition, Fosun Foundation Art Center provided guide services free of charge 61 times at weekend.



Artesunate Helps Malaria Treatment in Africa

On 5 October 2015, the Karolinska Institute in Sweden announced that the 2015 Nobel Prize in Physiology or Medicine was awarded to Chinese pharmacologist Tu Youyou and others for their achievements in the treatment of parasite diseases. Tu Youyou was honored for the pioneered discovery of artemisinin by a team of Chinese scientists under her lead, which created a new method for malaria treatment.

In malaria treatment, Fosun Pharma has injectable artesunate Artesun®, a proprietary innovative drug with full intellectual property rights. According to incomplete statistics, by the end of 2018 over 20 million patients around the world with severe malaria

were benefited from treatment by injectable artesunate Artesun® of Fosun Pharma. Malaria morbidity and mortality continue to decline in Africa. Malaria mortality rate has reduced by 29% in all age groups worldwide, while the malaria mortality rate of children under five years old has reduced by 35%. The worldwide use of injectable artesunate Artesun® can save additional approximately 100,000 lives, most of whom are African children each year.

In the past ten years, Fosun Pharma actively participated in the Chinese government's program in assisting African in fighting against malaria. Fosun Pharma had organized seminar sessions on Malaria Control for Developing Countries for the 10th consecutive time, Pharmaceutical Quality Management for Developing Countries and Minister-level on Pharmaceutical Supervision and Management for Developing Countries for several consecutive time, covering more than 50 countries. 148 batches of foreign aid projects (antimalarial drugs) initiated by the Ministry of Commerce of the PRC were duly delivered. At the same time, the injectable artesunate as well as artesunate and amodiaquine hydrochloride tablets, etc. have long been the key innovative drugs in the Chinese government's assistance programmes to Africa. On 18 August 2018, Fosun Pharma through Fosun Foundation held the Anti-malaria Medication Donation Ceremony for the Ministry of Health of Zambia during the High-Level Meeting on China-Africa Health Cooperation Conference, the total value was more than USD240,000.

As an official member of the Roll Back Malaria initiative advocated by the World Health Organization, Fosun Pharma is committed to raising the awareness of malaria prevention among the local population in Africa, reducing the morbidity of malaria, and ultimately realising the target of a malaria-free world.

Sing for Hope

On 2 October 2018 (New York time), nominated by the well-known New York charity organization "Sing for Hope", the Company was awarded "2018 Best Businesses Partnering with the Arts" in America by Business Committee for the Arts (BCA), the most influential public art committee of the United States.

Since 2016, about 60 colorful hand-made pianos have appeared in one of the New York classic landmarks owned by Fosun 28 Liberty plaza every summer. A tour of these pianos in five major districts of New York provide chances for tourists and citizens to enjoy music. These second-hand pianos, carefully drawn by artists, will eventually be donated to public schools in New York where public music education is scarce, benefiting more than 15,000 students in New York City.



Tai Chi Adjuvant Therapy

Fosun Foundation has long been supporting the promotion of the Tai Chi culture through hosting CSR programs like Tai Chi adjuvant therapy program for Parkinson's disease and sharing with the public the latest progress of Tai Chi adjuvant therapy for Parkinson's disease. Since 2015, Fosun Foundation has supported the scientific research on "sports therapy for Parkinson's disease", and successfully conducted fifteen free Tai Chi classes, more than 300 patients with the Parkinson's disease (PD) participate in total.

As at the end of 2018, the Tai Chi adjuvant therapy program for Parkinson's disease had been expanded to 4 cities (Shanghai, Beijing, Chengdu and Ningbo). On 8 April 2018, Fosun Foundation collaborated with Ningbo No.2 Hospital and organized the "Tai Chi Anti-Parkinson's Disease" event. More than 70 Parkinson's Disease

patients signed up for the event. 10 April 2018, one day before the World's Parkinson's Day, Fosun Foundation collaborated with Shanghai Ruijin Hospital and distributed the *Guidance of Tai Chi as A Complementary Treatment to The Parkinson's Disease* to the patients. Fosun Foundation will further mobilize its resources and promote the Tai Chi activities to more communities in 2019, so as to improve public health across China.



Protechting Start-ups Acceleration Program

Protechting Start-ups Acceleration Program is jointly initiated and organized by Fosun and One Fosun portfolio companies. At the beginning of 2016, Fosun used Lisbon as the location for its innovative incubator, upholding the principle of “innovation is about people”, and together with Fidelidade, deepened their cooperation with European start-up incubators in fields such as medical healthcare, insurance innovation, and fintech. Fosun utilized its local and overseas resources to organize trainings in marketing, financing, human resources, investment, and big data. Fosun hopes that professional trainings would help their start-ups to grow. Fosun also hopes that global cooperation and partnership would help China achieve its industrial transformation and upgrading.

Building upon the success of the first two Protechting Start-ups Acceleration Programs, Fosun further incubated “Protechting 3.0” in 2018. Working along with all members of the Fosun family, Fosun forged the cradle for cultivating “Unicorns”, assisted more youth in various realms of entrepreneurship and innovation. Since the launch off in February 2018 in Lisbon, Protechting 3.0 has launched roadshows in the six most innovative cities in the world: Brussel, Frankfurt, London, Macao, Lisbon, and Shanghai. Protechting 3.0 received applications of 235 youth entrepreneurship teams from 33 countries. 21 teams successfully went through the multiple rounds of screening to qualify for the Bootcamp. On 8 November 2018, the three finalists of the program were announced at the Web Summit. With the generous support of Fosun Foundation, the three finalist teams started their roadshow in China. They presented their business plans in Shanghai, Zhuhai, and Beijing from the 7th to the 13th in December 2018, with the hope to identify potential investors and further opportunities. In the meantime, the three teams had conversations with Mr. Wang Qunbin, CEO of the Company, about youth entrepreneurship and had discussions with eight Fosun investment teams. They were also invited as representatives to be present at the Fosun CSR night on 8 December 2018.

After three years of development since its debut as a Fosun CSR brand, protechting shows Fosun’s and Chinese enterprises’ determination in taking on more global social responsibility. The program supported 487 start-ups from 42 countries near areas covered by the “One Belt One Road” Initiative. Protechting was awarded “The Third ‘Value Co-Creation’ Outstanding Corporate Social Responsibility Practices in China”, “2018 Chinese Corporate Best Practice of Realizing Sustainable Development Goals” by United Nation Global Compact China network, and “2018 Belt and Road CSR Innovation Case”.

For its next step, “Protechting” will be expanded to, among others, Macau, Brazil, UK and the United States, so as aim to become a world-class youth entrepreneurship innovation program.



Pramerica-Fosun Spirit of Community Awards

Pramerica-Fosun Spirit of Community Awards originated from Pramerica Spirit of Community Awards. The awards were community services awards entirely based on voluntary community services for the youth in the United States. It aims to identify and recognize outstanding teenage volunteers who made outstanding contribution to communities. By rewarding honors to attract and encourage more young people to devote to the greater public good. Over the past twenty years, Pramerica Community Awards have awarded nearly 120 thousand global excellent young volunteers, from various countries including Japan, South Korea, Ireland, India, and Brazil.

In 2013, Fosun Foundation in joint effort with Prudential Financial, Inc., had launched the “Pramerica-Fosun Spirit of Community Awards” in Chinese mainland. As of today, the “Pramerica-Fosun Spirit of Community Awards” has been successfully held for the fifth consecutive years. The competition had received approximately 2,800 effective applications and granted awards to approximately 225 teenage volunteers for their outstanding contributions to social welfare. The programme managed to significantly advance the development of youth voluntary activities in the PRC and has become one of the most prestigious awards in youth social responsibility.

The 2018 Pramerica-Fosun Spirit of Community Awards Ceremony was held at Fosun Foundation Art Center on 17 March 2018. 15 young volunteers were awarded “Star Volunteer”. Two of them were awarded “Philanthropy Ambassador” and gold medals respectively. They will be invited to attend the Prudent International Ceremony in Washington D.C., the United States, with outstanding volunteers from all over the world.

Supporting and Developing Local Farming: a Unique Partnership with Agrisud

Finding that in some cases local supply was inadequate to meet its villagers’ demand for fresh produce, Club Med decided to help local communities to strengthen more sustainable and more environmentally friendly agricultural production network, thereby playing an active role in the local.

Therefore, this decision led to a partnership with the Non-Government Organization Agrisud, signed in late 2008, to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology.

This program has been launched in Senegal, Brazil, Morocco, and Indonesia. It will be launched in Mauritius and China. Benefitted from the program, over 150 tons of fresh vegetables and fruits have been supplied to Club Med Resorts and have benefited more than 2,500 people.

Fosun and the Hong Kong University of Science and Technology Jointly Organized “Fosun Young Fellowship Program”

Following the success of “Fosun-HKUST MBA Technopreneur Program” co-organized by Fosun and the Hong Kong University of Science and Technology (“HKUST”) last year, Fosun this year has further cooperated with HKUST in jointly launching the “Fosun Young Fellowship Program”.

In the “Fosun Young Fellowship Program”, Fosun will provide outstanding HKUST students with full-time, paid internships that last for three to six months, allowing them to gain work experience in the businesses of health, happiness and wealth across different regions. HKUST will assist Fosun in promoting the program, and in recruiting and nominating suitable students. Fosun and its portfolio companies will shortlist students for interview. Selected students will embark on the internship in Fosun or its portfolio companies. Students will then become “Fosun Young Fellow” upon completion of their internships and will be entitled to “Fosun Young Fellowship Scholarship”.

The goal of the program is aligned with Fosun’s mission of “creating C2M ecosystems in health, happiness and wealth through technology and innovation, and providing high-quality products and services for families around the world”. On one hand, the program provides young talents in Hong Kong with internships and career opportunities and makes them a better fit for the workforce. On the other hand, the program can assist in building talents pipeline for Fosun and its portfolio companies.



Fosun Fulfils Corporate Social Responsibility by Participating in Voluntary Work in Hong Kong

As a renowned non-state-owned Chinese company listed in Hong Kong, the Company has always been focusing on the sustainable development for the interests of its shareholders, investors, media, community and

other stakeholders. This year, Fosun received the “Caring Company” logo from The Hong Kong Council of Social Service in recognition of its long-term commitment to promoting corporate social responsibility and its continued efforts in three aspects, namely “Caring for the Community”, “Caring for the Employees” and “Caring for the Environment”.

During 2018, Fosun fulfilled its corporate social responsibility by participating in the charitable work of The Hong Kong Federation of Youth Groups (“HKFYG”). For instance, Fosun participated in the “Heart to Heart Project” organized by The HKFYG and became one of the “Heart to Heart Companies”. Through sponsoring Hong Kong teenagers and schools to take part in voluntary activities in the neighbourhood, Fosun promoted the values that a company should give back to society and serve the community.

In December 2018, the Company and The Hong Kong Federation of Youth Groups – Jockey Club Ping Shek Youth S.P.O.T. jointly conducted a campaign named “Giving Wishes and Gifts to Neighbourhoods”. Employees (and their families) of Fosun’s portfolio companies in Hong Kong, including Peak Reinsurance and Fosun Hani Securities, formed small groups to visit nearly 30 elderly families and home alone elderly in Ping Shek Estate in Choi Hung, a public housing estate with a history of 50 years in Hong Kong. The groups delivered gift packages and expressed their care about vulnerable groups in society, spreading the concept of “FOSUN FOR LOVE” to people from all walks of life.

In addition, Fosun sponsored HKFYG’s community project “Neighbourhood First”, and organized a Lunar New Year reunion dinner for the neighbourhood to let the elderly who lived alone, low-income families, families which were living on Comprehensive Social Security Assistance and physically challenged people feel cared for during the festive season. This is one of Fosun’s ways to express its care for the underprivileged community. Meanwhile, Fosun also gave its support to HKFYG’s Neighbourhood Rice Giving Scheme. It organized some of its staff members into groups of volunteers who assisted in delivering rice as economic aid to the people living in elderly care centres of public housing estates on a number of weekends.

Fosun participated in Standard Chartered Hong Kong Marathon 2018

On 21 January 2018, employees of the Company and its portfolio companies in Hong Kong, including Peak Reinsurance and Fosun Hani Securities, formed a ONE Fosun team to participate in an annual sports event “Standard Chartered Hong Kong Marathon 2018” as a way to actively support the harmonious development of the local communities.

Fosun also raised funds for the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled and Orbis, which is an international non-profit medical education organization, by participating in the Standard Chartered Marathon. The move was aimed at promoting sports among disabled people in Hong Kong and at arousing public awareness of the plight of the visually impaired.

SUPPLY CHAIN MANAGEMENT

The overall strategy for procurement management of the Group is: accommodation, evolution, cost reduction, efficiency enhancement. Accommodation and evolution are strategic measures whereas cost reduction and efficiency enhancement are strategic goals. The basic principles of the Group for procurement practices are: openness, fairness and impartiality. The basic principles of the Group for selection of suppliers are: meeting the technical and business requirements and winning the bid at the lowest price.

The “Procurement White Paper” on group procurement management policy and procedure executed by the Group from 2017 to the present includes: “Basic Guidelines for Procurement Management”, “Basic Guidelines for Supplier Management”, “Management Measures for Strategic Procurement”, “Procurement Management Assessment and Red, Yellow and Green Light Management Measures”, “Management Measures For Procurement System” and “Procurement-related Complaints Handling Management Regulations”. In order to achieve the further standardization, systematization, sharing of procurement, transparency and informationization management of the Group, the Group upgraded “Procurement White Paper” by recompiling “Basic Guidelines for Procurement Management”, “Basic Guidelines for Supplier Management” and “Management Measures for Strategic Procurement” in 2018.

Onelinkplus (www.onelinkplus.com) constructed the Risk Alert Management System and Supplier Management System, as well as the Supply-Chain Collaboration System, in addition to the continuous iteration of the procurement bidding platform in 2018, and put them into the actual business scenario, to enable the Group to realize the digital transformation of the extended supply chain, and to help the Group to reduce cost and improve efficiency. Up to now, Onelinkplus has covered nearly 300 member companies and formed a large database of over 30,000 suppliers. It targets to achieve a full closed loop of procurement supply chain processes in 2019. That will empower the supply chain management of the Group and its portfolio companies more transparent, smart and prominent. Through solid post-investment management and industry operations, it will serve the overall strategic goals of the Group more efficiently.

ANTI-CORRUPTION AND SUPERVISION

In the year of 2013, the Company formally established the Anti-Corruption and Supervision Department which specializes in investigation, handling and prevention of cases of malpractices of staff such as corruption, abuse of power or dereliction of duty. The main mission of this department is to investigate and handle malpractices and control risks in an independent, impartial and keen manner. The Anti-Corruption and Supervision Department of the Company has established a professional investigation team with extensive work experience in public security economic investigations and procuratorate anti-corruption investigations which are able to discover, investigate, handle major corruption cases of the Group and core enterprises and transfer the cases to judicial organs.

The Company adopts a zero tolerance policy for bribery, embezzlement and other corruption acts of all staff. By means of the centralized purchasing platform, “Fosun Anti-Corruption”, the official Wechat public account and other channels to publicize extensively the way to report any incident of corruption, the Company supervises the integrity and diligence of its staff. We have various regulations and systems for staff integrity, the protection and reward procedures of the informants and witness, and internal investigation procedures which include: “Incorruptible Working Regulations for Employees”, “Management Measures for Cash Gifts and Gifts Received during Business Activities”, “Regulations regarding Personal Matters Reporting for Key Position Cadres”, “Measures for the Protection and Reward of the Informants and Witness”, “Several Provisions on Anti-corruption and Supervision Line Case Investigation and Punishment”, “Evaluation Measures for Anti-corruption and Supervision Line’s Performance”, “Guideline for Tender Activities Regulation and Supervision”, “Regulations for Anti-corruption Inspection”, “Management Measures for Anti-corruption and Supervision Lines”, “Anti-corruption Assessment and Red, Yellow and Green Light Management Measures”, etc.

The Company strictly complies with the laws and regulations of the PRC and other countries in which its investment is located, including laws and regulations such as prevention of bribery, extortion, fraud and money laundering, and has various internal control systems to ensure such compliance in operations.

Preventive measures: First, publish online the code of conduct on anti-corruption, incorporate it into the Staff Handbook and publicize extensively the reporting methods and the results of punishing relevant staff through “Fosun Anti-Corruption”, the official Wechat public account and other channels, expanding the influence of anti-corruption investigation within the Group; second, seriously punish the fraudulent employees and maintain the high pressure of investigation regarding the fraudulent behavior, promoting the atmosphere of anti-corruption and creating a culture of anti-corruption in the Group and all core enterprises that all corruption cases will be investigated; furthermore, actively participate in the activities of China Enterprise Anti-fraud Alliance and bring dishonest staff into the Alliance’s blacklist, increasing the social costs of acts without good faith.

Reporting procedure: Anti-corruption supervision telephone numbers and mail boxes are published on the centralized purchasing platform, “Fosun Anti-Corruption”, the official Wechat public account and in the process of each tender and subsidiary inspection to receive internal and external report information, and designated staff are assigned to collect, assess and investigate each piece of report information.

Implementation and monitoring methods: (1) Anti-corruption institution construction: establish an Anti-Corruption and Supervision Department, form a professional investigation team, and conduct performance appraisals on departments of subsidiaries exercising the functions of anti-corruption and supervision and their responsible persons; (2) fraud case investigation and punishment: conduct professional investigation on key fraud cases or fraud risks of the Group and its other portfolio companies through receiving whistleblowing reports or handing over, anti-corruption inspection, sampling inspection, etc. and transfer alleged criminal cases to a judicial organ; and (3) operation risk management and control: identify, rectify and prevent relevant operation risks in the process of investigating and punishing fraud cases, restore economic losses while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

ENVIRONMENT, HEALTH, SAFETY AND QUALITY

I. Policies and Guidelines

“Self-improvement, Teamwork, Performance and Contribution to Society” constitutes the cultural values of the Group. We have always regarded environmental protection, occupational health, production safety and quality management (“EHS&Q”) as the important parts of our corporate social responsibility and incorporated them in the Group’s strategy for sustainable development. The “Fosun Group Environment, Health, Safety & Quality Policy”, which was issued jointly by the Chairman and Executive Directors of the Company, has been fully implemented in all companies under the Group since 2012 and was renewed in February 2019.

Our commitments reflect the Group's insistence on the following aspects:

1. To comply with environmental protection laws and regulations and government emission standards, and continuously improve management and adopt advanced technologies during the life cycle of an enterprise operations to reduce air emission, wastewater, solid waste, and greenhouse gases, and strive to minimize the impact on the environment;
2. To make good use of and cherish resources, improve production technology to use natural resources efficiently, carry out energy conservation and emission reduction, and continue to adopt more environmentally friendly raw materials;
3. To reduce the impact of production and operation on natural resources, protect the environment of mining area, and actively carry out geological disasters and environmental governance in the mines;
4. To provide employees with a safe working place and protect employees and contractors' employees from occupational injuries;
5. To provide customers with safe products and services and strive for excellence; and
6. To actively adopt international advanced management concepts and methods such as Lean Six Sigma to promote the overall improvement of operations.

The Group's environment, health, safety and quality policy is as follows:

FOSUN 复星 复星集团安全质量环境政策

Fosun Group Environment, Health, Safety & Quality Policy

复星集团认为人是企业最宝贵的财富 同时认为所有业务应该以可持续的方式进行 因此我们承诺：

- 在运营过程中严格遵守中国法律法规及复星的标准，同时严格遵守经营活动所在地、地区的各项法律法规；
- 在运营过程中，为我们的员工、承包商、访问者及我们生活和工作的社区创造一个安全、健康、舒适的生活和工作场所；
- 指导本集团控股、联营、参股企业、合作伙伴和其他相关方，建立和贯彻以ISO45001、ISO14001、安全生产标准化为基础的安全、质量、环境（EHS&Q）管理体系，定期检查和评审，确保其有效运行；
- 通过项目投建前的EHS&Q环评、项目投建后的EHS&Q监控，筛选退出时EHS&Q合规性审查等管理措施，确保EHS&Q管理和要求始终贯穿于投资全过程；
- 每位复星集团员工，无论在何时何地都有责任和义务做好安全质量环保工作，并做到不伤害自己、不伤害他人和不被他人伤害；同时每位员工无论在何时何地都有责任和义务，督促或要求别人做好安全质量环保工作。这也是我们复星集团雇佣员工的前提条件；
- 坚持可持续发展的方针，我们将指导企业，通过减少废物、废气及废水的排放，有效地降低运营并同时寻求机会回收和重复废物，减轻我们的生产和经营活动对于环境及人的影响；
- 以客户为导向，我们提供优质产品，保证客户使用安全；
- 我们将积极采用国际先进管理理念与方法如精益六西格玛等来推动运营的质量提升。

复星集团坚信：

- 所有事故和伤害都可以避免；
- 管理者必须管理安全、质量、环境；
- 所有运营和作业危害都必须控制、降低或消除；
- 所有员工都必须无条件接受安全、质量、环境培训；
- 所有员工都必须及时纠正人的不安全行为和物的不安全状态；
- 安全、环境保护与生产、质量同样重要；
- 质量是产品的核心，我们力求精益求精；

复星集团将确保安全质量环境政策在集团内 包括成员企业以及办公场所都得到有效执行 非常感谢所有员工对复星集团安全质量环境政策的支持

The EHS&Q policy will be carried out effectively in all Fosun Group's sites.
We would like to thank you all for your support to Fosun Group EHS&Q Policy.

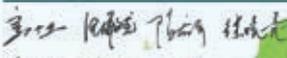
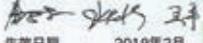
Fosun Group recognizes people as its most important asset, and all business should be operated in a sustainable manner. We are committed to:

- Operation in compliance with China applicable legislations and Fosun internal standards, and all the applicable local laws and legislations of the business activities of the host country/region.
- A safe, healthy, comfortable living and work environment will be provided for our employees, contractors, visitors and community near our operations.
- Coaching/Steering our group holding, joint operating, shareholding companies, cooperation partners and other relevant parties to establish and maintain an appropriate environment, health, safety and quality (EHS&Q) management system in according with ISO 45001, ISO 14001 and Work Safety Standardization System, conducting regularly check and auditing to ensure it operates smoothly and effectively.
- Insure all investment activities to involve EHS&Q management thoroughly via some effective methods such as conducting EHS&Q due diligence before investment, strengthening EHS&Q supervision on the invested companies etc.
- It is the duty of every employee in Fosun Group to integrate EHS&Q philosophy into his/her work so as not to endanger himself/herself or his/her colleagues in any where and any time. It is also the duty of every employee to remind or request other people to work with EHS&Q manner in any where and any time. This is a condition of employment.
- Adhere to the sustainability principle. Make, handle, use, transport, sell or dispose of products, in a safe and environmental friendly manner. Continue to drive down the environmental and health impact of our operations by reducing waste, air emissions and effluent and by using energy efficiently, at the same time, we will explore opportunities to re-use and recycle waste.
- Customer oriented, provide high quality products, and ensure product safety.
- We will actively adopt international advanced management methods such as Lean Six Sigma etc., to improve our operation.

We believe:

- All injuries and occupational diseases are preventable.
- Line managers are responsible for EHS&Q issues.
- All operation risk and hazards can be controlled, reduced or eliminated.
- It is mandatory for all employees to be trained on EHS&Q.
- Unsafe behavior and conditions must be corrected in time.
- Safety and environment protection are to be considered on an equal level with production and quality.
- Quality is the core of product competitiveness, we strive for excellence!

复星集团
Fosun Group



 生效日期 2019年2月
 Effective Date Feb, 2019

To ensure the implementation of the policy, the Group set up the Environment, Health, Safety & Quality Supervision Department in 2012 to supervise the implementation of EHS&Q by each member company to inspect and ensure the legal, compliant, efficient and safe production of all member companies. The member companies responded positively, getting involved and improving the EHS&Q governance structure.

The Group issued the Regulations of Shanghai Fosun High Technology (Group) Co., Ltd. on the Line Management of Environment, Health, Safety & Quality. In 2018, together with the Human Resources Management Centre, the Group clearly stated that the year-end performance appraisal of the heads of the business segments and core member companies would be linked to the environmental performance of the companies, urging the implementation of a regional responsibility system. The Group holds the EHS&Q line annual meeting each year to carry out the summary and planning of EHS&Q management. The picture shows that the Company's CEO Wang Qunbin was delivering a speech at the line meeting. He stressed that the Group would endeavour to: 1. adopt world-class EHS&Q management standards; 2. implement full coverage of EHS&Q management, including full coverage before and after investment, full coverage of regions and full coverage of industries; 3. accelerate the construction of a professional EHS&Q team in member companies; 4. establish and improve the EHS&Q reward and punishment mechanism for all member companies.



II. Responsible Investment

The Group joined the United Nations (“UN”) Global Compact in July 2014, which formally established our global commitment to sustainable development. In order to actualize the sustainable development goals, the Group and its member companies have actively focused on and implemented responsible investments. For example:

H&A

Since 1995, Prime Value's ethical funds issued by H&A have been investing in corporate stocks and bonds that meet H&A's ethical, social and environmental standards, excluding companies that violate human rights, participate in weapons production or trading, accelerate climate change, use socially controversial technologies, or participate in risky activities. To boost contribution to ethical and responsible investment, the Principles of Responsible Investment (PRI) was signed by H&A.

PEAK REINSURANCE

Peak Reinsurance is a signatory to the Principles for Sustainable Insurance (PSI) of United Nations Environment Programme Finance Initiative (UNEPFI). In the investment process, Peak Reinsurance is committed to promoting the integration of PSI and business decisions and excluding companies that have a negative impact on the climate from the investment portfolio.

The Group and its member companies pay special attention to investment and development opportunities in the areas of clean energy and clean technology. To date, our green investment practices include but not limited to:

BESINO ENVIRONMENT

Besino Environment, which specializes in industrial wastewater and municipal sewage treatment and municipal water supply fields, managed 10 industrial wastewater and sewage treatment plants and 2 waterworks in China by the end of 2018. In 2018, Besino Environment recorded 412,694,500 tons in wastewater treatment volume, 55,764.13 tons in chemical oxygen demand (COD) removal, 6,745.91 tons in ammonia nitrogen treatment volume, and 56,207.17 tons in suspended solids removal. Two subsidiaries in Hefei participated in the Chaohu Lake treatment project and provided excellent water source for Chaohu, with the effluent water quality reaching the standard for Class IV surface water under GB3838-2002 Surface Water Environmental Quality Standard. In 2018, Besino Environment supplied water for 100,000 households. Wangxiaoying Sewage Treatment Plant, a subsidiary of Besino Environment, will complete the installation of a 10.8 MW photovoltaic power generation system in June 2019.

CN-NL WASTE SOLUTION CO., LTD. (“CN-NL WASTE SOLUTION”)

CN-NL Waste Solution specializes in providing urban and rural intelligent environmental hygiene solutions, and has been engaged in the investment, construction and operation of waste cleaning, collection and transportation, and disposal projects. CN-NL Waste Solution's environmental hygiene integration project covers 22 provinces, municipalities and autonomous regions across the country, serving nearly 100 million people. In 2018, the amount of garbage collection and transportation was 31 million tons.

YUNNAN FEIERTED ENVIRONMENTAL PROTECTION TECHNOLOGY CO., LTD. (“FEIERTED”)

Feierted mainly researches and produces carriers for exhaust gas treatment, particle traps and purification devices, and it has met advanced world standards in this regard. Feierted proactively participates in car renovation projects in various regions. In 2018, it treated exhaust gas for more than 20,000 cars at home and abroad.

TIANJIN JEVE ENERGIES CO., LTD. (“JEVE”)

JEVE, a national high-tech enterprise, mainly provides ternary power batteries for new energy passenger vehicles. With a leading R&D capability in China, JEVE has filed 168 patents in China, including 91 invention patents, covering multiple areas such as key materials, battery design, battery manufacturing processes, and battery equipment.

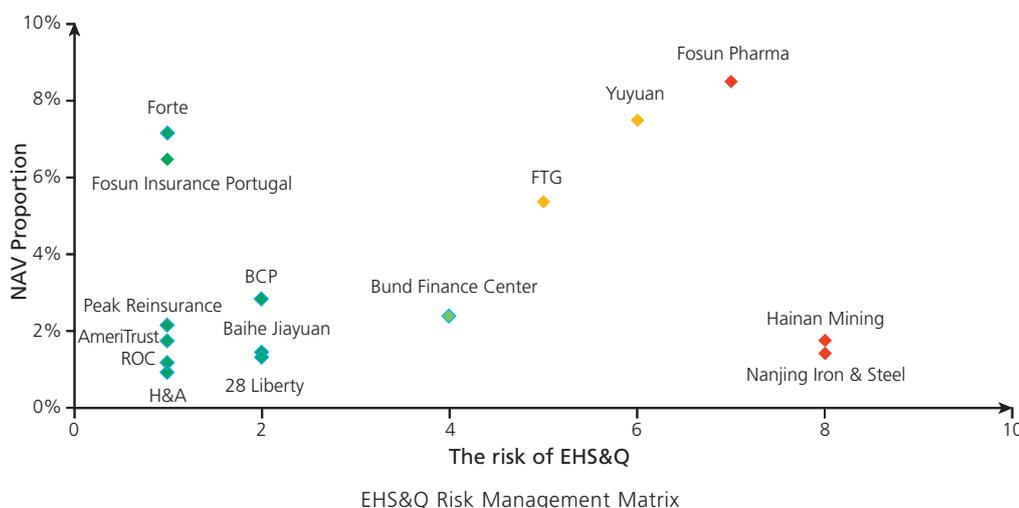
KOLLER

Koller specializes in the design and production of lightweight end products and molds for automotive sector using carbon fiber and other composites. It provides the automotive industry with solutions that reduce body weight, thereby reducing energy consumption and achieving energy saving and greenhouse gas (“GHG”) emission reduction.

In terms of investment decision-making and risk control, the Group adheres to value investment and insists on not investing in companies that are not committed to good quality and whose related industries are at odds with the green development strategy of the country. In 2013, the Group issued the “Guidelines on EHS&Q Due Diligence of Investment Projects of Shanghai Fosun High Technology (Group) Co., Ltd.” (《上海復星高科技(集團)有限公司投資項目環境健康安全質量盡職調查指引》) and the “Manual of Fosun Group EHS Management System” (《復星集團EHS管理體系手冊》). Through the pre-investment due diligence on the EHS&Q of target company and investment decision-making, the post-investment EHS&Q management and consulting services, exit-phase EHS&Q checks and other measures, the Group ensures that EHS&Q risk control and management pervades the entire investment and business activities.

III. Selection of Disclosure Scope

In terms of the disclosure of EHS&Q information, we first calculate the proportion of the net asset value (NAV) of the investee companies to the net asset value of the Group and controlled companies and joint ventures with a proportion of more than 1% are selected out. Then we determine the EHS&Q risk values of such controlled companies from four dimensions, i.e. environment, health, safety and quality. By comprehensively analyzing the proportion of net assets and the EHS&Q risk value, we develop an EHS&Q risk management matrix map and select high- and medium-risk member companies in the chart to disclose significant EHS&Q information. The companies being selected include: Fosun Pharma of the Health Ecosystem, FTG and Yuyuan of the Happiness Ecosystem, and Nanjing Iron & Steel and Hainan Mining of the Wealth Ecosystem.



Note: Given that Yuyuan completed its material assets reorganization in 2018, and the management risk of real estate projects under construction is transferred to Yuyuan, the EHS&Q risk value of Yuyuan increases while that of Forte is correspondingly reduced.

IV. Environmental Protection

Sticking to the principle of sustainable development, the Group supervises and guides its member companies to mitigate the impact of production and business activities on the environment and the human body by reducing the emissions of solid waste, wastewater and atmospheric pollutants, effectively utilising resources, and at the same time seeking opportunities to recycle wastes. In 2018, there were no major environmental pollution incidents in the member companies of the Group. In addition, the Group has established and implemented the management framework system for environmental protection, occupational health and safety production (“EHS”) to systematize and standardize the environmental protection of member companies on a regular basis every year. Companies under the Group are encouraged and promoted to obtain environmental management system certification. As of the end of 2018, 26 member companies have obtained environmental management system certification.

In terms of environmental protection, we select Fosun Pharma of the Health Ecosystem and Nanjing Iron & Steel and Hainan Mining of the Wealth Ecosystem, which have higher environmental risks in the EHS&Q risk management matrix, to disclose their summary of significant information.

1 HEALTH ECOSYSTEM – FOSUN PHARMA

Fosun Pharma has always complied with the environmental protection policy of “implementing the strategies for sustainable developments of both environment and society, by preventing contaminants and pollutions, saving energies, reducing emission, protecting ecological diversity, and building environment-friendly communities”, and positively responded to the blue sky protection campaign put forward by the Ministry of Ecology and Environment of the PRC. During the Reporting Period, it imposed more demanding and stricter requirements and made more detailed efforts to strengthen environmental protection in the production and operation of member companies, alleviated the negative impact of production and operation activities on the environment, and sped up the upgrading of existing environmental protection facilities to meet the increasingly stringent environmental requirements of the country and resolutely put an end to major environmental incidents in operation.

During the Reporting Period, Fosun Pharma continued to enhance the internal control of wastewater, exhaust gas and industrial waste (general industrial solid waste & hazardous waste) generated during the production and operation of member companies to ensure continuous and stable compliance with the relevant national, industry and local standards. In addition, it strictly implemented the “three-simultaneity” principle, which requires simultaneous construction and operation of pollution prevention facilities, to ensure that the incremental of pollutant emissions due to new projects is minimized, thereby fulfilling its commitment for sustainable developments of both environment and enterprise economy.

The environmental pollutants discharged by Fosun Pharma are as follows:

Items	2018	2017	2016	
Wastewater	Total amount of wastewater (10,000 tons)	756.5	731.6	678.5
	COD (ton)	847	841	490
	NH ₃ -N (ton)	254	486	60.6
Exhaust gas	NO _x (ton)	251	239	466
	SO _x (ton)	279	245	485
Solid waste*	Total amount of solid waste (10,000 tons)	8.6	8.9	8.1
	Total amount of hazardous waste (ton)	2,683	2,397	1,627
	Total amount of non-hazardous waste (10,000 tons)	8.3	8.7	7.9

* As the solid waste classification in China is different from that of outside China, the table only discloses member companies' solid wastes in China.

(1) Wastewater management

Compared with 2017, Fosun Pharma's total discharge of wastewater rose by 249,000 tons or 3.4% in 2018; that of COD rose by 5.5 tons or 0.7%; and that of NH₃-N slumped 232.3 tons or 47.8%. Due to the difference of the consolidation standards of member companies Gland Pharma and Hengsheng Hospital, their total discharge of wastewater rose by 387,391 tons in 2018 from the previous year, and that of COD rose by 15.5 tons from the previous year, both in terms of consolidation.

During the Reporting Period, Fosun Pharma strengthened wastewater management from two aspects: on one hand, it strictly required member companies to ensure stable operation of wastewater treatment facilities and maintain continuous up-to-standard discharge; on the other hand, for member companies with insufficient wastewater treatment capacity, it actively increased hardware input of wastewater treatment facilities by adding new wastewater treatment facilities or upgrading existing wastewater treatment facilities. Member companies, such as Wanbang, Chongqing Yao Pharmaceutical Co., Ltd. ("**Yao Pharma**"), Guilin Pharmaceutical Co., Ltd. ("**Guilin Pharma**"), Hunan Dongting Pharmaceutical Co., Ltd. ("**Dongting Pharma**"), and Suqian Zhongwu Hospital Co., Ltd., all upgraded the existing wastewater treatment facilities during the Reporting Period. After the above five enterprises upgraded their wastewater treatment facilities, the total amount of COD decreased by approximately 4.5 tons compared with 2017. Another member company Shine Star (Hubei) Biological Engineering Co., Ltd. ("**Shine Star**") re-optimised the operation of the internal wastewater treatment facilities of the enterprise after the release of a higher standard on ammonia nitrogen pipes emission in the wastewater treatment plant of the park, which improved the NH₃-N removal capacity and thereby cutting the NH₃-N emission by an estimation of 230 tons.

(2) Air pollutant emissions

Compared with 2017, Fosun Pharma's total emissions of air pollutant NO_x rose by 11.92 tons or 5.0% and that of SO₂ rose by 33.53 tons or 13.7% in 2018. The increment mainly came from the production growth of member company Shine Star which reported an increase of 22.73 tons and 39.16 tons in the emission of NO_x and SO₂ respectively. During the Reporting Period, Fosun Pharma's non-methane hydrocarbon was 18.11 tons and was emitted in an organized way, which is disclosed for the first time by the Group.

To cooperate with the nation's three-year action for the blue sky protection campaign, the member companies of the pharmaceutical sector affiliated to Fosun Pharma have proactively responded to the requirements of environmental authorities at national and local levels to promote their respective volatile organic compounds (VOCs) treatment projects and installation of applicable environmental facilities. A number of member companies, such as Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd., Guilin Pharma, Dongting Pharma, Shanghai Zhaohui Pharmaceutical Co., Ltd., and Shine Star, accelerated their engagement with mature VOCs treatment facility constructors in the market and set about starting or building VOCs emission reduction and treatment facilities, investing RMB37 million in the equipment construction necessary for VOCs emission reduction projects.

(3) Solid waste management

Compared with 2017, the total amount of solid waste in Fosun Pharma's domestic enterprises dropped 3,171 tons or 3.6% in 2018. Among the solid waste of 2018, the total amount of hazardous waste was 2,683 tons, of which 2,538.6 tons were incinerated, 28.7 tons were buried, and 115.9 tons were treated in other ways including storage for disposal. For industrial solid waste, 72,700 tons of wastes were reused as resources, and the proportion of reusable wastes accounted for 93.6% of the total industrial solid waste. For packaging materials, some member companies reduced emissions to the environment by negotiating recycling with suppliers.

2 WEALTH ECOSYSTEM – NANJING IRON & STEEL

In 2018, Nanjing Iron & Steel upheld the principle of sustainable development and followed out its environment protection policy that takes stable up-to-standard emission as the bottom line and ultra-low emission as the target and underlines the implementation of the three-year plan for environmental improvement. It strictly implements the three-level environmental supervision system, strengthens the daily management of environmental protection facilities, speeds up the pace of pollution control, and continuously reduces pollutant emissions and improves the environment of the plant, making unremitting efforts to make itself a ecological urban steel mill. Nanjing Iron & Steel strictly abides by national and local environmental laws and regulations and fulfills social responsibilities on its own initiative. In 2018, with the joint efforts of all employees, Nanjing Iron & Steel successfully achieved its annual environmental protection goal: a standard-reaching rate of 100% in supervisory monitoring.

In 2018, Nanjing Iron & Steel carried out 50 projects on environmental technology upgrading and environmental facility renovation, with its investment in under-construction environmental protection projects amounting to RMB1.5 billion. To achieve ultra-low emissions and cooperate with the nation's blue sky protection campaign, it focused on the promotion of desulfurization, denitrification, dust control, and raised dust control projects.

Desulfurization and denitrification project:

- Three coke oven gas-based desulfurization and denitration devices were built and put into use, reducing SO₂ emissions by 500 tons and NO_x emissions by 2,000 tons per year;
- The Ironmaking Division optimised the fuel structure from the source and replaced the sintered fuel with low-nitrogen semi-coke;
- The construction of the 180-sintering denitration project was started, and the project is scheduled to be put into use in April 2019. After the project is put into use, the NO_x emissions will be cut by 2,000 tons/year.

Dust-control project:

- The “electric precipitator to bag filter” retrofitting projects for the No. 4 and No. 5 sintering machines were completed and put into use, and the emission concentration after transformation was lowered to less than 10 mg/m³ (the special emission limit stipulated in Emission Standard of Air Pollutants for Sintering and Pelletizing of Iron and Steel Industry (GB28662-2012) was 20 mg/m³);
- 15 production plants all replaced the ordinary bags with high-efficiency membrane filter bags.

Raised dust control project:

- The retrofitting project on using pneumatic transmission for dust removing and collecting in 38 sites of the first ironmaking plant, the first steelmaking plant, the coking plant, and other plants was completed and put into use;
- The construction of the sealed blending material yard shelter of the second raw material factory, the sintering ring cooler project, the ingredient area sealing project, and the lime kiln raw material sealing project were completed and put into use;
- The reconstruction project for the disposal of refining steel slag of the first steelmaking plant and the second steelmaking plant and fuel plant coal silos was started and is scheduled to be completed in May 2019.

Through continuous environmental transformation every year, the emission of each pollutant factor per ton of steel of Nanjing Iron & Steel has gradually gone down for successive years, and all of the factors are lower than the Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry (國家鋼鐵行業清潔生產評價指標I級基準值). The wastewater and waste gas emissions of Nanjing Iron & Steel are as follows:

Classification	Pollutant factor	2018		2017		2016		Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry
		Total emissions (ton)	The emission per ton of steel (kg/ton of steel)	Total emissions (ton)	The emission per ton of steel (kg/ton of steel)	Total emissions (ton)	The emission per ton of steel (kg/ton of steel)	
Waste gas*	NO _x	7,440.6	0.740	8,555.4	0.869	9,213.4	1.023	≤0.9
	SO ₂	2,805.5	0.279	2,923.6	0.297	3,602.5	0.400	≤0.8
	Organized emissions of particulate matter	4,389.7	0.44	4,475.2	0.45	4,401.8	0.49	≤0.6
Wastewater	COD	69.1	0.006	153.3	0.016	153.6	0.017	≤0.06
	NH ₃ -N	2.27	0.0002	4.47	0.0005	5.30	0.0006	≤0.006

* The Environmental Protection Tax Law of the PRC came into force on 1 January 2018. The law incorporates unorganized emissions of particulate matter into the environmental pollutant collection category of air pollutants. Therefore, the Group requested Nanjing Iron & Steel to calculate and report the unorganized emissions of particulate matter in 2018. In 2018, Nanjing Iron & Steel's total unorganized emissions of particulate matter were 10,111.37 tons, and its total unorganized emissions of particulate matter per ton of steel was 1.006 kg.

In 2018, Nanjing Iron & Steel standardized and refined its management of general industrial solid waste and hazardous waste. It upgraded and renovated the hazardous waste storage sites of all production units with high standards; it carried out special investigations on general industrial solid waste, enhanced inspection of solid waste compliance of subsidiaries, conducted standardized inspection and rectification of storage places and record ledgers, and extended the inspection to downstream sales companies; through source control, it strengthened daily management of equipment, and reasonably extended the replacement cycle to lessen the generation of general solid waste and hazardous waste; through end use, it properly treated the solid waste generated and re-used resource solid waste in production to lower the amount of solid waste disposal.

THE AMOUNT OF COMPREHENSIVE UTILIZATION AND DISPOSAL OF SOLID WASTES IN 2016-2018

	Way of Disposal	2018	2017	2016
General industrial solid waste (10,000 tons)	Comprehensive Utilization	520.96	651.00	485.80
Hazardous waste (ton)*	Amount of standardized disposal	3,230	3,581	3,773

* In the year of 2018, 17,535 tons of electric furnace dust was produced and was comprehensively utilised by Nanjing Iron & Steel.

In 2018, through the continuous improvement of environmental protection management, environmental protection technology improvement and facility renovation, Nanjing Iron & Steel ensured up-to-standard emissions of various pollutants and achieved its annual environmental protection goal of a standard-reaching rate of 100% in supervisory monitoring. In addition, it successfully passed the "Looking Back" inspection, the "Unannounced Inspection", the "Waste Clearance Action" inspection, and the "Special Inspection on Black and Odorous Water" from central-government environmental protection inspection authorities, as well as the "Cross Inspection on Law Enforcement in Eight Cities of Jiangsu Province."

3 WEALTH ECOSYSTEM – HAINAN MINING

As a mining company that mines natural resources, Hainan Mining is always serious about geological hazards and environmental governance, and it has invested financial and material resources for geological disasters prevention and environmental governance over the years. In 2018, it invested RMB15.58 million for wastewater treatment, exhaust gas treatment and ecological restoration. Of the total amount, RMB1.08 million was used for mine land reclamation. By planting nearly 300,000 trees of Hainan's local varieties in the stope and slag yards, the company reclaimed a mine area of approximately 13.78 hectares. With its discharge of wastewater, exhaust gas, noise and solid waste being all up to the standard and all hazardous wastes being disposed of as required, the company did not received any environmental penalties. Hainan Mining's pollutant discharge indicators are as follows:

		2018	2017	2016
Annual Output	Finished iron ore (10,000 tons)	212.79	400.29	290.58
Wastewater	COD (ton)	53.91	35.03	36.41
	COD emission intensity (ton/10,000 tons)	0.25	0.09	0.13
	NH ₃ -N (ton)	1.46	1.37	1.21
	NH ₃ -N emission intensity (ton/10,000 tons)	0.007	0.003	0.004
	SS (ton)	65.61	24.95	26.81
	SS emission intensity (ton/10,000 tons)	0.31	0.06	0.09
Solid waste	The total amount of hazardous waste (ton)	12.46	23.5	23.3
	Hazardous waste intensity (ton/10,000 tons)	0.06	0.06	0.08

In 2018, the amount and intensity of COD, NH₃-N and SS emitted by Hainan Mining were both on the rise, which were mainly attributed to the following reasons:

- ① Open-pit mining was completely converted to underground mining in 2018. As a result, there was more dust in the beneficiation process, and the water consumption of the water washing process increased, which in turn led to an increase in the amount of discharged wastewater;
- ② In 2018, typhoons and heavy rains occurred more frequently. Pollutants (including large amounts of COD, NH₃-N and SS) in surrounding farms and orchards were washed into the Hongqi tailing pond through heavy rain.

V Climate Changes Addressing and Resource Protection

(I) Addressing climate changes

With intensified climate changes, the sea-level rise, upgraded extreme weather events, and GHG emission hitting a record high, climate change has become one of the biggest challenges for human being. In response to climate changes, the Group joined the UN Global Compact in July 2014 and made a global commitment in pursuing sustainable development. Hence, the Group has participated in and boosted the realization of UN's sustainable development goals both at the global and local level. As one of the members of the Paulson Institute CEO Council, the Group joined the "Race to Zero" initiative initiated by the Paulson Institute. In 2017, the Group started to draft and implement a low-carbon strategy, and selected five companies from its own business segments to first conduct carbon emission data collection and comparative analysis. The Group extended the scope of pilot by incorporating Wanbang of Fosun Pharma and another nine affiliated companies in 2018 and plans to establish the GHG monitoring, reporting and verification (MRV) platform in 2019 to expand the coverage of GHG emission statistics to the whole Group. Hence, this part is disclosed with the EHS&Q risk management Matrix and the scope of the pilot program.

The pilot companies planned and implemented initiatives to cut GHG emissions based on their characteristics:

- In recent two years, Guilin Pharma set up an energy management panel, specified its evaluation mechanism on energy-saving, and conducted a series of technical transformation activities to improve the energy measurement system, realize the transition from coal to natural gas and optimise key energy-using equipment;
- Wanbang and nine affiliated companies plan to launch a photovoltaic power generation program in the next five years and complete at least five emission reduction measures each year;

- Club Med manages energy through Tech Care, its global environmental monitoring system, and has taken many measures to lessen its impact on the climate including ecology architecture, renewable energy, transportation and eco-certification;
- In 2018, Nanjing Iron & Steel invested RMB50 million in energy-saving transformation and will launch a photovoltaic power generation project in 2019;
- With a green design, the Bund Finance Center won LEED Gold Award and China Green Building Three Star Certificate and is operated with its energy-saving design.

Pilot companies	Year	Direct GHG emission (Tonnes of CO ₂ e)	Energy indirect GHG emission (Tonnes of CO ₂ e)	Total GHG emission (Tonnes of CO ₂ e)	GHG emissions intensity
Guilin Pharma	2016	30,890.9	14,707.7	45,598.6	0.83 (Tonnes of CO ₂ e/RMB10,000 output value)
	2017	21,014.0	15,950.4	36,964.4	0.46 (Tonnes of CO ₂ e/RMB10,000 output value)
	2018	13,253.9	14,923.4	28,177.3	0.32 (Tonnes of CO ₂ e/RMB10,000 output value)
Wanbang	2016	3,923.9	52,658.9	56,582.8	0.31 (Tonnes of CO ₂ e/RMB10,000 output value)
	2017	3,119.4	57,431.9	60,551.3	0.27 (Tonnes of CO ₂ e/RMB10,000 output value)
	2018	5,028.2	66,590.6	71,618.8	0.27 (Tonnes of CO ₂ e/RMB10,000 output value)
Club Med	2016	55,566	92,457	148,022	Carbon intensity par THD: 14.5 kgCO ₂ e; Carbon intensity per Hotel Day Capacity: 11.5 kgCO ₂ e
	2017	53,057	89,701	142,758	Carbon intensity par THD: 13.4 kgCO ₂ e; Carbon intensity per Hotel Day Capacity: 12.1 kgCO ₂ e
	2018	52,121	93,880	146,000	Carbon intensity par THD: 12.8 kgCO ₂ e; Carbon intensity per Hotel Day Capacity: 11.6 kgCO ₂ e
Hainan Mining	2016	12,400	69,118	81,518	0.0281 Tonnes of CO ₂ e/tons of finished iron ore output
	2017	11,280	99,738	111,018	0.0277 Tonnes of CO ₂ e/tons of finished iron ore output
	2018	11,075	92,557	103,632	0.0487 Tonnes of CO ₂ e/tons of finished iron ore output
Bund Finance Center	2016	148.4	4,386.4	4,534.8	
	2017	952.7	14,822.5	15,775.2	
	2018	1,970.3	15,606.8	17,577.1	

Notes:

1. For pilot companies in China, GHG emissions and GHG emissions intensity are calculated based on the "Guide of Accounting and Report of Greenhouse Gas Emissions" released by China, with a reporting period from 1 January to 31 December of a calendar year. For companies outside China, GHG emissions and GHG emissions intensity are calculated based on the "GHG Protocol" released by

the World Resources Institute. The reporting period of Club Med is from 1 November of the year N-1 to 31 October of the year N. The GHG under calculation this time are the six GHGs stipulated in the "Kyoto Protocol," namely, carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆).

2. The increase in GHG emissions and GHG emissions intensity of Hainan Mining in 2018 was mainly due to its production model shifting from open-pit mining to underground mining.
3. As the Bund Finance Center is still available for leasing and some buildings were still under decoration in 2018, it is unable to calculate the GHG emissions intensity reasonably, so the figure was not disclosed for the time being. The growing trend of Bund Finance Center's GHG emissions was mainly due to the rise in renting rate.

(II) Resource protection

In terms of resource protection, we selected enterprises with high resource consumption, namely Fosun Pharma, FTG, Yuyuan, Nanjing Iron & Steel and Hainan Mining, to disclose their summary of significant information. The aforementioned member companies didn't have any issue in sourcing water.

1 HEALTH ECOSYSTEM – FOSUN PHARMA

Fosun Pharma has always committed to the efficient utilization of social resources and adheres to the principle of maximizing output with the minimum social resources. It focuses on natural resources conservation and social resources saving during production and operation and never seek short-term profits for the company at the cost of social and natural resources, and makes all efforts to ensure a harmonious relationship with the environment in the whole industrial chain of business operation.

The following statistics is about Fosun Pharma's consumption of water resources and energy in 2018 compared with previous two years:

	2018	2017	2016
Total electricity consumption (MWh)	655,108.9	513,272.1	478,175.2
Total consumption of other energy sources (GJ)	5,394,870	4,648,903	3,860,500
		(restated)	(restated)
Comprehensive energy consumption (GJ)	7,753,262	6,496,683	5,581,931
		(restated)	(restated)
Comprehensive energy consumption intensity (GJ/RMB10,000 output value)	3.11	3.51	4.43
		(restated)	(restated)
Total water consumption (10,000 m ³)	995.9	951.6	876.9
Water consumption intensity (m ³ /RMB10,000 output value)	3.99	5.14	5.99

Note: The translation of energy coefficients calculated by Joule or times is based on the Appendix A to General Rules of Comprehensive Energy Consumption GB/T 2589-2008 (《综合能耗计算通则》GB/T 2589-2008). Data of 2016 and 2017 were also restated on the same base.

(1) Energy use and consumption

In 2018, Fosun Pharma's comprehensive energy consumption amounted to 7,753,262GJ, an increase of 1,256,579GJ or 19.3% from 2017. The comprehensive energy consumption intensity was 3.11GJ/RMB10,000 output value, which reduced by 0.4GJ/RMB10,000 output value as compared with 2017.

(2) Use of water resources

In 2018, Fosun Pharma's total water consumption reached 9,959,000 tons, an increase of 4.7% from 2017, which was mainly due to the addition of new companies to Fosun Pharma and increased capacity of some companies. Fosun Pharma attaches great importance to the impact of water resource consumption on the environment and has taken various of water-saving measures, such as upgrading water saving instruments, reusing reclaimed water, concentrated water and condensed water, improving production and cleaning process, and increasing chilled water units. As a result, Fosun Pharma saved 179,000 m³ of water, accounting for 1.79% of the total water consumption for the year.

(3) Use of packaging materials

Fosun Pharma directly and/or indirectly consumes various packaging materials during product manufacturing, transportation and sales as well as providing medical services. The top three packaging materials by nature and actual consumption are papers, glasses and plastics.

Adhering to the principles of “controlling from source, optimizing layout, reducing energy consumption and pollutant discharge”, Fosun Pharma has been actively promoting reduction in use of packaging materials and taken measures mainly including (but not limited to):

- To intervene from the source of product packaging to reduce excessive and unnecessary packaging;
- To conduct classification management of packaging materials from unpacking of incoming materials and reuse some recyclable packaging materials internally;
- Some member companies partner with upstream and downstream clients, replacing disposable material box with recyclable boxes, to reduce the consumption of recyclable boxes during material transportation.

2 HAPPINESS ECOSYSTEM – FTG

Club Med, which accounts for the largest proportion in FTG’s assets, is used as an example to disclose FTG’s resource consumption.

(1) Energy Management

Club Med aims to reduce carbon intensity linked to the energy use of buildings. In 2018, 17% of electricity consumed came from renewable sources (EDF green certificates and hydropower produced in the village) and in choosing the renewable energy equipment, Club Med focused on already mature and high-yield technologies.

- 4% of the villages were equipped with photovoltaic panels (6,000 m²) and 28% of villages were equipped with solar thermal panels (about 3,000 m²) corresponding on average to about 20% of needs in sanitary hot water.
- 23% of villages had refrigeration heat recovery units (26% in 2017).
- Heat pumps were installed in 30% of villages (15% in 2017).

(2) Water Management

To control water consumption, Club Med has taken the following actions:

Reusing recycled water, curbing watering needs. Due to the fact that the operations are often in far-flung locations, from very early on Club Med has frequently had to “produce” its own water by drilling wells or through desalination (seawater or brackish groundwater). Water recycling is a common practice in the villages, especially those with green spaces where virtually all treated water is reused for irrigation. 39% of villages (excluding ski resorts) recycle their water for irrigation, 50% of villages (excluding ski resorts) use their own or purchased recycled water for irrigation.

Implementation of Efficient Equipment. Village facilities and equipment have been designed to control water consumption (flow regulators on taps, pressure reducers, water-saving flushing, centralized irrigation management systems, drip irrigation, etc.). In addition, maintenance work is performed regularly at all villages, such as repairing leaks in the water supply etc.

3 HAPPINESS ECOSYSTEM – YUYUAN

In 2018, Yuyuan completed a major assets reorganization and the real estate development projects under its management are committed to the concept of green design and green building. Yuyuan has incorporated the concept of environmental protection and health into the project development process. At the same time, as a global enterprise, Yuyuan's overseas projects also strive to perform energy conservation in buildings according to the requirements under the European and American laws and regulations and of the markets. Yuyuan's new green buildings in 2018 are as follows:

Project name	Total GFA (10,000 m ²)	Functionality	Green design certification level
Beijing Tongzhou IX-05 Project	21.3	Commercial, office	Beijing Two Star Green Building (北京市綠建二星), LEED Silver Certification standards (Pre-certification)
Beijing Tongzhou IX-08 Project	18	Commercial, office	Beijing Two Star Green Building, LEED Silver Certification standards (Pre-certification)
Wuhan Hanzheng Street T1/T2 Towers	124	Commercial, office, residential apartment	LEED Gold Certification (Pre-certification)
Jinan CBD Project	54.71	Commercial, office, residential apartment	A1-Grade and Three-Star Green Office Building (A1超甲辦公樓綠建三星) (Pre-certification) Other Two-Star Green Buildings (Pre-certification)

In the operation course of its own commercial and office buildings, Yuyuan has actively and effectively managed water and electricity, recorded monthly data on consumption of water, electricity and gas, and strived to seek energy conservation and consumption reduction to minimize energy consumption and environmental impact. In 2018, Yuyuan's total investment in energy saving, water conservation and environmental protection reached RMB4.53 million.

In the process of real estate development, Yuyuan has actively reduced the impact on the surrounding environment, diminished the waste of resources and adopted measures to save energy and reduce consumption. Taking the construction management of the south and north plots of the southern headquarters as an example, the actions taken for energy conservation, water conservation, and resource recycling include (but not limited to):

- Reuse of templates and recycling of short tube materials can reduce waste;
- LED energy-saving lamps provide the lighting for the construction of the buildings;
- Pump the water accumulated in the basement for reuse;
- Install atomized spray system and washing equipment for slag vehicles, use mist cannon trucks, and be equipped with online PM2.5 monitor to monitor the dustproof effect in real time.

4 WEALTH ECOSYSTEM – NANJING IRON & STEEL

Nanjing Iron & Steel signed a carbon emission reduction purchase agreement with the World Bank, which was the first project in the steel industry of the “carbon financing” of the World Bank. The contract term of the project spans from 2010 to 2019, which is divided into 10 phases. At present, eight phases of inspections and contract performance have been completed.

Nanjing Iron & Steel cherishes fossil energy and water resources. In 2018, it carried out a lot of energy saving and water conservation work to further reduce energy consumption and water consumption. It invested RMB50 million in energy-saving renovation. Its annual quantity of energy saving is about 30,000 tons of standard coal, and the energy consumption per ton of steel continues to decrease. In order to reduce the dependence on fossil energy, from 2017 to 2018, Nanjing Iron & Steel conducted the on-site investigation and the preliminary design for a photovoltaic power generation project which will be developed in 2019. It made some breakthroughs in the specific technology of water-saving, and has achieved an annual saving quantity of 890,000 tons of industrial clean water and 16.11 million tons of circulating water. The water consumption per ton of steel decreased by 0.6 tons compared with that over the same period of last year. All of its indicators are superior to Grade I benchmark value of the national evaluation index of cleaner production in the steel industry.

The completed work of water conservation and energy saving includes (but not limited to):

Water conservation projects

- The production plants reconstructed the underground pipe network to the overhead pipe network, reduce water leakage on the site, eliminate the discharge of the cooling water, and the length of the pipeline replaced during the year reached about 5,000 meters;
- Reduce the amount of the reused water and fresh water by strengthening source water reduction and internal drainage quality control.

Energy saving projects

- The upgrading of the fuel plant’s cooling tower turbine; the second sintering plant’s frequency conversion transformation and annular cooling and air leakage control; the upgrading of electrode automatic adjustment system of the third steelmaking plant’s electric furnace; the spraying on the 50,000 kw No.2 furnace; the phase transformation of No.3 furnace in the power plant; the air leakage repair of the first sintering plant’s annular cooler; the third steelmaking plant’s water bag capping; the small bar factory’s frequency conversion transformation; the upgrading of the induced draft fan on the strip steel plant’s heating furnace; the restructuring of oxygen production and low-pressure oxygen-enrichment and other projects.

The water consumption and energy consumption indicators of Nanjing Iron & Steel are as follows:

Indicator name		2018	2017	2016	Grade I Benchmark Value of the National Evaluation Index of Cleaner Production in the Steel Industry
Water consumption	Fresh water consumption per ton of steel (m ³ /t of steel)	1.95	2.57	3.15	≤3.5
Energy consumption	Comparable energy consumption (ton of standard coal/t of steel)	0.489	0.5080	0.5274	–

Through unremitting efforts, Nanjing Iron & Steel won the title of “Green Factory” at the national level in 2018, and its No. 2 Converter of the First Steelmaking Plant and No.5 Blast Furnace of No.2 Ironmaking Plant respectively won the titles of champion furnace and winner furnace in the “National Energy Saving and Consumption Reduction Competition for Key Large Energy-consuming Steel Production Equipment”, and Nanjing Iron & Steel became the “National Energy Saving and Emission Reduction Demonstration Base in the Metallurgical Industry” and the first “Pilot Unit for the National Circular Economy Standardization” in the steel industry of China.

5 WEALTH ECOSYSTEM – HAINAN MINING

Hainan Mining continued to make efforts in energy saving and emission reduction, and divided the target amount of energy saving and consumption reduction so that each factory and workshop took a share. Hainan Mining actively carried out comprehensive projects of water resources utilization. Its resource use and energy consumption situations are as follows:

Resources use, energy consumption	2018	2017	2016
Annual output: Finished iron ore output (10,000 tons)	212.79	400.29	290.58
Industrial electricity consumption (MWh)	175,600	189,220	87,190
Industrial electricity consumption intensity (kWh/t)	82.52	47.27	30.01
Gasoline (ton)	137.15	198.74	240.63
Gasoline consumption intensity (ton/10,000 tons)	0.64	0.50	0.83
Diesel (ton)	3,388.69	3,394.38	3,709.91
Diesel consumption intensity (ton/10,000 tons)	15.93	8.48	12.77
Water consumption (ton)	439	332	210
Water consumption intensity (ton/10,000 tons)	2.06	0.83	0.72
Recycled water utilization rate	89.6%	91.8%	91.5%

The energy consumption by Hainan Mining mainly came from industrial electricity consumption. In 2018, the industrial electricity intensity increased compared with that of the previous two years, and the main reason was that the production model of Hainan Mining was changed completely from open-pit mining to underground mining in 2018.

VI Health and Safety Management

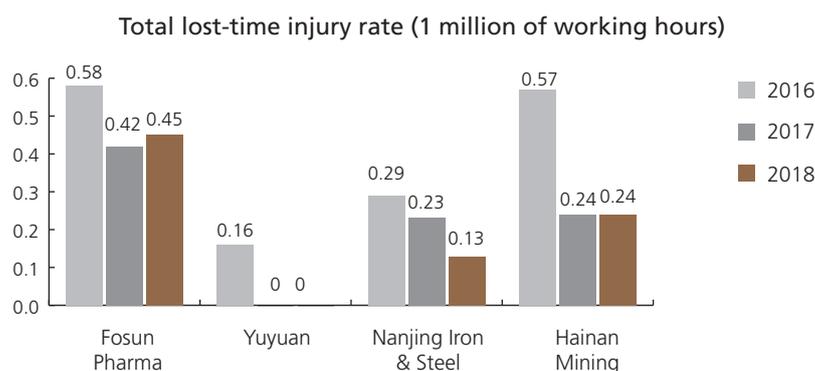
The Group regards health and safety management as a top priority and has set a goal of “zero occupational disease” and “zero occupational death”. A safety production responsibility policy has been formulated, which clarifies the punishment mechanism of production accident, implements “the person in charge is responsible” and “regional responsibility system”. The objects of punishment include the top management of the Group, the top management of the business segments, and the top management of the core holding companies, and the persons in charge of the production plants, and such punishments shall be strictly supervised and implemented by the EHSQ & Supply Chain & Project Operation Department of the Group. In order to ensure the legal and compliance operations of companies under the Group, effectively reduce and eliminate the risk for EHS, and deliver on the Group’s commitment of social responsibilities with respect to EHS, the Group launched the “Manual of Fosun Group EHS Management System” and the framework standards for evaluating the system in 2013. This system is based on the occupational health and safety management system, environmental management system and national safety production standards, including 5 major parts, namely systemic management elements, environment, safety, occupational hygiene, firefighting and loss prevention. According to the assessment score of each item, the actual management status of the EHS management level, equipment, technology and personnel operations of the enterprises under the Group are classified into 5 score levels (0-1.5, 1.6-2.5, 2.6-3.5, 3.6-4.5, 4.5-5) based on which a quantified assessment will be conducted. Enterprises with relatively low scores (less than 1.5) will be classified as “red light” enterprises and brought under close supervision. At the same time, linking the audit results with the economic evaluation of the leaders of the units under review, it effectively ensures that the EHS management standard system is effectively implemented in companies under the Group. While actively implementing the EHS management system framework standards, the Group also actively encourages its subsidiaries to obtain the occupational health and safety management system certification and national safety production standardization certification. As of the end of the Reporting Period, 26 enterprises had obtained the occupational health and safety management system certification, and 31 enterprises had obtained the Grade II national standardization certification of safety production. During the Reporting Period, the Group strictly abided by the relevant laws and regulations such as “Safe Production Law of PRC” (中華人民共和國安全生產法), “Prevention and Control of Occupational Diseases Law of PRC” (中華人民共和國職業病防治法), “Labor Law of PRC” (中華人民共和國勞動法), etc.

Based on the original regulations of environment, health, safety & quality management, the Group has formulated the new environmental, health and safety assessment rules for enterprises, business departments and functional teams, which will be officially implemented in 2019:

- (1) If there are any incidents of safety and quality, environmental pollution, violations of the disciplines, and negative media reports, having a bad impact on the Group, or the relevant enterprises, business departments and functional teams fail to properly process the crisis events, their scores will be deducted by the Board upon assessment and review according to the severity of the consequences, and the deduction range is 1 -10 points; if the consequences are severe, their annual performance bonus for the current year can be cancelled.
- (2) If the partners committing major violations such as major casualty accident, major equipment accidents, major fire accidents are punished by the regulatory or judicial authorities, their performance for the current year will be zero.

The Group is committed to providing employees with a safe and comfortable working environment. In order to link up with the international safety performance indicator system, the Group issued the "Management Procedures for Occupational Health, Safety and Environmental Protection Performance Indicators under the Fosun Group Special Safety and Environmental Protection Standards" in September 2016, requiring all companies under it to report EHS performance indicators such as lost-time accidents and fatalities and the frequency of lost-time injuries, and established the online reporting system to further enhance and refine the EHS management.

In 2018, the Group did not have any full-time employees who died due to work. From the overall trend, the lost-time injury rate in all segments also showed a declining trend year by year, and was under better control. In the past three years, the lost-time injury rates of full-time employees of the Group's major invested companies, namely Fosun Pharma, Nanjing Iron & Steel, Hainan Mining, and Yuyuan, were as follows:



Note: The formula for calculation of the total lost-time injury rate (1 million of working hours) of the Group is as follows: The total lost-time injury rate (1 million of working hours) = (Number of lost-time injury accidents/the total number of actual working hours) × 1,000,000

The Group attaches great importance to the rectification of potential hazards in safe production, and conducts supervision over and audit of the safety costs of enterprises in high-risk industry to ensure that enough spending is to be made.

Safety Production Investment (RMB)*	2018	2017	2016
Fosun Pharma	38.43 million	39.2 million	31.6 million
Nanjing Iron & Steel	74.0 million	33.0 million	30.0 million
Hainan Mining	12.3 million	9.9 million	10.2 million

* Yuyuan provided expenses for its real estate projects to carry out safe and civilized construction measures fee in strict accordance with national standards and required its contractors to provide expenses for safety measures according to the Interim Measures for the Financial Management of Safe Production Expenses of Enterprises in High-risk Industries (Cai Qi [2006] No. 478).

In terms of occupational health and safety, the Group selects Nanjing Iron & Steel, Hainan Mining and Yuyuan with high occupational health and safety risks in the EHS&Q risk management matrix for summary disclosure of important information.

1 WEALTH ECOSYSTEM – NANJING IRON & STEEL

Nanjing Iron & Steel puts the health and safety of its employees first, makes efforts to firmly establish the awareness of danger, adheres to safety hazard checks, keeps the bottom line preventing major accidents, and sets up the goals with zero casualty accident, zero major production accident, zero major equipment accident, zero major traffic accident, zero major fire and explosion accident and zero major poisoning accident. In 2018, Nanjing Iron & Steel revised the “Safety Responsibility Policy for All Employees” and formulated the “Measures for Economic Assessment and Investigation of Safety Management Responsibility” which clearly states the safety performance assessment, and the results of such assessment are one of the important contents for evaluating the performance of the production management and are related to the granting of bonus. Nanjing Iron & Steel insists on taking the Group’s EHS management system as its starting point, continues its investment in occupational health and safety, and adheres to the implementation of intrinsic safety management and major hidden danger solution.

(1) Safety culture construction

Nanjing Iron & Steel establishes the EHS culture with “management emphasis and employee participation”. Focusing on the theme of “fully implementing the main production safety responsibility of an enterprise”, Nanjing Iron & Steel conducted a large number of safety, emergency and occupational health activities such as “Safe Production Month”, “Safety Help Day”, “Safety Star” rating, and “Emergency Skills Competition”, “Ankang Cup”, “Sharing One Safety Accident Each Day”, Safety Hazard “Exposure Platform”, safety Oath, etc., and completed extensive publicity of the aforesaid activities. In addition, safety training was carried out at different levels, and a total of more than ten thousand trainees were involved in the training throughout the year, including management personnel, full-time safety officers, hazardous chemicals management personnel, special operating personnel, related parties and migrant workers. Nanjing Iron & Steel ensured that the certificate-taking employment rate is 100% and the safety training rate is 100%.

(2) Take safety control measures

In order to discover and solve the hidden safety dangers from the source, Nanjing Iron & Steel invested RMB60 million in the rectification of safety hazard, and organized several internal and external professional third-party organizations to assess the position risk and evaluate the safety situation, and formulated risk reduction and control measures based on the assessment findings. All observations and minor non-compliance have been corrected.

- Nanjing Iron & Steel took special management measures such as gas management, molten metal management, limited space operation management, fire operation management, and management of major hazardous source warehouse areas for high-risk operations;
- Nanjing Iron & Steel strictly implemented the three-level spot check system for special equipment, and carried out special inspections of special equipment such as lifting machinery, elevators, pressure vessels and pressure pipes, and the pass rate of special equipment in inspection is 100%;
- Nanjing Iron & Steel conducted 156 site emergency response trainings and drills throughout the year, and revised and improved the emergency plans, including 28 comprehensive plans, 30 special plans, and 88 on-site response plans;
- Nanjing Iron & Steel conducted lots of mechanical protection transformations, and used robots to replace personnel in hazardous areas for operations, which reduced human-machine contact and lowered the risk of mechanical injury, and used intelligent technology and IOTs means to discover and eliminate unsafe human behavior and the unsafe state of the objects, thereby improving the level of safety management.

(3) Safety supervision

Nanjing Iron & Steel strictly conducted the safety supervision performance evaluation and focused on the implementation of safety management control of high-risk operation projects on the monthly basis. In the middle and at the end of the year, the Safety, Energy and Environment Department of Nanjing Iron & Steel respectively conducted comprehensive audits of environment, health and safety for 4 business divisions and 24 production plants during 50 days. In November 2018, the Group's EHSQ & Supply Chain & Project Operation Department respectively conducted audits of environment, health and safety in the middle bar plant and the bar material plant and the Second Ironmaking Plant of Nanjing Iron & Steel. The safety supervision provided a strong guarantee for the safety management of Nanjing Iron & Steel.

(4) Safety management of related parties

Nanjing Iron & Steel attaches great importance to the safety management of related parties and considers the safety of relevant parties as important as that of full-time employees.

- Nanjing Iron & Steel formulated management systems for related parties, of which the "Measures for Integrated Management of Labor Service and Outsourced Personnel" requires "consistency in eight aspects", i.e. keeping consistency in appraisal and accountability, personnel management, technical training, operating standards, work requirements, safety activities, pre-work meetings, and violations punishment for related parties and full-time employees; while the "System of Review on Dangerous Operation Scheme and Construction Permit Approval" requires strengthening the review of the safety conditions before construction, and prohibits unqualified projects from construction;
- Nanjing Iron & Steel assessed the performance of related parties, safety being one of the KPIs, and ceased to renew contracts with the parties at the bottom of the assessment list;
- Nanjing Iron & Steel controlled the operation of relevant parties in the whole process, strengthened the fixed-point monitoring of dangerous operations and performed inspections by regions and specialties;
- Nanjing Iron & Steel increased the safety awareness and safety management capability of related parties, and carried out special safety training and exams for the leaders, project managers and safety production management personnel of units engaged in labor service, construction, outsourced maintenance, transportation maintenance, and specialized operations, as well as refractory material suppliers, supervision companies.

(5) Safety management performance

Each production plant of Nanjing Iron & Steel continued to work on safety production standardization, and 23 production plants of 8 units have obtained the Grade II national standardization certification of safety production. In 2018, Nanjing Iron & Steel successfully passed 23 safety inspections with high intensity and at high frequency by relevant authorities at the national, provincial and municipal levels. Nanjing Iron & Steel had no major safety hazards and no obsolete or backward technology. In 2018, no full-time employee died due to work, and the deaths of related parties has dropped to one person.

(6) Occupational health management

Nanjing Iron & Steel puts emphasis on the health of employees, and its work on occupational health management is as follows:

- Nanjing Iron & Steel prevented occupational diseases in the very beginning. It has invested RMB14.04 million to purchase personal protective equipments for employees throughout the year, and carried out “three synchronization system”, i.e. using occupational disease prevention facilities in all new, modified and expanded projects with occupational disease hazards;
- The occupational hazards of Nanjing Iron & Steel are mainly dust and noise. In 2018, a series of occupational hazard control measures were launched, including (but not limited to): the lime dust treatment project for the Second Sintering Plant, the No. 2 fuel dust removal, expansion and reconstruction project for the First Sintering Plant, the integrated noise control project for the Second Ironmaking, etc.;
- To enhance the occupational health awareness of all employees, the senior management and occupational health management personnel of Nanjing Iron & Steel and related parties were strictly required to receive training and obtain certificates through examination. Each plant conducted trainings for ordinary employees, and thus a total of 7,223 full-time employees and 9,050 employees of related parties were trained;
- In 2018, it invested RMB2.3 million for occupational health surveillance, and strengthened the occupational health management of employees from related parties, and issued the “Notice on Further Strengthening the Occupational Disease Prevention and Occupational Health Monitoring of Labor Services and Cooperative Units”. All employees who exposed to occupational hazards received annual occupational health checks. The occupational health check involved 6,371 full-time employees and 12,207 employees from related parties. The results showed that there were no occupational diseases, and 29 of them who had occupational contraindications have been transferred to other positions in time;
- It was awarded the title of “2017 Advanced Unit for Prevention and Control of Occupational Diseases in Jiangsu Province” issued by Jiangsu Provincial Centre for Disease Control and Prevention.



Personal protective equipment training



Safety training

2 WEALTH ECOSYSTEM – HAINAN MINING

Hainan Mining values safety production and occupational disease prevention and has set a goal of “zeros in five aspects”: zero accidental death, zero serious injury, zero major equipment accident, zero major fire accident, and zero new occupational disease, and identified the requirements of “100% in five aspects”: 100% of the accidents reporting rate, 100% of the rate of special operators with certificates, 100% of the pass rate of new employees’ safety training, 100% of the rectification rate of general hidden peril, and 100% of the signing rate of safety responsibility certificate by all employees and related parties. On 29 December 2017, the President of Hainan Mining and 11 executives of its second-level units (departments) signed the “2018 Safe Production Responsibility Certificate”, which decomposed the safety assessment indicators, specified the responsible person for safety production, and linked the safety rewards and punishments with the results of safety assessment on responsible persons, and implemented the “one-vote veto” system in various evaluations for advanced performance. In 2018, Hainan Mining changed its organizational structure, and at the same time completely sorted out the original rules and regulations on safety and environmental protection, among which 51 rules and regulations have been revised and improved. A total of RMB12.28 million was invested in safety production and occupational health management throughout the year.

(1) Safety culture construction

- Hainan Mining intensified EHS trainings and expanded the trainees to the principal heads, safety management personnel, new recruits, transferees from other positions, team leaders and post operators of Hainan Mining and its second-level units, and 4,205 person-times were trained throughout the year;
- Hainan Mining launched activities such as “Safety Production Month”, “Zero Incident in 100 Days”, “Ankang Cup” Competition, “Safe Production Law” Publicity Week, “Safety Knowledge Competition”, “Job Safety Skills Competition”, “Creating Safety Production Excellent Team” and other activities.

(2) Take safety control measures

- Hainan Mining carried out company-wide hazard (harmful) factor identification and risk assessment, classified the identification unit of the entire production system according to the characteristics of the production process and operation mode, screened and identified various hazard (harmful) factors in each position and each production link in an all-round and careful way, and firmly and effectively promoted the construction of the company’s dual prevention mechanism;
- Hainan Mining implemented safety projects such as flood control projects, flood control ditch cleaning, slope protection projects, and stope backfilling works.

(3) Safety supervision

The senior management of Hainan Mining leads a team to conduct an inspection every half a year. The safety and environment department carries out special inspections every month and daily safety inspections. Each unit conducts monthly inspections led by leaders, and the company’s special group conducts semiannual inspections, quarterly inspections and temporary inspections. In the meanwhile, it will strengthen the internal audit of the EHS system.

(4) Safety management performance

The goal of “zero accidental death, zero serious injury, zero major equipment accident, and zero major fire accident” was reached. There were 2 minor injuries in 2018, one injury fewer than 2017.

(5) Occupation health management

- The main occupational hazard factors of Hainan Mining are dust and noise. The company has put an annual investment of RMB2.75 million to strengthen the occupational hazard detection of workplaces, actively improved the working environment of employees, and built new facilities such as soundproof rooms, dust collectors, device for wet operation and airtight covers to reduce the exposure of personnel to noise, dust and other harmful factors;

- Hainan Mining launched the publicity week of “The Law on Prevention and Control of Occupational Diseases”, and disseminated relevant knowledge on occupational disease prevention and treatment to employees;
- All employees exposed to occupational hazards accepted the annual occupational health check. It has arranged for a total of 2,553 employees and off-the-job employees who are and were exposed to occupational hazards to have occupational health checks. There was no new occupational disease case found in 2018.

3 HAPPINESS ECOSYSTEM – YUYUAN

Yuyuan attaches great importance to EHS management on its real estate construction projects, and makes efforts to firmly establish the awareness of danger, adheres to safety hazard checks, and keep the bottom line, i.e. no deaths and major fire accidents. In 2018, the responsible personnel of real estate construction at all levels signed the “Safety Responsibility Agreement”, and continuously improved the EHS management system and guidelines for safe and civilized construction operations. On the basis of the original EHS system and guidelines, the “Safety Management System for General Contracting”, “Guidelines for Safe and Civilized Construction Operations”, “Details on the Use of Safe and Civilized Construction Measures Fee” and “Guidelines for Construction of Smart Sites” have been added.

(1) Safety culture construction

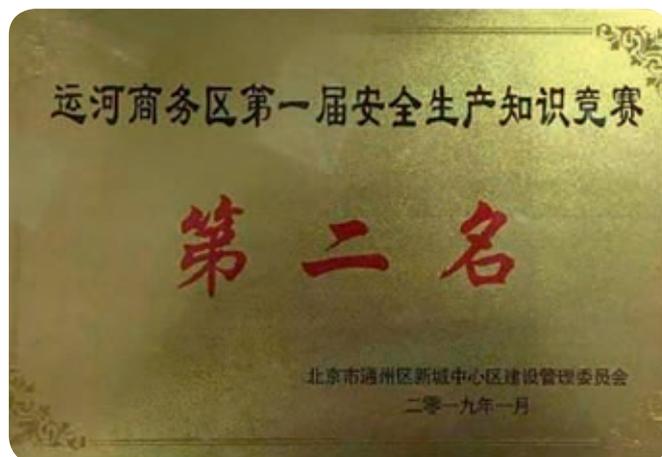
A life-cycle EHS culture has been built up. A large number of safety, emergency and occupational health activities have been carried out, such as “Safety Production Month”, “119 Fire Service Day”, “Excellent Teams and Individuals on Safety Production” and other activities. It has organized standard safety operations training, deep foundation works training and other safety trainings to ensure 100% safety training rate.

(2) Safety control

In addition to the internal operational safety inspections on a year, a quarter, a month, and a week basis, a third-party professional organization was engaged to evaluate the safety status of the project site, general contracting safety scheme, and supervision safety measures. Moreover, intelligent means were adopted for safety management, which developed risk reduction and control measures through comprehensive inspection and multi-dimensional assessment to reduce potential hazards.



safety production standardized site award



safety production knowledge competition award

(3) Key safety supervision of high-risk large projects in multiple businesses

For a construction project with an area of more than 200,000 square meters involving multiple businesses, such as: Wuhan East District, Chengdu Financial Island, Chongqing Jiefangbei, Guangzhou South Headquarters and other commercial complexes, super towers, Grade A office buildings, etc., Yuyuan analyzed 56 major security risk nodes in different engineering stages, and formulated safety management and control measures according to the phases of earth excavation, pile foundation enclosing, main body, second structure, installation, decoration and landscaping, so as to achieve the goal of no major safety accidents throughout the year.

(4) Safety management of related parties

Yuyuan pre-checked the safety qualifications and capabilities of related parties to ensure that the rate of related parties' employment with certificate is 100%. The contract also expressly set out the safety standards, the investment of safety measures, and the work contents and responsibilities at different stages for the related parties, so that EHS control was integrated into the project life cycle.

(5) Safety management performance

As of the end of 2018, there were no casualties. In 2018, the Tongzhou Canal 06 plot in Beijing was awarded the "Site of Standardized Safety Production of National Construction Project" issued by the Construction Safety Branch of China Construction Industry Association. Shanghai Songting 6-2 Project was on the list of Shanghai Safety and Civilization Site, and Chengdu Financial Island Phase II was recognized as the Standardized Site in Sichuan Province in 2018.

(6) Occupation health management

Yuyuan pays attention to the occupational health of the on-site employees, and specifies the details and standards of personal protective equipment necessary for occupational health in the contract's safety measures. In addition, the welders, workers of internal and external walls and other positions involving occupational hazards are provided with pre-post occupational health training and receive hazard notification.

VII. Product Liability

1 QUALITY EMPOWERMENT – PROMOTE LEAN SIX SIGMA PROJECT

The Group issued a document in March 2017 to formally establish the Lean Six Sigma Management Promotion Committee and working group, and selected Fosun Pharma, Nanjing Iron & Steel, Hainan Mining and other enterprises to conduct pilot projects. In 2018, the Group has carried out a total of 494 Lean Six Sigma projects and generated direct economic benefits of more than RMB193.6 million (based on the results of financial audits for related business entities). Indirect benefits to the Group include all-round improvement of performance, certain breakthroughs in lean production, lean supply chain, lean marketing and lean design of new factories. It has also trained a group of Lean Six Sigma management talents for the Group, adding 10 black belts and 147 green belts.

2 QUALITY MANAGEMENT

In order to implement the grand strategy of "Centred around family, deeply rooted in china, innovating a global happiness ecosystem" and strengthen the product quality and safety management of the Group's member enterprises, the Group updated the "Implementation Rules for Major Quality Accident Reporting of Fosun Group" (復星集團重大質量事故上報實施細則) in 2016, and issued the "Fosun Group's Guidelines on the Establishment of Product Recall System of Member Companies" (復星集團關於各企業建立產品召回制度的指引) in 2017. The Group requires that a management system must be established for products in those industries for which the state has issued product management measures, such as medicines, food, medical equipment, children's products, etc., as well as the iron and steel and clothing industries. Each member company has established and improved their own product management systems in compliance with

product management measures practiced in relevant countries or industries and according to the Group's above product management system guidelines. The Group established the Customer Service and Product Quality Supervision Department in 2018 and issued the "Regulations on Global Customer Service and Product Quality Supervision Management" (全球客戶服務與產品質量監督管理規定) to further promote the Group's user experience and product strength. During the Reporting Period, the Group strictly abided by relevant laws and regulations such as the "Product Quality Law of PRC" (中華人民共和國產品質量法) and the "Food Safety Law of PRC" (中華人民共和國食品安全法), etc.

Quality investigation and surprise checks are conducted to drive member companies to improve their quality management system. Measures taken include but not limited to incoming stock examination, production process control, finished product check and logistics monitoring. Key quality indicators of each company are established after taking into account the characteristics of that company and are tracked on a monthly basis. In 2018, the quality management of member companies of the Group achieved good results, especially in terms of quality system establishment and certification, supplier management, product safety mechanisms, quality and safety training, user complaint/return goods handling, customer satisfaction, etc. In terms of quality management, we selected companies with high quality risk in the EHS&Q risk management and control matrix diagram, namely, Fosun Pharma of Health Ecosystem, Nanjing Iron & Steel of Wealth Ecosystem, Yuyuan and FTG of Happiness Ecosystem as representatives to elaborate.

HEALTH ECOSYSTEM – FOSUN PHARMA

(1) Provide quality products and services

In 2018, Fosun Pharma's domestic pharmaceutical member companies were sampled 458 times by the government regulators and no nonconformity reports were reported. In 2018, no products of member companies were officially declared as unqualified products. In 2018, 11 member companies engaging in medical devices in China accepted and passed a total of 37 inspections of various authorities. Shanghai Fosun Pharmaceutical Industrial Development Company Limited successfully obtained the supplementary approvals for the applications for meloxicam tablets in January 2018, and officially became the first pilot company in Shanghai to obtain the MAH approval.

(2) The establishment and certification of quality system

In 2018, Fosun Pharma's domestic pharmaceutical member companies accepted a total of 102 official inspections and successfully passed 101 times. Among them, the GMP certificate of Chongqing Pharmaceutical Industry Research Institute Co., Ltd.'s aripiprazole bulk drug was revoked. Then it has completed the rectification work, and gained the GMP certification once again in March 2019. At the end of 2018, a total of 70 preparation production lines and 60 active pharmaceutical ingredient (API) products of Fosun Pharma's domestic pharmaceutical subsidiaries received China 2010 GMP certification with a total of 50 certificates.

With the implementation of internationalization strategy of Fosun Pharma, its subsidiaries significantly step up the pace of internationalization. As of the end of the Reporting Period, 11 APIs of Fosun Pharma's domestic pharmaceutical subsidiaries have gained the certification from the national regulatory authorities in various countries such as the FDA of United States, European Union, Japan's Ministry of Health, Labor and Welfare (MHLW) and Germany's Federal Ministry of Health. 1 solid oral dosage production line, 3 injection production lines and 5 APIs of Guilin Pharma passed the inspection for WHO-PQ Certification. 1 solid oral drug production line of Yao Pharma received the certification from Health Canada and the FDA of the United States. Among them, Gland Pharma, an overseas member company of Fosun Pharma in India was recognized by the world's major regulatory market regulators in 2018, including the US FDA, EU EMA, UK MHRA, Japan PDMA, Australia TGA, Germany BGV, Brazil ANVISA, passed various inspections for GMP Certification for a total of 12 times.

(3) Supplier management

All subsidiaries of Fosun Pharma have formulated their supplier management procedures and established the supplier quality annual review system, and perform various supplier audits (such as on-site quality audits, questionnaire audits and phone audits) prior to determining a qualified supplier based on the principles of fair bidding, procurement through tender and quality as first priority, to ensure the quality and safety of drugs from the source.

(4) Product safety mechanism

Fosun Pharma values quality risk management throughout the life cycle of its products and has strict quality and safety management mechanisms in place in terms of product R&D, clinical trial, technical transfer, production and manufacturing, marketing and sales, etc. to ensure the safety in the process of R&D, production, sales, recall or market withdrawal of medicinal products and medical devices. Fosun Pharma cares about medication safety for patients and values the strict monitoring and reporting of adverse drug reactions as well. In 2018, Fosun Pharma continued to strictly implement the “Adverse Drug Reaction Reporting and Monitoring Management System” and asked each of its pharmaceutical member companies to report adverse drug reactions as soon as they become aware of the adverse drug reactions. Pharmaceutical subsidiaries implement “zero-reporting” management for adverse reactions according to the requirements of the adverse reaction monitoring procedures of Fosun Pharma. That is, pharmaceutical member companies shall submit the adverse reaction information sheet to the Group in the beginning of every month even if there is no adverse reaction. For new or serious adverse reactions, reporting must be completed within prescribed period, and pharmaceutical subsidiaries are required to report to the management department of the Group within prescribed period to ensure that all information of adverse drug reactions are collected and handled in a timely manner. Fosun Pharma also conducts intensive monitoring on key products and requires the pharmaceutical member companies to take proactive measures to minimize the incidence rate of adverse reactions.

In 2018, Fosun Pharma deployed a life-cycle of pharmacovigilance management. From the development of new drugs to the marketing of drugs, it has established a comprehensive pharmacovigilance system with reference to international standards. From the aspects of organizational construction, process system construction, drug alert data management system construction and quality system construction, the functions of pharmacovigilance operations, scientific support to pharmacological alert, pharmacovigilance compliance and education have been improved.

In 2018, in strict accordance with the requirements of the “Adverse Drug Reaction Reporting and Monitoring Management Measures” of China, the pharmaceutical member companies of Fosun Pharma have collected adverse drug reactions information and have reported all the information in a timely manner. There were no adverse reactions events or deaths caused by drugs with quality defects. A total of 65 adverse drug reactions events collected voluntarily by Fosun Pharma were truthfully reported online to the national adverse reaction database and properly handled.

(5) Quality training

Fosun Pharma focused on quality training. In order to continuously enhance the standards for quality management systems, facilitate the employees to absorb the latest quality ideas, and consolidate standard operating procedures, Fosun Pharma has further promoted the awareness of corporate compliance operations through internal training and external training on introduction of regulations. Key production quality managers are sent to attend professional forums and trainings on specific topics such as risk management, production, change of techniques, verification and change management of sterile preparations on the one hand, and all staff within these enterprises participate in management training on the 2010 GMP and training of standard operation procedure on the other hand. In addition, Fosun Pharma also invited pharmaceutical industry experts to jointly organize the Aseptic Technology Forum and Data Reliability Technology Forum, and organized EU regulations training. In 2018, each person in pharmaceutical member companies received more than 44 hours of quality training on average, increased by 9 hours per person compared with 2017.

(6) Handling of users’ complaints and returned goods

On the basis of the customer complaint system of member companies, in 2018, the headquarters of Fosun Pharma also established a customer complaints & consultation system. In 2018, the domestic pharmaceutical member companies of Fosun Pharma received a total of 25 complaints related to product quality, a decrease by 49% as compared with 2017; the device member companies of Fosun Pharma received a total of 281 complaints related to product quality. All of the complaints were replied to and handled.

WEALTH ECOSYSTEM – NANJING IRON & STEEL

(1) Provide quality products and services

In 2018, Nanjing Iron & Steel received random checks 6 times made by the state or provincial government, and 17 products, including bearing steel, hot-rolled reinforcing steel, spring steel, and bridge steel, passed the inspections with a sampling pass rate of 100%.

In 2018, the patent application of Nanjing Iron & Steel broke the historical record, with 257 domestic patent applications, 26 PCT foreign patent applications, and 118 authorized patents. For the first time, the number of patents exceeded the thousand mark, reaching 1,011.

In 2018, two products of alloy structural steel round bar for cold-wearing and cold-rolled steel wire rods won the “Quality Products of Metallurgical Industry”; one product of nickel alloy steel plates for low-temperature pressure vessels won the “Double Hundred Brand” of high-end manufacturing in Jiangsu Province and the “100 Best Names of Famous Brand Products of Jiangsu, Zhejiang, Anhui, Jiangxi and Shanghai”; the four products of high-strength wear-resistant steel plates for construction machinery and hot-rolled ribbed steel bars for reinforced concrete have won Jiangsu famous brand products.

(2) Establishment and certification of quality system

In 2018, Nanjing Iron & Steel successfully carried out 292 steel product (26 types) certifications. In 2018, steel plate and steel long products of Nanjing Iron & Steel passed the second-party certification and review of 62 well-known domestic and foreign enterprises, of which acid-resistant pipeline steel has been certified by Saudi Aramco after efforts of 8 years, becoming the first certified steel company in China.

Description of relevant system certifications in 2018 are as follows:

- Successfully passed the ISO9001:2015 new version of the quality system conversion certification;
- Successfully passed the IATF16949:2016 new version of the quality system conversion certification;
- Established and operated ISO/TS 22163:2017 railway industry management system.

(3) Supplier management

Nanjing Iron & Steel conducted system audits on key stages of workflow such as raw material procurement from suppliers, production process control, and ex-factory inspection to improve and optimize suppliers’ quality and process control capabilities. In 2018, Nanjing Iron & Steel added 78 new suppliers and conducted a total of 89 reviews over suppliers. Of these, 78 were for the access approval of suppliers, and the pass rate was 97.4%. The suppliers were reviewed by second party for 11 times and the pass rate was 100%.

(4) Quality training

Nanjing Iron & Steel formulated and improved the “Employee Education and Training Management Measures” (《員工教育培訓管理辦法》) and other systems and established a complete employee training system. The company stresses quality training and focuses on aspects including quality (including systems), quality awareness, and job skills. In the whole year of 2018, there were more than 6,990 person-times of quality training, more than 1,620 person-times of quality management training, and more than 130 person-times of internal auditors training. Through the theory test, certificate obtaining, and organizers’ evaluation of training, etc., the training effect is evaluated to ensure that the training achieves the desired effect, and complete the annual quality goals.

(5) Handling of users' complaints and returned goods

Nanjing Iron & Steel has established the concept of "customer first, product first", established and strengthened pre-sales and after-sales service management on the basis of the original information platform, so that user management runs through the entire sales process, and regulates the life cycle of user service. Nanjing Iron & Steel has set up a third-party customer complaints platform to collect users' complaints, suggestions, questions and appeals, and makes effective responses to them without letting users feel that the company tries to pass the buck. Relevant persons in charge respond to users' complaints as they receive such complaints, and handle them within 24 hours in principle. The relevant management department will reply for users' surveys, visits, consultations, complaints, and handling results and will centralizedly close such cases.

In 2018, the products quality of the company was steadily improved and there were no major complaints from customers throughout the year. The amount of compensation for quality objection per ton steel was RMB0.58/ton lower than the target. Users generally believed that Nanjing Iron & Steel's technical support and service work was timely and satisfied with the complaint processing results.

(6) Increased customer satisfaction

The company conducts two customer satisfaction surveys each year, covering domestic and foreign strategic and key customers. In the whole year of 2018, the overall customer satisfaction score was 94.53, which was 0.54% higher than that of the last year. In the past three years, the composite satisfaction score was 94.2, and a customer satisfaction survey report was formed. The company analyzes the problems occurred in the survey, prepared a rectification analysis report, organizes related units to implement rectification and give feedbacks, and reviews the rectification to form a closed-loop management.

HAPPINESS ECOSYSTEM – YUYUAN

The Yuyuan real estate quality management implements the awareness of "quality is benefit". By introducing an external third-party quality quarterly inspection system, it is horizontally connected with the external parties, finds gaps, finds pain points, moves management priorities forward, and engages in post-management to ex ante control. Quality control runs through the entire construction process. It implements the large operation management system, according to the characteristics of the project, focuses on quality control, plans ahead, and formulates plans; before the process construction, the sample guides, the sample passes, and is fully rolled out.

In 2018, the Yuyuan real estate business has won various awards. For example, Shanghai Songting 6-2 Project won the "Quality Structure Award in 2018 of Shanghai"; Changsha Xingguang Tiandi was recognized as "Excellent, Safe, Civilized, and Standardized Site in Construction, Quality, and Management" by the Quality Supervision Station and Security Inspection Station under the Changsha Municipal Housing Construction Committee; Beijing Tongzhou 06 plot won the "National Safe Production Standardized Site (formerly National AAA Grade Safety and Civilization Site)", and the AC Building won the "Beijing Structure "Great Wall Cup" Gold Award", while BD Building won the "Beijing Structure "Great Wall Cup" Silver Award".

The Forte Financial Island project focuses on finance and builds the first "Hive City" project of Yuyuan in the southwestern region. The Forte Financial Island, located at the core of Chengdu Financial City, is surrounded by Chengdu's mother river Jinjiang. It is the only CBD island in China. The businesses cover Super A, Grade A office building, apartment, hotel, commerce, performing arts, residential property, kindergarten. The project has won the provincial high-quality structure, Sichuan Province observation site of quality and safety standardization, and outstanding projects of construction quality and safety in Chengdu high-tech zone.



HAPPINESS ECOSYSTEM - FTG

FTG places a high priority on product and service excellence for the customers of FTG. To fulfill product responsibility, FTG clearly communicates with, build capacity in and receive vigorous support from employees, customers and supply chain.

The quality and reliability of sales information is an essential condition of a relationship of trust between a company and its customers, especially when it comes to products involved in vacations.

In light of this, and of its strong brand awareness and reputation, FTG relies on a specific process managed by marketing department, and on the various departments, including the legal department, to ensure that promotional materials are reliable and do not contain exaggerated promises. This includes making sure that the terms and conditions of sale provided for products and services are clear, complete, reliable and comply fully with all applicable tourism legislation and regulations.

For service quality, FTG gathered feedback via "GM Feedback", thereafter, customer service department in France handles customer feedback, monitors and manages quality, and provides operations staff with monthly feedback reports. Concerning the "GM Feedback", in 2018 the rate of "very satisfied" from the Club Med customer is slightly above comparing with 2017. Furthermore, the "Quali-Signs" quality standards are in all villages and compliance with these standards is managed through staff training and various forms of monitoring.

PRIVACY PROTECTION

To support the goal of products capability building, industry operation and value creation, one of the Group's key missions is to strictly protect user data and all other sensitive information and prevent them from leakage. After considering products and services in a comprehensive manner, the Group has incorporated applicable regulatory laws and regulations for privacy protection into its internal compliance policies and strictly adheres to them. In 2018, the Group did not receive any complaints from regulators about infringement of customer privacy and information leakage.

The Group regularly provides employees with compliance training on privacy and user data protection to emphasize the importance of privacy and user data, enhance employee privacy awareness and establish a privacy-protected corporate culture.

The Group is committed to the continuous improvement of its rules and regulations in respect to customers' personal data collection and protection, regular review of its privacy policies, and assurance that its products and services are free from any risk or threat of infringement of privacy or leakage of user data in the course of providing them.

HUMAN RESOURCES

As of 31 December 2018, the Group had approximately 70,000 employees.

During the year of 2018, guided by the ambition of making a difference by serving families worldwide, and surrounded by the strategic initiatives of Fosun to provide high-quality products and services for families around the world while rooted in China by innovating C2M happiness ecosystems in health, happiness and wealth, Fosun Human Resources Division focused on consolidating the soil of Fosun's cultural values constantly, deepening the industrial depth and lifting the operational capabilities from the perspectives of organizational structure and talents continuously. We aim to build an organization equipped with both industry operations and industrial investment capabilities and to promote organizational evolution to be more agile, more efficient and more dynamic combined with management innovation and smart technology innovation.

We concentrate on the global talent layout, and strive to build up an elite talent acquisition team to enhance the talent introduction ability of Fosun's family. We aim to continuously expand talent pool, focusing on high-potential talents from various industries with operational capabilities, and be equipped with sufficient reserves of talents. Joined with enterprises from Fosun's family, we hold global campus recruitment, actively promote the brand of ONE Fosun and strengthen Fosun's employment value proposition (EVP), and attract fresh talents from all fields worldwide.

With the upgrading of the organizational structure of the enterprise, we keep strengthening the industrial depth of organization and talents, optimizing the advantages of the industrial groups, adjusting the talent structure timely and enhancing the talent efficiency; we promote mutual empowerment between the Group and its member companies, focus on high-potential talents with outstanding performances, provide them with more promotion and development opportunities, actively develop the full potentials of employees, and provide opportunities for rotation in a timely manner. At the same time, we continue to promote multi-dimensional, multi-partnership and deep-rooted "partnership model" and various supporting measures.

Focusing on industrial depth and coordinating with the organizational structure upgrade, we design and optimize various incentive systems through comprehensive review of short-, medium-, and long-term incentive mechanism. According to different characteristics of each industrial group, we actively explore innovative tools and ideas to improve the accuracy of incentive mechanism. Innovative, simplified and efficient incentives are used to enhance the implementation of various incentive mechanisms.

Fulfilment of the Commitment to Employees

Fosun regards its employees as its most valuable capital. Meanwhile, Fosun has been aiming to provide the best platform for employees to realize their values. We fully protect the interests of employees, and we are always concerned about the personal development of our staff. We emphasize on the importance of cultivating outstanding talents with an international perspective, and devise a career development path with Fosun characteristics to allow both companies and our employees to develop together.

Employee Caring and Services

Fosun persists in improving, innovating and strengthening the establishment of a comprehensive and diversified benefit system in order to create a sound enterprise atmosphere and enhance the sense of belonging among the employees. Fosun cares not only for its employees, but also their families. These are consistent with the value of "Self-improvement, Teamwork, Performance and Contribution to Society" upheld by Fosun.

EMPLOYEE CARING

Fosun has established different schemes for various employee groups. Centring on the Group's happiness ecosystem, employees' families may also participate in various warm-hearted activities of the Company. We have adopted the incentive and benefit schemes tailored for our core talents, outstanding performers and young high-potential employees. We fully utilize the Group's own resources so that employees and their families can access to all types of internal products, services and related resources more conveniently while at lower costs.

Fosun pays great attention to staff's health management, keeps on innovating the health management model. In addition to covering the annual physical examination of all employees, Fosun also encourages employees to participate in fitness activities such as Tai Chi and dance, conducts health lectures, and strengthens employee health awareness. Integrating rich medical and insurance resources within the Group, we create a variety of health services. By introducing advanced technology companies within the Group, we organize employees to experience the latest black technology in health in the first time, and provide online consultation and online appointments for medical examination, etc.

Fosun also cares about both the physical and mental health of female employees and provides extra care to them. The Group expresses its appreciation to female employees on Women's Day every year. We also organize lectures regularly on women's health and prevention of occupational diseases, etc..

We have been striving to provide diverse forms of care to employees and their families, including all-round care for the growth of the "Children of Fosun Employees" and enrich family life of our employees. We prepare gifts for "Children of Fosun Employees" on Children's Day every year, organize various activities from time to time and invite employees and their families to participate, hoping to help our employees and their families to enjoy happy lives.

EMPLOYEE SERVICES

We use the internet and various innovative technologies to provide better services to employees. We continue to optimize and innovate the methods of benefit distribution and dissemination, such as announcing employee benefits through our own mobile application so that our employees can easily find various remuneration benefits and human resources policies on our self-developed mobile application platform. We distribute employee benefits through the mobile application platform which also allows users to recharge value online and pay for meals.

We have full-time employee service positions within our Global Human Resources Shared Service Centre, assisting employees in applying for various certificates, such as employment permits/residence permits for overseas staff, permits for introduction of high caliber employees from other provinces or cities/residence certificates for employees from other cities, settlement of registered permanent residence of college graduates and collective residence affiliation so as to save time and efforts spent by employees on applying for these certificates, which effectively supported the introduction of excellent talents.

To drive the Group's globalization and meet the demands of our diverse employees, we studied and formulated exclusive welfare policies and systems according to the laws, regulations and market practices of different countries and regions. Meanwhile, we also introduced induction courses and the "Buddy" program to help expatriate staff to quickly understand and integrate into our corporate culture.

Employee Learning and Development

Fosun believes that talents represent the core competitiveness of an enterprise, and as such, it has always been valuing the development of both company and its staff as one of the most important responsibilities of Fosun. It provides the employees with more opportunities for career development and better working conditions through sustained efforts. With continuous growth and structural improvement, we have promoted the integration and cooperation among team members, created value and built groups with elitism culture. These measures allow both the Group and its staff to build a brilliant future together.

CULTURAL PROMOTION

We enhance the promotion and unified understanding of the Group's corporate culture and values through continuous training and the exchange of views among our portfolio enterprises. Meanwhile, we also work with external consulting firms, institutes and universities to integrate our internal and external training materials and resources, in attempt to promote our corporate brand. In addition, the Group has developed a unified mechanism regarding "soft culture". It effectively bridges the gap between the diverse talents with different cultural backgrounds, and realizes harmonious relationships among the members of Fosun's big family.

STRATEGY INTERPRETATION

The Group focuses on its development strategy to solve practical issues, assists the staff in understanding the key strategies of the Group by sharing cases of innovation and best practices in order to better implement our strategies extensively and in a well-coordinated manner.

CAREER DEVELOPMENT

In accordance with the development strategy and the human resources planning requirements of the Group and taking into account the characteristics of its own development, we have established talent development and professional talent training programs for different talents. We design development paths for our employees in a scientific and rational manner that matches different development goals. We further design training courses based on the quality of capabilities and occupational requirements to help employees grow rapidly.

Learning and Development Cases

TALENT ECHELON TRAINING PROGRAM

The training program was organized for employees with high potentials at all levels internally in accordance with the Group's development strategy and planning, which is an important way for Fosun to train investment experts and potential business leaders. With the form of interactive project learning as the main theme, the high-potential talent training program brought students under different plans together to form project teams and improve the comprehensive ability of employees through real project cases to precipitate and accumulate business experience.

PROFESSIONAL TALENT TRAINING

While devising various professional and specialized trainings, we focus on investment, insurance, finance, risk control, human resources and other areas with the aim of honing the employees' business ability and adaptability to "learn from practice".

INVESTMENT CASE REVIEW

The think tank of Fosun has typical cases reviewed from work and exceptional cases of outstanding performance of high-caliber employees who share their work experience with others. It focuses on three targets: firstly, to improve the staff's investment and management capability by conducting internal training and sharing experience with investment teams; secondly, to gradually develop tools or methods that Fosun should have possessed in investment practice based on the experience related to many cases of investments and thirdly, to progressively refine the learning-and-growth model of our core investment members through a series of case studies.

LEARNING AND DEVELOPMENT OF ENTIRE STAFF

The Group offers a variety of learning and development programs to staff, in addition to specially-designed programs for specific personnel.

- Luncheon Session**

According to its strategic focus, the Group held 42 luncheon sessions in 2018 inviting Directors, Fosun's global partners and some enterprisers to share the corporate strategies, hot topics on investment, internet and best practices. The sessions helped the employees to have a deeper understanding on the Group's strategy, have their horizon broadened and their knowledge enriched. More than 3,337 employees attended the sessions.
- Mobile Learning Platform**

We built an anytime, anywhere and unobstructed learning platform by utilizing fragmented time. In 2018, we introduced and internally transformed a total of more than 58 mini courses covering skill-training classes in a variety of areas such as investment, finance and soft skills, which provided a convenient online learning platform for employees at the group level, employees of enterprises under incubation and employees of some portfolio companies.
- Post-90s Fresh Talk**

As a young company, Fosun has also set up a showcase stage for post-90s employees who were invited to introduce emerging things in the current industry such as various interesting and cutting-edge topics like parenting education, hot issues, films and television industry analysis, and bitcoin etc., 7 episodes were released in Season 3 in 2018.

Employment and Labour Standards

Our employees are our most valuable asset and also the core of competitive advantages of the Group. The Group has been adhering to the principle of "attracting people with development, uniting people by career, training people with work and appraising people with performance" and advocates fair competition and opposes discrimination. All employees and job applicants are not confined by factors such as gender, age, race, skin color and religious belief. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with remuneration and dismissal, recruitment and promotion, employee schedule, equal opportunities, diversity, working hours, rest periods and other benefits in countries/regions where our operations are located.

During the Reporting Period, all employees of the Group met the minimum working age requirements set out in the relevant laws of the countries/regions where our operations were located and the employment of child labor or forced labor was prohibited.

Employee Incentive

The Group always implements the incentive principles of value creation, performance orientation, profit and loss sharing, and clear rewards and punishments. We constantly review and optimize the existing incentive system and policies, and encourage employees to work towards strategy implementation and achieve self-development through the multi-level and full-coverage remuneration system. At the same time, according to the business characteristics, strategic requirements and development stages of different industrial groups, various incentive tools are combined to empower the business and motivate the team.

Human Resources Intelligent Innovation

Guided by the strategy of technology leading and keep innovating, the Group's Human Resources Management Centre, using various internet technologies, is committed to providing basic facilities, data sharing and analysis capabilities on organization mechanisms, talents and data within the entire group: create human resources big data platform, and through intelligent innovation, create value for human resources information sharing and integration of the Group and its member companies; for the core portfolio enterprises as the pilot, by quickly breaking through technical bottlenecks and reducing management costs, we have greatly enhanced internal operational efficiency, and have innovated human resources product design to help member companies enhance the level of human resources informatization.

AWARDS RECEIVED BY THE GROUP IN 2018

- 2018.1 The Company was acclaimed as “2017 The Best Investment Management Company in Asia” by the well-known British financial magazine *Global Banking & Finance Review*.
- The Company received the highest accolade “Golden Hong Kong Stock Award 2017” by Zhitongcaijing.com (“智通財經”) and www.10jqka.com.cn (“同花順財經”).
- 2018.3 The Company was awarded the “Best Cash Management Solution Award” under the Triple A “Best Treasury, Trade, Supply Chain and Risk Management Awards 2018” category by the renowned international financial magazine *The Asset*.
- 2018.4 The Company was awarded one of the “100 Most Attractive Stock-Connect HKEX-listed Companies for Institutional Investors” by the Yuediaoyan platform and the Hong Kong Stock Exchange.
- 2018.5 The Company’s 2018 corporate video “Welcome Home” was awarded the Gold prize of the QUESTAR Awards under the “Internal Communications” category by MerComm, Inc., an internationally renowned multimedia communications institution.
- 2018.6 The Company was ranked No.416 on “Forbes Global 2000” by the United States magazine *Forbes*.
- 2018.7 The Company was awarded as “Asia’s Honored Company (Industrial)” in “2018 All-Asia Executive Team” ranking organized by the United States authoritative financial magazine, *Institutional Investor*.
- The Company was ranked No.89 on “China’s Fortune 500” by *Fortune China*.
- 2018.8 The Company was awarded “Top 50 Boards of Directors in China for 2018” by *Fortune China*.
- 2018.9 Shanghai Fosun High Technology (Group) Co., Ltd. was awarded “Organization Award of 2017 Shanghai Society of the Guangcai Program” co-organized by the United Front Work Department of the Shanghai Committee of the Chinese Communist Party, Shanghai Federation of Industry and Commerce, and Shanghai Society for the Promotion of the Guangcai Program. (This award recognized the contribution of private enterprises in addressing poverty alleviation and development in Western China)
- 2018.11 The Company received “2018 Distinguished Listed Companies” award at “2018 Listed Companies Distinguished Award” from TVB Finance and Information Channel.
- The Company was ranked No.25 on “The Future 50” by *Fortune*.
- The Company was awarded the “Gold Award” and “Best Investor Relations Team Award” at “The Corporate Awards 2018” from *The Asset*, a renowned international financial magazine.
- 2018.12 The Company’s Protecting Program was awarded the “Sustainable Development 2018 Enterprise Best Practice” prize by the Chinese Network of the United Nations Global Compact (UNGC).
- The Company was awarded the “Most Valuable Listed Companies” at “2018 Golden Lion Award Hong Kong Listed Companies Value List” organized by “Sina Finance”.
- The Company was awarded the “Most Influential Chinese Global Brand of the Year” by PR Newswire, the world’s leading media communication technology and data analytics company.

Glossary

FORMULA

Adjusted NAV per share	=	(market value of listed investments held at the group level + the fair value of unlisted investments estimated by the management utilizing precedent transactions analysis or comparable company analysis – the net debt at the group level)/total issued number of shares of the Company
Capital employed	=	equity attributable to owners of the parent + total debt
EBITDA	=	profit for the year + tax + net interest expenditures + depreciation and amortisation
Interest coverage	=	EBITDA/net interest expenditures
Net debt	=	total debt – cash and bank and term deposits
Net gearing ratio	=	net debt/shareholder's equity
Net interest expenditures	=	Interest expenses, net + interest on discounted bills + interest on finance leases
ROE	=	profit attributable to owners of the parent for the year/[(opening balance of equity attributable to owners of the parent + ending balance of equity attributable to owners of the parent)/2]
Total debt	=	current and non-current interest-bearing bank and other borrowings + convertible bonds
Total debt to total capital ratio	=	total debt/(shareholder's equity + total debt)

ABBREVIATIONS

AHAVA	AHAVA Dead Sea Laboratories Ltd.
Aitrox	Shanghai Aitrox Information Technology Co., Ltd (上海杏脈信息科技有限公司) (formerly known as Shanghai Proxima Technology Ltd.)
AmeriTrust	AmeriTrust Group, Inc. (formerly known as Meadowbrook Insurance Group, Inc.)
Articles of Association	the current articles of association of the Company with the latest amendments made on 17 June 2008
Babytree	Babytree Group, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01761
Baihe Jiayuan	Baihe Jiayuan Network Group Co., Ltd (百合佳緣網絡集團股份有限公司), a company whose shares are listed on the NEEQ with stock code 834214
BCP	Banco Comercial Português, S.A., a company whose shares are listed on the Euronext Lisbon with stock code BCP
Besino Environment the Board	Besino Environment Ltd. (柏中環境科技(上海)有限公司) the board of Directors
BRL	Brazil Real, the official currency of Brazil
Cainiao	Cainiao Network Technology Co., Ltd. (菜鳥網絡科技有限公司)
Caruso	Raffaele Caruso S.p.A.
CG Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
Chancheng Hospital	Foshan Chancheng Central Hospital Company Limited
Club Med	Club Med SAS
the Company	Fosun International Limited
the Director(s)	the director(s) of the Company
EUR	Euro, the official currency of the Eurozone
Fidelidade	Fidelidade – Companhia de Seguros, S.A.
Fidelidade Assistência	Fidelidade Assistência – Companhia de Seguros, S.A. (formerly known as Cares – Companhia de Seguros, S.A.)
Fonova	Shanghai Fonova Information Technology Co., Ltd. (上海星濟信息科技有限公司)
Forte	Shanghai Forte Land Co., Ltd.
Fosun Capital	Shanghai Fosun Capital Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司)
Fosun Hani Securities	Fosun Hani Securities Limited
Fosun Holdings	Fosun Holdings Limited
Fosun Insurance Portugal	Fidelidade, Multicare and Fidelidade Assistência
Fosun International Holdings	Fosun International Holdings Ltd.

Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a company whose A shares are listed on the SSE with stock code 600196, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 02196
Fosun United Health Insurance FTG	Fosun United Health Insurance CO., LTD (復星聯合健康保險股份有限公司) Fosun Tourism Group, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01992
GBP	Pound Sterling, the official currency of United Kingdom
GFA	gross floor area
Gland Pharma	Gland Pharma Limited
the Group or Fosun	the Company and its subsidiaries
H&A	Hauck & Aufhäuser Privatbankiers AG (formerly known as Hauck & Aufhäuser Privatbankiers KGaA)
Hainan Mining	Hainan Mining Co., Ltd. (海南礦業股份有限公司), a company whose A shares are listed on the SSE with stock code 601969
HKD	Hong Kong dollars, the official currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IDERA	IDERA Capital Management Ltd.
JPY	Japanese yen, the official currency of Japan
Koller	Koller Beteiligungs GmbH
LANVIN	Jeanne Lanvin SAS
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Luz Saúde	Luz Saúde, S.A. (formerly known as ESPÍRITO SANTO SAÚDE – SGPS, SA), who has been delisted from the Euronext Lisbon in November 2018
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules
Multicare	Multicare – Seguros de Saúde, S.A.
Mybank	Zhejiang E-Commerce Bank Co., Ltd. (浙江網商銀行股份有限公司)
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司), a company whose A share are listed on the SSE with stock code 600282
Nanjing Nangang	Nanjing Nangang Iron & Steel United Co., Ltd. (南京南鋼鋼鐵聯合有限公司)
NEEQ	National Equities Exchange and Quotations
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica Fosun Life Insurance	Pramerica Fosun Life Insurance Co., Ltd. (復星保德信人壽保險有限公司)
PRC or China	the People's Republic of China
Reporting Period	the year ended 31 December 2018
Rio Bravo	Rio Bravo Investimentos S.A.
RMB	Renminbi, the official currency of the PRC
ROC	Roc Oil Company Limited
Sanyuan Foods	Beijing Sanyuan Foods Co., Ltd. (北京三元食品股份有限公司), a company whose A shares are listed on the SSE with stock code 600429
SFO	the Securities and Futures Ordinance (Charter 571 of the laws of Hong Kong)
Shanghai Henlius	Shanghai Henlius Biotech Co., Ltd. (上海復宏漢霖生物技術股份有限公司)
Share(s)	the share(s) of the Company
Share Award Scheme	the share award scheme adopted by the Company on 25 March 2015, as amended from time to time
Silver Cross	Silver Cross Nurseries Limited
Sinopharm	Sinopharm Group Co., Ltd. (國藥控股股份有限公司), a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01099
Sisram Med	Sisram Medical Ltd, a company whose H shares are listed on the Hong Kong Stock Exchange with stock code 01696
SSE	the Shanghai Stock Exchange
Starcastle Senior Living	Shanghai Starcastle Senior Living Co., Ltd. (上海星堡老年服務有限公司)

Glossary

St Hubert	St Hubert SAS
Thomas Cook	Thomas Cook Group plc, a company whose shares are listed on the London Stock Exchange with stock code TCG
Tom Tailor	TOM TAILOR Holding SE, a company whose shares are listed on the Frankfurt Stock Exchange with stock code TTI
Tsingtao Brewery	Tsingtao Brewery Company Limited (青島啤酒股份有限公司), a company whose A shares are listed on the SSE with stock code 600600, and whose H shares are listed on the Hong Kong Stock Exchange with stock code 00168
USD	United States dollars, the official currency of the United States
Wanbang	Jiangsu Wanbang Biopharmaceuticals Group Co., Ltd. (江蘇萬邦生化醫藥集團有限責任公司)
Wolford	Wolford Aktiengesellschaft, a company whose shares are listed on the Vienna Stock Exchange with stock code WOL
Yong'an P&C Insurance	Yong'an Property Insurance Company Limited (永安財產保險股份有限公司)
Yuyuan	Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司), a company whose A shares are listed on the SSE with stock code 600655

FOSUN 复星