



2013 Social Responsibility Report

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.



Our Mission

To become a leading provider of healthcare products and services by continuously improving the capabilities for innovation, service, integration and international operations that efficiently operates, manages and invests in outstanding enterprises in the industry.



About the Report

This is the 2013 corporate social responsibility (CSR) report published by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

This report aims to truthfully present the CSR development and practice of Shanghai Fosun Pharmaceutical (Group) in 2013 and inform our shareholders, employees, government agencies, customers and consumers, partners, local communities and other stakeholders of our CSR activities in 2013. We have published a CSR report every year since March 2009. This is our sixth CSR report.

This report covers the period from January 1, 2013 to December 31, 2013, and is released together with our 2013 Annual Report. The financial information contained in this report and its scope of coverage is consistent with those presented in the 2013 Annual Report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. This report releases data, measures and actual cases to the stakeholders about the performance of Shanghai Fosun Pharmaceutical (Group) in the aspects of strategic development, corporate governance, economic responsibility, environmental protection, product and service quality, occupational health and safety, employee development and community charity, and also measures taken and examples with actual cases. The next report will be published in 2015.

In comparison with the 2012 CSR report, the 2013 report reveals more detailed information on environment, health, safety, and product and service quality relating to our operations.

This report is prepared in accordance with the B+ requirements of the Sustainability Reporting Guidelines G3.1 released by the Global Reporting Initiative (GRI).

For the convenience of expression and reading, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. may be referred to, according to the context, as "the Company" "Fosun Pharma" or "the Listed Company" in the report; Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and its subsidiaries included in the consolidated report may be referred to as "Fosun Pharma Group", or "the Group"; Shanghai Fosun Pharmaceutical Industrial Development Limited may be referred to as "the Industrial Company" or "Fosun Pharmaceutical Industrial"; the subsidiaries of Fosun Pharma may be referred to as "subordinate enterprises", "member enterprises", "subsidiaries" or "sub-subsidiaries"; and shareholding enterprises may be referred to as "partner enterprises."

This report is prepared and printed in simplified Chinese and English. The traditional Chinese version of the report is available for downloading from Fosun Pharma's website. In the event of discrepancy between the Chinese and English versions, the simplified Chinese version shall prevail. To facilitate reading and understanding of the report by stakeholders, a glossary of terms referred to in the report is provided on the last page of the report.

The report is available in both hardcopy and electronic versions. The latter may be downloaded from the website of Fosun Pharma (http://www.fosunpharma.com/responsibility/report_down). To promote the use of wood and paper products conducive to sustainable forest management and to raise environmental awareness, the report is printed with PEFC-certified papers.

An independent external institution with no conflict of interest in connection with the Company has been commissioned to perform third-party verification of the Chinese CSR report and issued a Chinese and English CSR Assurance Statement. The 2013 Assurance Statement covers the site examinations of Fosun Pharma headquarters as well as two subsidiaries of Fosun Pharma, Jiangsu Wanbang Biopharmaceuticals and Shanghai Fosun Long March Medical Science.

Please visit the website (www.fosunpharma.com) or contact the department (shown on the back cover) of the report for more information on how the Company implements the concepts and strategy of social responsibility and related practices.

Table of Contents

P14

Strategy and Management

Internationalization\Optimal Management\Corporate Governance\ Internal Controls\Stakeholder Engagement

P32

Economics

Product Innovation\Pharmaceutical Manufacturing\Product Distribution and Retailing\Healthcare Services\ Medical Devices and Medical Diagnostics \Return to Shareholders\ Tax Compliance\Salary and Benefit Systems

P40

Product and Service Quality

Supply of High-quality Medical Products\Retail Sales of Drugs\ Handling of Complaints\Sales Compliance\Recycling and Handling of Expired Drugs\Quality and Safety Training\Supplier Management\ Quality of Health Service

P56

Environmental Protection, Health & Safety

Construction of EHS System\ Environmental Protection\ Occupational Health\EHS Education

P78

Employees

Sustainable Development of Talent\ Talent Introduction\Talent Cultivation\ Employee Development\ Employee Incentives\Employee Benefits\Labor Union\Employee Activities

P90

Society

Per Share Contribution to Society\ Corporate Citizen Commitment\ Community Charity\Community Service\Aid to Africa in the Fight against Malaria

04	About the Report
06	Greetings from Management
08	Highlights of 2013
10	Company Overview

101	Rewards and Recognitions
104	Performance Indicators
105	Social Indicators
106	Terminologies
108	Feedback Form

109	Third-party Comments
110	Global Report Initiation (GRI) Organization Target Index
116	SGS Assurance Statement
118	Forward-looking Statement



The people shown in the photo inserts of this year's report are the instructors and trainees who participated in the "Seminar on Malaria Prevention and Control for Asian and African Countries" and "Seminar on Pharmaceutical Quality Management for Developing Countries" organized by Fosun Pharma and the "FOSUN Love to Children Rehabilitation Program" of the United Family China Healthcare Foundation.. The "FOSUN Love to Children Rehabilitation Program" is dedicated to providing free medical services to orphaned and impoverished children in need. Committed to the development of healthcare industry in China, Fosun Pharma has been actively supporting the Chinese government in foreign aid programs. As of 2013, Fosun Pharma has conducted annual malaria prevention and control training program sponsored by the Ministry of Commerce (MOFCOM) for eight years and MOFCOM's quality management training program for four years. In the process, we have built a professional project team with profound understanding of foreign aid training and fluency in foreign languages that is highly lauded by recipient governments and trainees.

Greetings from Management



To provide safe, affordable and high-quality products and services to more people is an important social responsibility of ours.

Chairman Chen Qiyu

Dear friends,

While the global economy was set for slow recovery and China's economy had sustained steady growth in 2013, the Chinese government continued healthcare reform with a myriad of new policies and the domestic healthcare market became increasingly competitive.

Facing the opportunities and challenges brought about by the macro-economic environment, Fosun Pharma, guided by the mission of "promoting health and wellbeing of mankind" and the belief of "innovation for good health", vigorously develops its healthcare business to provide equal access to high-quality healthcare products and premier services for all citizens.

Fosun Pharma attaches great importance to corporate social responsibility. By incorporating corporate social responsibility into our overall business strategy and establishing longstanding CSR mechanisms, we gradually incorporate sustainability strategies into our corporate operations.

With focus on the core pharmaceutical business, we are committed to delivering innovative products and improving our management skills and knowhow. By leveraging corporate and product life cycles, we continue to develop strategies for sustainable products, services and talent.

In the sustainable development of products and services, we regard product quality and environmental protection as keys assuring the sustainable development of the company and even society as a whole. We operate with an uncompromising stance on quality and safety. From new drug development, raw material procurement, and drug and medical device manufacturing to sales and marketing, Fosun Pharma provides the public with safe, affordable and effective drugs and services. We endeavor to make our services widely accessible by continuously improving our technology and production processes.

We also pay close attention to workplace environment, health and safety (EHS). In 2013, through our EHS Management Office, we actively embarked on five EHS projects in the pharmaceutical industry, healthcare services, medical devices, medical diagnostics, and pharmaceutical commerce and consumer products. Each of our member enterprises further reduces the discharge of pollutants, optimizes their energy consumption, enhances process safety management capabilities and strengthens training and monitoring of occupational health and safety. All member enterprises made considerable improvement in EHS performance.

Fosun Pharma has every intention to maintain continuous, honest and open communication with society and incorporate the company's sustainability concepts and decisions in its business operations to maximize stakeholder value.

President Yao Fang



Fosun Pharma cares for the environment. We actively promote environmental protection policies within the Company, strictly control the discharge of wastewater, waste gas and industrial residues, and encourage affiliated drug manufacturing facilities to conduct clean production audits. We also achieve conserve energy and reduce emissions through technological advancement, process improvement and production allocation.

In the effort to build sustainable talent, we focus on continuously improving our people-oriented human resource system, pay close attention to the career development of our employees, while vigorously nurturing a pool of high-caliber talent. Through college endowment, participating in job placement programs and school-industry cooperation, we contribute to fostering talent for the industry and society.

We firmly believe that compliance, transparency and professionalism provide the basis for sustainable development. In practice, we continue to improve our internal control systems and governance structure. Under the governance framework for listed companies, we pay great attention to communicating with stakeholders and upholding their rights and interests to build a relationship with them based on open communication, transparency, mutual benefit and mutual trust so to jointly promote the sustainable and healthy development of the Company.

Fosun Pharma is dedicated to building industrial harmony. As a member of the Chinese pharmaceutical industry, we work diligently to forge a league of outstanding enterprises to grow together and gather strength for industrial development, and to witness together the birth of world-class enterprises in the Chinese pharmaceutical industry in the future.

In 2013, Fosun Pharma has made great strides in corporate governance, financial performance, environmental protection, health and safety, products and services, employees and social contribution as we continue to assume the responsibility of a corporate citizen. In the upcoming year, we will endeavor to achieve coordinated and sustainable development of enterprises, society and environment in all respects through continuous practice of corporate social responsibility, and put ourselves in the rank of enterprises with the best sense of social responsibility and sustainable development in China's and even the world's pharmaceutical and healthcare industry.

Chairman Chen Qiyu

A stylized black ink signature of Chairman Chen Qiyu.

President Yao Fang

A stylized black ink signature of President Yao Fang.

Highlights of 2013

Fosun Pharma acquires Sainuokang, accelerating the integration of cardiovascular drug industry value chain

Jiangsu Wanbang Biopharmaceuticals, a subsidiary of Fosun Pharma, signed an agreement with Zaozhuang Ruicheng Biochemical Co., Ltd. (hereinafter referred to as "Ruicheng") in early 2013. Under the agreement, Wanbang would acquire 51% stake in Zaozhuang Sainuokang Biochemical Co., Ltd (hereinafter referred to as "Sainuokang") from Ruicheng. Wanbang Biopharmaceuticals is China's largest heparin sodium injection manufacturer and a leading low molecular heparin injection manufacturer in China. The acquisition of Sainuokang assures the stable supply of heparin sodium API for Wanbang and helps the company reduce the purchase costs of API. In addition, Fosun Pharma will help Sainuokang introduce advanced quality management concept and system to improve the quality of its products and create favorable conditions for Sainuokang to make headway into the global market of heparin sodium API in the future.

Fosun Pharma enters strategic cooperation with Saladax to bring innovative diagnostics that will benefit tumor patients in China

Fosun Pharma signed a series of cooperation agreements with Saladax Biomedical, Inc. from USA in early 2013. At the same time, Shanghai Fosun Long March Medical Science, a wholly-owned subsidiary of Fosun Pharma, has signed a strategic cooperation agreement with Saladax to gain exclusive distribution and manufacturing rights in China licensed by Saladax. Saladax owns the world leading diagnostic technology and cancer chemotherapy drug monitoring product portfolio. This cooperation will effectively enhance Fosun Pharma's innovation capability in the field of diagnostics and hopefully enable the launch of an original biochemical detection platform in China and even in the global market. The platform will be able to detect the concentrations of chemotherapy drugs and better analyze their therapeutic efficacy.

Accelerating its international innovation capability, Fosun Pharma acquires Alma Lasers, a world leading medical aesthetic equipment manufacturer in Israel

In May 2013, Fosun Pharma and Pramerica-Fosun China Opportunity Fund jointly invested USD 221,630,000 to acquire up to a 95.16% stake in Israel-based Alma Lasers Ltd. This move marks an important milestone for Fosun Pharma in the strategy to increase its global business.

Alma Lasers owns world-class R&D capabilities in the manufacturing of medical and cosmetic energy-based devices and has established a global leading brand in the market segment. It has been enjoying fast-paced business growth and sells its products in more than 60 countries worldwide, including the U.S., Germany and Brazil.

Fosun Pharma launches a new product Wanuric® (Febuxostat Tablets)

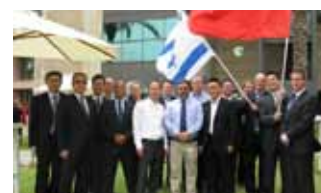
"Wanuric®" (Febuxostat Tablets), a new product developed by Wanbang Biopharmaceuticals, a subsidiary of Fosun Pharma, has obtained marketing approval of China Food and Drug Administration (CFDA) to market in June 2013. Wanbang Biopharmaceuticals becomes the second local enterprise in China that has introduced febuxostat. Febuxostat is a nonpurine selective Inhibitor of xanthine oxidase indicated mainly for long-term treatment of patients with hyperuricaemia and gout. This new drug not only offers the large number of patients with chronic hyperuricaemia in China a better drug of choice. It will also enrich the company's product line and create a new profit stream for the company.

Fosun Pharma acquires Guangzhou Nanyang Tumor Hospital to expand its healthcare service business

Fosun Pharma signed a strategic cooperation agreement with Guang Zhou Nan Yang Tumor Hospital in September 2013, according to which Fosun Pharma agrees to acquire 50% interest in Guangzhou Nanyang Tumor Hospital, a tumor specialty hospital that combines Chinese and Western medicines in tumor treatment. The hospital has a team of top-notch domestic and international specialists and owns world-class technologies and state-of-the-art facilities. It is a major base for research and clinical medicine that adopts both Chinese and Western medicines to treat tumors. It is also a renowned micro-invasive therapeutics center in China. After the transaction is completed, Fosun Pharma will position Guangzhou Nanyang Tumor Hospital as its important platform in the field of high-end tumor specialty hospital.

Fosun Pharma announces a share incentive proposal

Fosun Pharma announced a share incentive proposal for senior management and key personnel in September 2013. According to the proposal, Fosun Pharma will issue a total of 4,035,000 restricted A shares to participants. The restricted A shares granted to participants will be unlocked in three phases in the proportion of 33%, 33% and 34% of the total number of the restricted A shares granted upon the expiry of each lock-up period. With regard to the conditions for unlocking those restricted shares, the Company takes into account two financial indicators, namely net profit and operating revenue and takes R&D spending as a percentage of revenue as a key consideration. While seeking revenue growth, the Company will increase its investment in R&D and innovation to continue to create shareholder value.



1

2
3
4

1. Fosun Pharma and Foshan Chancheng Central Hospital signed a cooperation agreement.
2. Fosun Pharma acquired Sainuokang.
3. Fosun Pharma acquired Alma Lasers, a medical aesthetic equipment manufacturer in Israel.
4. Fosun Pharma launched a new drug "Wanuric[®]" (Febuxostat Tablets).

Fosun Pharma increases hospital business by acquiring another 3A Class hospital

Fosun Pharma announced in October 2013 that its subsidiary, Shanghai Yicheng Hospital Investment Management, has signed an agreement to acquire 60% stake in Foshan Chancheng Central Hospital in Guangdong Province. This acquisition will add another 3A Class hospital to Fosun Pharma's medical services in China. Chancheng Hospital is located in Foshan, Guangdong and has significant influence in the Pearl River Delta area. The hospital is particularly known for its spine surgery, urological surgery, and OBGYN/pediatrics.

Fosun Pharma's innovative products enter international markets

Fosun Pharma achieves its first ever licensing to an overseas company. In October 2013, Chongqing Fochon Pharmaceutical Co. Ltd. ("Chongqing Fochon"), a subsidiary of Fosun Pharma, entered into a cooperation agreement with SELLAS Clinicals Holding AG ("SELLAS"). Based on the agreement, Chongqing Fochon will transfer to SELLAS the global rights (except for China) to develop and sell two compounds, Fotagliptin benzoate and Pan-HER Inhibitors, it has developed independently for the treatment of type II diabetes and cancer. This transaction marks the first time Fosun Pharma has licensed its R&D results to an overseas company. The R&D results involve pharmaceutical products with major indications such as diabetes and cancer, and tapping into the European and U.S. markets. This cooperation has increased Fosun Pharma's confidence to bring its own developed new drugs into mainstream markets in Europe and America in the future.

Company Overview

Our Mission

To become a leading provider of healthcare products and services by continuously improving the capabilities for innovation, service, integration and international operations, and efficiently operating, managing and investing in outstanding enterprises in the industry.

Positioning

A leader in China's pharmaceutical and healthcare industry.

Our Vision

A world-class enterprise in mainstream pharmaceutical and healthcare markets.



Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma"), a leading healthcare company in China, was established in 1994 and became listed on the Shanghai Stock Exchange (stock code: 600196-SH) in August 1998 and on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 02196-HK) in October 2012. Focusing on biopharmaceutical and healthcare markets, Fosun Pharma has gained opportunities within the rapidly developing Chinese healthcare industry and the globalization of Chinese healthcare companies in general. Fosun Pharma's operations cover several important segments of the healthcare industry value chain, including pharmaceutical manufacturing, distribution, and retail. In particular, the Company has established a leading market position in pharmaceutical distribution and retail, healthcare services, medical diagnostics and medical devices, and turned itself into a large healthcare group enterprise with competitive advantages in R&D, marketing, acquisition integration and talent cultivation.

As a result of its focus on innovation, research and development, Fosun Pharma owns a nationally recognized enterprise technology center and maintains a highly capable international R&D team with operations in Shanghai, Chongqing and the United States. The Company's R&D activities focus on developing drugs to treat the cardiovascular, central nervous, and circulatory systems, metabolism and the digestive tract, tumors, and infectious diseases. Its major products are leaders in their respective markets. In China, Fosun Pharma's products have gained a competitive edge in the pharmaceutical market and treat liver diseases, diabetes, tuberculosis and diagnostic products. It is also a leading provider of anti-malaria medicines in the global market.

While focusing on pharmaceutical manufacturing, Fosun Pharma is establishing a presence in the healthcare service market while securing its competitive advantage medical diagnostics and equipment. Currently, Fosun Pharma has built a solid foundation for high-end and specialty services in the domestic market. Fosun Pharma is the second largest shareholder of Sinopharm, China's largest pharmaceutical distributor. The company also operates leading local pharmacy chains, including For Me Pharmacy and Golden Elephant Pharmacy, which, from their bases in Shanghai and Beijing, are developing into a nationwide retail network.

Fosun Pharma strongly believes in the principle of sustainable development and has incorporated social responsibility into its long-term business strategy. With a mindset of gratitude, Fosun Pharma has been endeavoring to meet the expectations of society, the government, its employees and shareholders throughout its business development.

With its commitment to innovation for good health and promoting the health and wellbeing of mankind, Fosun Pharma will adopt the strategic approach of "organic growth coupled with outward expansion and integration" to continuously enhance the capabilities for innovation, service, integration and international operations, and efficiently operate, manage and invest in outstanding enterprises in the industry. Fosun Pharma seeks to become a leading provider of healthcare products and services.



FOSUNPHARMA

复星医药

Values



关爱生命
care for life



不断创新
continuous innovation



精益求精
continuous improvement



合作共赢
win-win cooperation

Member enterprises

Pharmaceutical Industry



Pharmaceutical Commerce & Consumer Products



Medical Service



Medical Devices & Medical Diagnostics



Partner Enterprises



国药控股股份有限公司
SINOPHARM GROUP CO. LTD.



United Family Healthcare
和睦家医疗



广州南洋肿瘤医院



A portrait of Dr. Cao Jun, a man with short dark hair, wearing a black leather jacket over a light blue and white striped shirt. He is looking slightly to his right with a thoughtful expression. The background is a warm, textured orange-brown.

Our Duty

Dr. Cao Jun

Assistant to Director of Jiangsu Institute of Parasitic Diseases

This the fourth time that I participated in the "Seminar on Malaria Prevention and Control for Asian and African Countries" organized by Fosun Pharma. I have been working in malaria control and related research since 2000. When Jiangsu Institute of Parasitic Diseases first offered its foreign aid funded training programs in 2002, I was in charge of related organizational works and accumulated a dozen years of experience in foreign-aid training. We consider it our duty to help African countries win the fight against malaria.



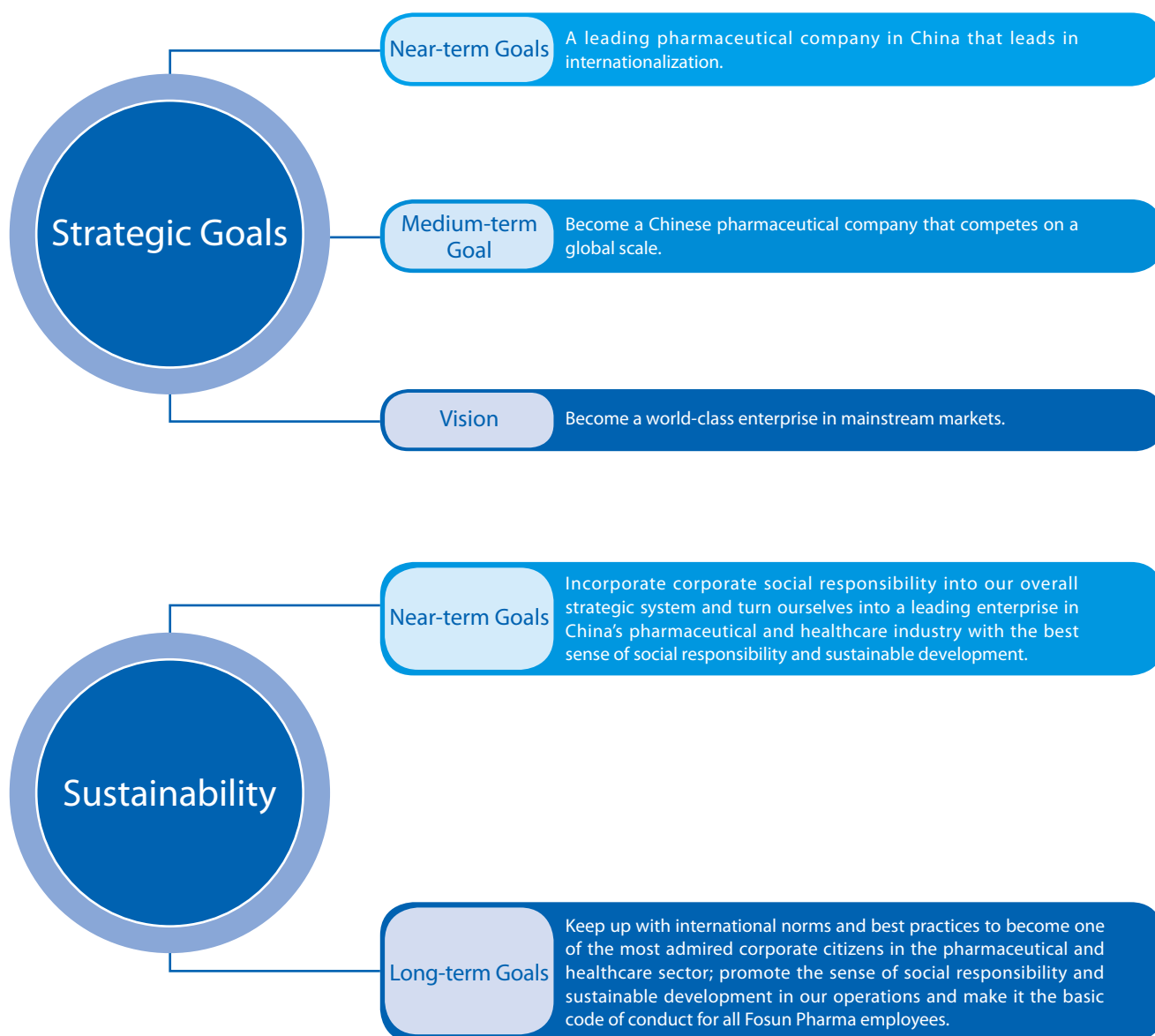
Strategy and Management

As the company grows and becomes international, Fosun Pharma incorporates sustainability strategy into its overall business strategy, continues to improve management, and internal controls, while actively engaging in dialog and communication with stakeholders. In the pursuit of sustainable development in the pharmaceutical industry value chain, Fosun integrates its CSR strategy into each component of business operations, including pharmaceutical R&D, manufacturing, and marketing.

Goals and Strategy

Fosun Pharma's strategic development framework focuses on "organic growth, outward expansion, and integrated development". Each aspect revolves around our mission and strategic goals. First, we aim to improve our management capability, achieve synergy and gain overall advantage by integrating various steps of a pharmaceutical product process, from R&D, manufacturing to marketing to achieve growth rate exceeding the industry average. Secondly, through investing in and managing outstanding enterprises in the pharmaceutical industry chain, we acquire

and integrate outside resources to consolidate our existing business advantages and enter new fields from a high starting point and achieve vertical integration throughout the industry. Lastly, through integration of existing internal resources and M&A, we are able to continuously improve profitability and operating efficiency, achieve synergy and gain a competitive advantage in the industry chain to become a leading provider of innovative pharmaceutical and healthcare products and services.



Sustainability Strategy - Steps and Measures

- Strengthen health benefits, quality, safety, environmental management and review of products.
- Gradually establish CSR data collection system.
- Continue to improve the stakeholder communication system.
- Invite an international third party institution to carry out CSR evaluation and verification.

- Further improve the health, safety, environment, quality and other CSR constructs in member enterprises to implement the green supply chain initiatives.
- Improve and standardize performance management, talent cultivation and development systems of the Company.
- Promote the simultaneous development of internationalization strategy and corporate social responsibility system and join forces with the community charity affiliate of Fosun Pharma Group.
- Strengthen the drug recall system.

- Promote the construction of the EHS management system.
- Perfect the training system and build a long-term incentive system framework.
- Continue to improve sustainability and CSR system while internationalizing business operations.
- Focus on effective communication with stakeholders and continuously increase customer and consumer satisfaction.
- Enhance the amalgamation of Fosun Pharma's community charity systems to achieve synergy.
- Promote further the quality control of healthcare business and improve the level of service to protect the interests of patients.

Strategic Steps

2009

2010

2011

2012

2013

Before 2015

- Strengthen the risk control mechanism, continuously improve corporate governance, and promote sustainability for products, services, and employees.
- Establish EHS system and promote the system across all pharmaceutical subsidiaries; Implement the 2010 Chinese Pharmacopoeia across all pharmaceutical subsidiaries of the Group.
- Promote for clean production audit, environmental protection and green office initiatives. Gradually introduce the idea of green supply chain.
- Strengthen the construction of community charity system and join forces with member enterprises and outside community charity organizations to build a public service platform.
- Improve employee training and career development and employee reward and recognition system.

- Perfect the management system, risk control, corporate governance, and sustainability for products, services and employees.
- Focus on enhancing the competitiveness of core drug R&D and manufacturing.
- Strengthen product quality and safety.
- Promote ESH system and environmental protection.
- Improve employee training and career development system.
- Strengthen the construction of community charity.

- Build, implement systematically and continuously improve the sustainable development policies.
- Construct a comprehensive CSR system that emphasizes health, safety, environment and quality, including a data collection system, examination process, monitoring system, and evaluation system.
- Build a sustainable CSR organizational structure.
- Establish climate change strategy.
- Further improve the community charity system.
- Align employee development more closely with business development of the Company.

- Establish a long-term mechanism and emergency response program for monitoring adverse drug reactions.
 - Implement GMP and surprise environmental inspection system.
 - Establish a CSR leading group and task force to take charge of the preparation of CSR reports preparation and the development of CSR strategies.
 - Establish a CSR data collection responsibility system and apply the system to subsidiaries.
 - Further improve the stakeholder communication system to learn issues of concern and strengthen dialog.
 - Engage an independent external institution to conduct CSR report verification.
- Promote internal control systems in five areas: internal control environment, risk assessment, control activities, information and communication, and internal supervision.
 - Adopt the “4+1” R&D model; take the lead in establishing a “FOSUNPHARMA industry-academia-research alliance” to integrate R&D resources.
 - Undertake quality and safety risk control and management by conducting quality and EHS audit, surprise inspection and project inspection.
 - All subsidiaries have established a quality control system that meets the new GMP requirements.
 - Improve the supplier audit procedure and gradually implement the green supply chain initiative.
 - All production facilities of the Company have established EHS management systems and passed the clean production audit.
 - The Training Development Center and training base are in operation to carry out multi-level training.
 - Continue to promote community charity strategy that identifies educational assistance, research support and community service.
- Through the working of an EHS Management Office, the Company promotes its EHS directions and strategies in five business areas.
 - Strengthen internal training and build a fleet of talented personnel who possess entrepreneurship and identify with Fosun Pharma's corporate culture through performance evaluation, compensation, benefits and incentive mechanisms.
 - Strengthen the fusion of business cultures and promote a CSR system and sustainability among newly acquired enterprises at home and abroad.
 - In 2013, Fosun Pharma and its member enterprises served customers faithfully, continued to improve communication, conducted customer satisfaction surveys, and received positive feedback.
 - Expand cooperation with Fosun's community charity system and strengthen the construction of community charity system.
 - Establish a comprehensive healthcare quality control system; raise the awareness of healthcare personnel, formulate relevant systems, and handle doctor-patient relationship in a reasonable and standardized manner.
 - The Company's social contribution value per share is disclosed in this report to help the public understand the real value created for stakeholders.

2009

2010

2011

2012

2013

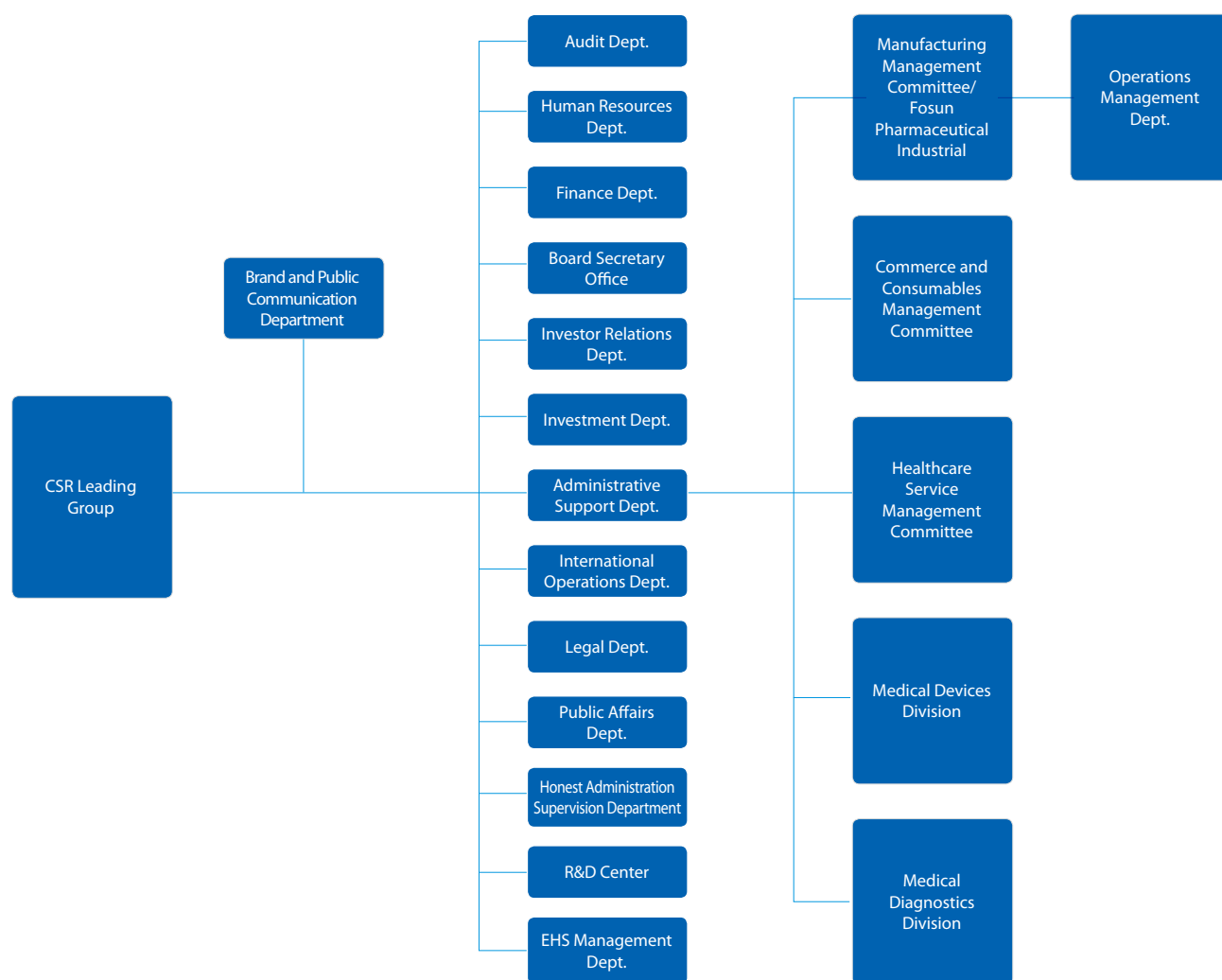
Before 2015

Measures

- Create the standard CSR data collection form and provide the contact information of collector with the aim to collect relevant information from various businesses of the Company and enhance the completeness and traceability of data.
 - Improve the stakeholder survey mechanism, build corporate culture, and participate in the exhibition of Private Enterprises Joint Pavilion at 2010 Shanghai Expo to build a comprehensive stakeholder communication system.
 - Encourage pharmaceutical subsidiaries to establish Adverse Reaction Report Management Rules and set up an adverse reaction monitoring team in accordance with the Measures for the Reporting and Monitoring of Adverse Drug Reactions promulgated by the State Food and Drug Administration.
 - Improve supplier audit procedure, supplier feedback system, and gradually establish green supply chain.
 - Establish community charity strategy that identifies the approaches of educational assistance, research support and community service. Initiate Fosun Pharma's “FUTURESUN” community charity program.
 - Engage an independent external institution to perform third-party verification of the CSR report two years in a row with the plan to implement internal control audit.
- Establish an Anti-Corruption Supervision Office to improve the four lines of defense (business units, functional departments, audit, and anti-corruption supervision) in risk management system.
 - Implement CSR sub-report system among member enterprises, including Wanbang Biopharmaceuticals and For Me Pharmacy. The two member enterprises have completed the preparation of 2012 CSR sub-report.
 - Establish an employee incentive and cultivation system that combines long-term organizational and employee development needs.
 - Increase Company's involvement in community charity activities by setting up a “Fosun Community charity Foundation” and other measures.
 - Improve the CSR data collection responsibility system to ensure the quality of relevant information. Implement performance review and evaluation mechanism for data collection. Further improve the CSR data collection system and use it as basis for management.
 - Adopt an adverse drug reaction mechanism to proactively recall drugs with safety concerns.
- Improve the CSR data collection responsibility system to ensure the quality of relevant information. Implement performance review and evaluation mechanism for data collection responsible persons.
 - Continue to engage in systemic dialog with stakeholders to increase public engagement.
 - Establish and improve a sustainable supplier management system.
 - Formulate a public interest activity bid invitation system to promote the long-term development of community charity programs.
 - Enhance the external assessment system.

CSR Management Structure

Through a well-established CSR management structure and enhanced supervision, we have been improving our CSR performance. We have set up a CSR group with the Company president as the group leader who is in charge of the operation of the CSR management system. To better showcase our CSR practices and development to the public, we have published a CSR report every year since 2008. The Brand and Public Communication Department is responsible for compiling the report with support from other departments, such as the ESH Department, Administrative Support Department and Human Resources Department.



List of Enterprises Disclosed in 2013 CSR Report

Main Pharmaceutical Enterprises

Jiangsu Wanbang Biopharmaceuticals Co., Ltd. (Wanbang Biopharma)
 Shanghai Chemo Wanbang Biopharma Co., Ltd. (Chemo Biopharma)
 Hebei Wanbang Folon Pharmaceutical Co., Ltd. (Wanbang Folon)
 Shanghai Zhaohui Pharmaceutical Co Ltd. (Zhaohui Pharma)
 Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd. (Wanbang Jinqiao)
 Zaozhuang Sainuokang Biochemical Co., Ltd. (Sainuokang)

Chongqing Yaoyou Pharmaceutical Co., Ltd. (Yaoyou Pharma)
 Sichuan Hexin Pharmaceutical Co., Ltd. (Hexin Pharma)
 Chongqing Carelife Pharmaceutical Co., Ltd. (Carelife Pharma)
 Chongqing Kaixing Pharmaceutical Co., Ltd. (Kaixing Pharma)
 Shine Star (Hubei) Biological Engineering Co., Ltd. (Shine Star)
 Handan Moluodan Pharmaceutical Co., Ltd. (Moluodan Pharma)

Guilin South Pharmaceutical Co., Ltd. (Guilin Pharma)
 Shenyang Hongqi Pharmaceutical Co., Ltd. (Hongqi Pharma)
 Jinzhou Ahon Pharmaceuticals Co., Ltd. (Aohong Pharma)
 Dalian Aleph Biomedical Co., Ltd. (Aleph Biomed)
 Hunan Dongting Pharmaceutical Co., Ltd. (Dongting Pharma)
 Chongqing Pharmaceutical Research Institute Co., Ltd. (Chongqing Research Institute)
 Chongqing Kangle Pharmaceutical Co., Ltd. (Kangle Pharma)

Medicine Circulation Enterprises

Shanghai For Me Yi Xing Pharmacy Co., Ltd. (For Me Pharmacy)

Beijing Golden Elephant Pharmacy Chain Co., Ltd. (Golden Elephant Pharmacy)

www.jxdyf.com
www.daoyao.com

Healthcare Services Enterprises

Anhui Jimin Cancer Hospital (Jimin Cancer Hospital)

Yueyang Guangji Hospital (Guangji Hospital)
Suqian Zhongwu Hospital (Zhongwu Hospital)

Foshan Chancheng Central Hospital (Chancheng Hospital)

Medical Diagnostics Enterprises

Shanghai Fosun Long March Medical Science Co., Ltd. (Long March Medical)
Shanghai Fosun Med-Tech Development Co., Ltd. (Fosun Med-Tech, previously Fosun Hospital)

Shanghai Fosun Biolog Biotech Co., Ltd. (Fosun Biolog)

Yaneng Bioscience (Shenzhen) Co., Ltd. (Yaneng Bio)

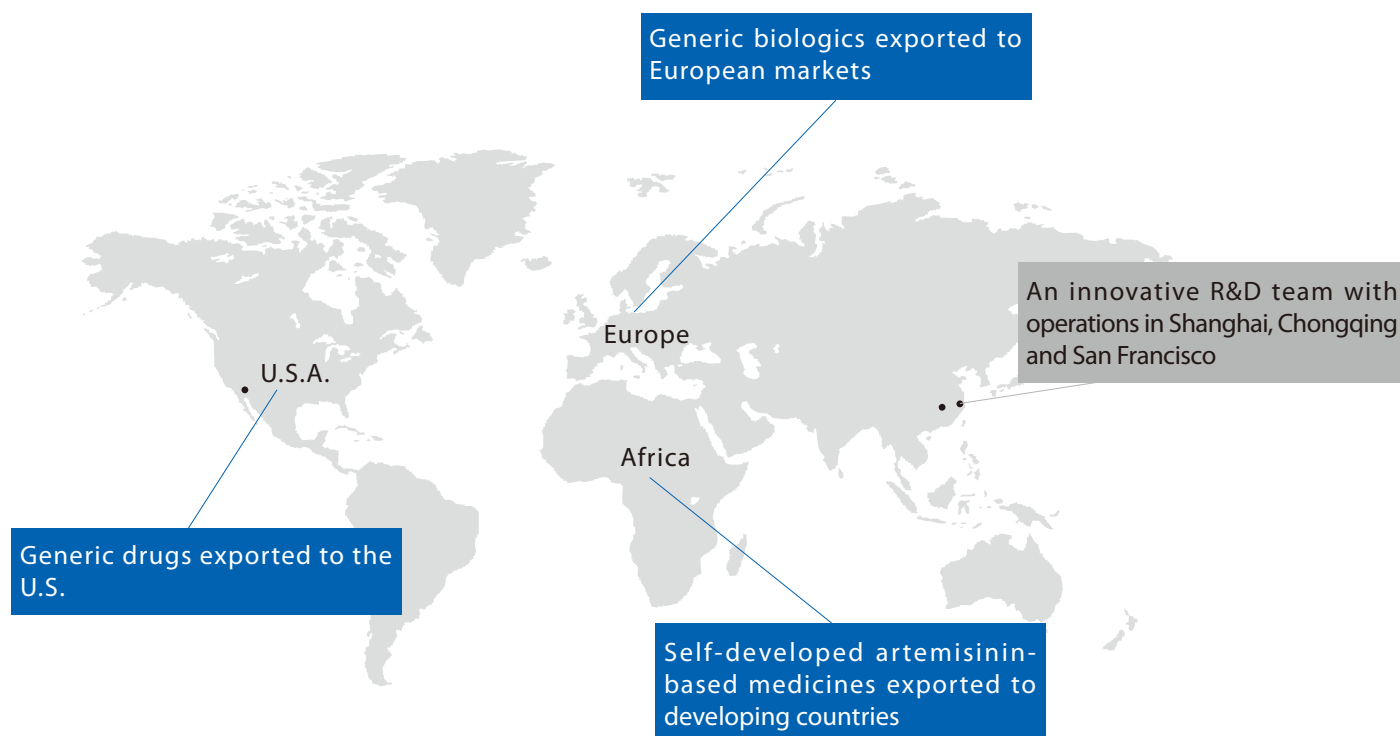
Medical Device Enterprises

Chindex Medical Limited
Alma Lasers Ltd. (Alma Lasers)

Huaiying Medical Instruments Co., Ltd. (Huaiying Medical)

Shanghai Blood Transfusion Technology Co., Ltd. (Blood Transfusion Technology)

Global Strategy



Fosun Pharma endeavors to become a world-class enterprise in the mainstream market. Our internationalization efforts achieve an important milestone in 2013. In October 2013, Fosun Pharma announced collaboration with SELLAS in new drug development and the transfer of rights to develop and sell two compounds it has developed independently to SELLAS. This move helps expand the influence of Fosun Pharma in the

global pharmaceutical industry. In May 2013, Fosun Pharma acquired a 95.16% stake of Alma Lasers Ltd. (Alma Lasers) in Israel. Alma Lasers is a world leading medical aesthetic equipment manufacturer and has established a global leading brand in the market segment with presence in more than 60 countries worldwide, including the U.S., Germany and Brazil. With the issue of H shares in 2012, Fosun Pharma is able to gain access to

the international capital market. This acquisition takes the Company one step forward to international operations.

Leveraging China’s market, resources and cost advantages and with eyes set on the world’s mainstream markets, Fosun Pharma seeks to internationalize with a mindset of “created in China” and “made in China.” Through internationalizing pharmaceutical production, international cooperation of R&D, product export, processing outsourcing, merger and acquisition, building an international marketing network, and actively undertaking integration of international pharmaceutical resources, we endeavor to offer safer, more effective and widely accessible pharmaceutical and healthcare products and services to realize the goal of sustainable development.

In the internationalization of production and manufacturing, we urge our member enterprises to obtain international certification and the qualification to enter the international markets, and become a member of the international pharmaceutical industry chain. By the end of 2013, 16 pharmaceutical subsidiaries of Fosun Pharma became GMP-certified under the latest GMP guidelines. In July 2013, Yaoyou Pharma’s oral solid dosage facility passed the field inspection of U.S. Food and Drug Administration (USFDA) with only two general deficiencies cited, signifying that Fosun Pharma’s oral solid dose products have been granted permit to enter the U.S. market. In September 2013, 9 APIs manufactured by Carelife Pharma, a subsidiary of Yaoyou Pharma passed the field inspection of USFDA for

the fourth time with zero deficiency. In October 2012, 3 APIs of Chongqing Pharmaceutical Research Institute passed the field inspection of USFDA. Up to now, a total of 16 APIs manufactured by Fosun Pharma’s member enterprises, including Carelife Pharma, Dongting Pharma, Chongqing Pharmaceutical Research Institute, and Guilin Pharma have passed the certification of USFDA, EU, Japan’s Ministry of Health, Labour and Welfare, Germany’s Federal Health Office or WHO. An oral solid dosage (OSD) production line and two injection production lines of Guilin Pharma have passed the WHO-PQ certification, while an OSD production line of Yaoyou Pharma has been certified by the Canadian FDA.

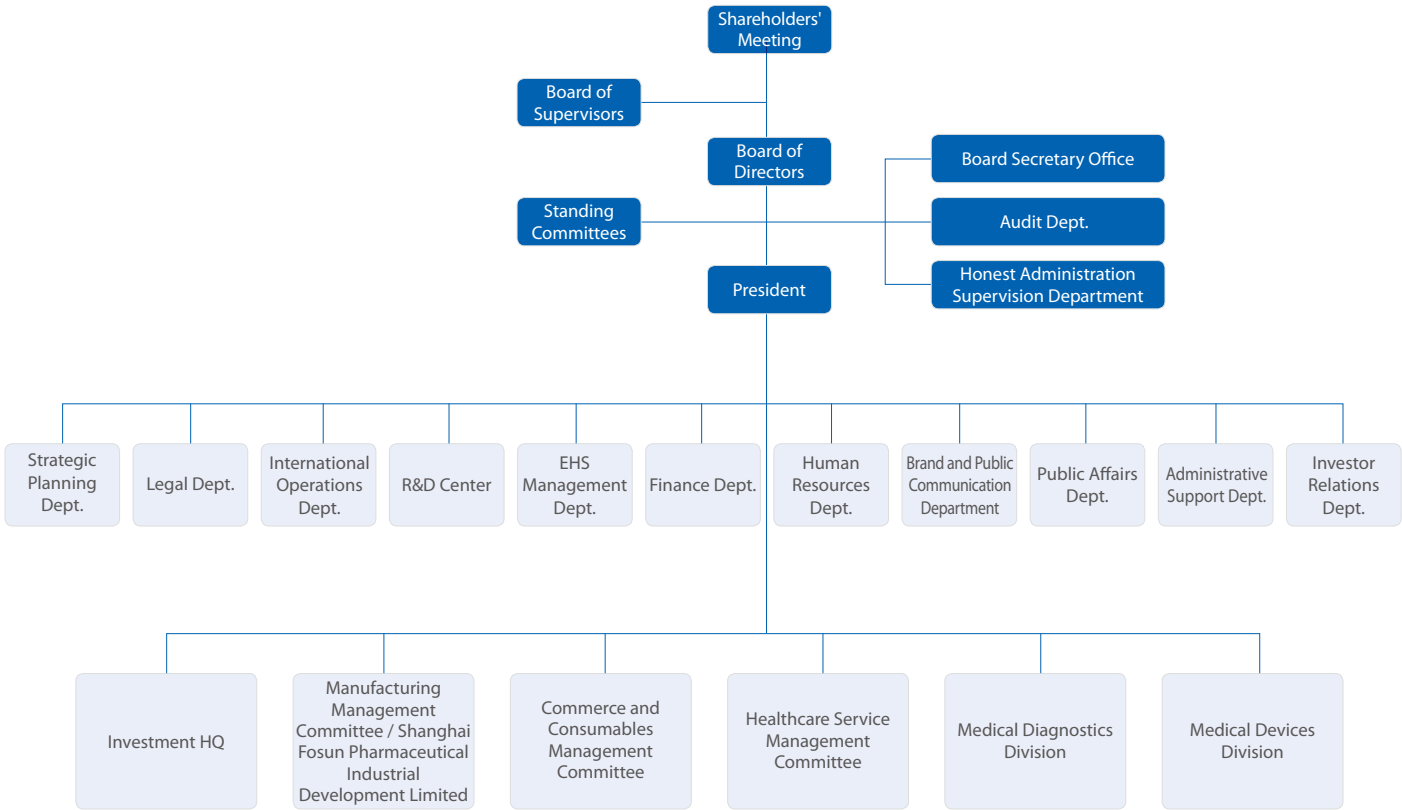
Fosun Pharma is vigorously building a R&D platform that consolidates local and foreign resources and advantages. By internationalizing its R&D undertaking through investment, joint development and collaboration, Fosun Pharma has established a number of new drug development teams to build an innovation and R&D system with operations in Shanghai, Chongqing and San Francisco.

While focusing on its core business of pharmaceutical manufacturing, Fosun Pharma collaborates with Chindex International, Inc., a high-end healthcare service company in the U.S., to promote the United Family Healthcare services in China.

Fosun Pharma will continue its international expansion efforts while exploring new thinking and approaches to accelerate the process.

Efficient and Effective Management

Organizational Chart of Fosun Pharma



Optimal Management

Fosun Pharma embarks on transformation in response to market changes, implements innovative strategies and improves organizational structure in a timely manner. The Company has set up a Manufacturing Management Committee, Commerce and Consumables Management Committee, Healthcare Service Management Committee, Medical Diagnostics Division and Medical Devices Division. The Manufacturing Management Committee is in charge of pharmaceutical production and R&D, and performs the functions of a platform company through Shanghai Fosun Pharmaceutical Industrial Development Limited, a wholly owned subsidiary of Fosun Pharma to carry out daily management and operations. Through the three management committees and two business divisions, Fosun Pharma has established a strategic management structure covering three aspects—strategic planning, operational planning and budget management, performance and incentives—to ensure effective operations of the Group as a whole.

The Company has also built a corporate governance structure comprising Shareholders' Meeting, Board of Directors and its Standing Committees, Board of Supervisors and senior management. There are 20 departments, including Board Secretary Office, Audit Dept., Honest Administration Supervision Department, Strategic Planning Dept., Legal Dept., International Operations Dept., R&D Center, Finance Dept., EHS Management Dept., Human Resources Dept., Brand and Public Communication Department, Public Affairs Dept., Administrative Support Dept., Investor Relations Dept., Investment Dept., Manufacturing Management Committee, Commerce and Consumables Management Committee, Healthcare Service Management Committee, Medical Diagnostics Division, and Medical Devices Division.

To enhance the efficiency and expertise in decision making and to effectively prevent risks to Group development brought about erroneous decisions and judgments made by a few individuals, Fosun Pharma promotes and strengthens the creation and effective operations of inter-department working committees. At management level, the Company has set up a number of working committees composed of senior managerial officers, heads of functional departments and other specialists. The working committees are collectively an inter-department decision making and coordination organization that aims to enhance expertise in decision making and increase the efficiency of decision making and execution. Currently the Company has Corporate Culture Working Committee, Risk Control Committee, Brand Management Committee, Execution Committee, Performance Management Committee, EHS Management Committee, Investment Decision Committee, Budget Management Committee, Security Working Committee and Compensation Administration Committee.

Corporate Governance

In 2013, the Company further improved its corporate governance structure and internal management in accordance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, Appendix 14 Code on Corporate Governance Practices annexed to HKEx Listing Rules.

On shareholders and shareholders' meeting

The Company's Articles of Association clearly defines the rules of procedures for shareholders' meetings. The Company ensures that all shareholders are able to enjoy equal standing and exercise their shareholders' rights. During the reporting period, the Company revised its Policy on Related-Party Transactions to further strengthen protection for the legal interests of the Company and all shareholders.

On controlling shareholders and listed company

The controlling shareholders of the Company have not acted in a way that exceeds the limit of their authority to, directly or indirectly, intervene in the decision-making processes or production and operational activities of the Company, or performed any acts that damage the interests of the Company and other shareholders. The controlling shareholders are independent from the Company in respect of employees, assets, finance, organizations and businesses. The Boards of Directors and Supervisors and other internal authorities of the Company operate independently.

On Directors and the Board of Directors

The Company selects and appoints directors in strict compliance with the procedures stipulated in the Articles of Association, and the number and composition of the Board are in conformity with the applicable laws, regulations, and the Articles of Association. The Articles of Association clearly defines the rules of procedures for shareholders' meetings. During the reporting period, the Company drafted the Board Diversity Policy and completed the re-election and expansion of the Board of Directors. As of the end of the reporting period, the Board had eleven directors (including one female director), four of which were independent directors who are respectively professionals in accounting, law and strategic fields. The chairman of the Board did not hold any administrative position in Fosun Pharma in accordance with the provisions of the Code of Corporate Governance for Listed Companies and development needs of the Company. The Board has established four standing committees, namely, Strategic Committee, Audit Committee, Nomination Committee, and Compensation and Appraisal Committee. The Company has also set the scope of authority and implementation rules for respective standing committees.

On Supervisors and the Board of Supervisors

Supervisors of the Company act independently and effectively exercise their supervision and examination rights over the directors and senior management of the Company. The Board of Supervisors conducts meetings regularly and convenes extraordinary meetings in a timely manner whenever necessary. The Articles of Association has stipulated the rules of procedures for the meetings of the Board of Supervisors.

On performance evaluation and incentive mechanisms

The Company has actively formulated performance evaluation standards and procedures for its senior management personnel, and amended and refined the standards and procedures in a timely manner. During the reporting period, the Company's restricted share incentive scheme has been approved in shareholders' meeting. The senior management personnel of the Company are appointed and dismissed in strict compliance with applicable laws and regulations and the Articles of Association, and such appointment and dismissal are publicly announced in a timely manner.

On stakeholders

The Company fully respects the legal rights of banks and other creditors, employees, customers and consumers, communities, suppliers, governments and other stakeholders, and actively work with them jointly push forward the sustained and sound development of the Company.

On information disclosure

The Company fulfills fully its information disclosure obligation in strict compliance with applicable laws and regulations as well as the requirements stipulated in the Administration Measures for Information Disclosure issued by China Securities Regulatory Commission ("CSRC"), the Guidelines for Management System of Information Disclosure of the Listed Companies issued by Shanghai Stock Exchange ("SSE"), the Articles of Association and the Regulation on Information Disclosure issued by the Company. Meanwhile, the Company has drafted the Management System for External Information Reporting and Use, Management System for the Insiders of Inside Information, and Accountability System for Material Errors in Annual Report Information Disclosure, and has fully implemented those systems to ensure the disclosure of information is timely, fair, accurate and complete. In addition to information subject to statutory disclosure requirements, the Company has periodically published its Self-Evaluation Report on Internal Controls and Corporate Social Responsibility Report to the public and retained professional institutions to provide the Company with examination/audit opinions to illustrate fully the transparent and standardized operations of the Group. The Company values communication and interaction with its investors and formulated related systems, such as the Management Measures for Investor Relations so as to ensure that investors can acquire public information of the Company fairly and timely.

Corporate Governance Related Projects

The Company has completed all improvement projects within the prescribed time period in accordance with the requirements stipulated in CSRC Announcement No. 27 [2008]. In 2013, the Company continued to shore up the improvement results, refine the corporate governance structure and lift the level of corporate governance.

Strong corporate governance is fundamental and assurance to the development of a business. The Company will continue to comply with the requirements under the Code of Corporate Governance for Listed Companies, shore up and further improve its corporate governance level, and boost its competitive edge in the hope to generate better operating results for its investors.

Internal Control Practices

Main Internal Control Practices and Changes in Assessment in 2013

Governance structure	- The Board of Directors has been expanded to 11 members from 8 members.
Management optimization	<ul style="list-style-type: none">- The Company constantly updates control requirements with regard to investor relations, post-investment follow-up report, project management, R&D management, and property insurance.- The Company's subsidiaries continued to optimize the setup of job positions, updated their systems and improved working processes.- The Company continued to improve the post-investment management mechanism and follow up on internal control practices of member enterprises through assignment of management personnel, internal control training and onsite management to help new member enterprises establish necessary management mechanisms and be integrated into the control and management system of the Company as soon as possible.
Inspection and supervision	<ul style="list-style-type: none">- The key task is to make systematic and focused improvement and conduct internal assessment of key control points of business processes posing higher risk.- Improvement of deficiencies identified in internal control assessment and project audits reached above 90%.- Continuously refined the anti-corruption control system.
Assessment	<ul style="list-style-type: none">- No material weakness or significant deficiencies were found in 2013.- An independent external institution was retained to examine the effectiveness of internal controls over financial reporting and has issued an unqualified opinion.

Continuous improvement of internal control systems

As a dual-listed company with shares listed in Shanghai and Hong Kong, Fosun Pharma, on the solid foundation built over the years, continues to optimize its internal environment, risk assessment, control activities, information and communication, and internal supervision. Fosun Pharma also continues to improve its internal control systems needed for business development and management to make sure business operations comply with applicable laws and regulations, and information on assets, financial figures and other relevant information are truthfully and completely presented, and to enhance operating efficiency and results.

Continuous optimization of corporate governance structure

In terms of corporate governance structure, the Company promotes the diversity of board members and has expanded the number of board seats from 8 to 11 to achieve a balance in expertise, skills, experience, independence and knowledge on the board. The Company also meets the needs for maintaining good governance and sustainable, balanced development. The increase in board members has been approved by the shareholders. On this basis, the Board of Directors also revised the Scope of Authority and Implementation Rules for Audit Committee of the Board of Directors, Scope of Authority and Implementation Rules for Nomination Committee of the Board of Directors, and Scope of Authority and Implementation Rules for Compensation and Appraisal Committee of the Board of Directors (referred to as "Implementation Rules" hereunder).

Internal control practices and ongoing implementation

Based on the Company's long-term strategy and the existing foundation of internal controls built over the years, and taking into account business development and management needs, the Company refined the overall control requirements for investor relations, post-investment follow-up report, project management, R&D management, and property insurance in 2013. For example, the Company refined the control requirements for funds, contracts, pharmaceutical products, supplies, and fixed assets of

member enterprises in view of the characteristics of private hospitals and the conditions of local economic development to implement a number of systems for the needs of hospital management. To improve management of pharmaceutical R&D, the Company implements a project manager system to promote in-depth management of R&D projects before, during and after the project to gradually implement process management of project costs, progress and quality. The Company has drafted and promulgated a construction project management system to put the initiation, decision-making, process management, acceptance check, and settlement and final accounting of construction projects under control. The Company also provides internal training on the weaker links in a project in progress to boost effective utilization of funds and prevent risks. In reference to the overall requirements, industry characteristics, their current status and development needs, every member enterprise of the Company continues to improve the setup of job positions, system update and working process, and achieve information communication and feedback, and fulfill relevant requirements through a variety of management tools, including communication skills training, required reporting and regular meetings.

To make sure new member enterprises could meet the listing requirements of exchanges in Shanghai and Hong Kong, the Company continues to improve its post-investment management mechanism, and helps new members establish and perfect their management systems and become integrated into the control and management system of the Company as soon as possible through assignment of management personnel, internal control training and onsite management, and follow-up on internal control practices.

Internal supervision and internal control self-assessment

While continuously embarking on the construction of internal control systems, the Company strengthens further the work of internal control self-assessment and project audit. The key task is to make systematic and focused improvement and conduct internal assessment of key control points of business processes posing higher risk.

In 2013, we conducted 21 project audits, 7 internal control assessments and 3 internal control audits of our subsidiaries, involving more than 30 enterprises. To achieve effective control, we make sure audit or internal control assessment is conducted at least once a year for key subsidiaries and once every 2 to 3 years for non-key subsidiaries.

In the actual implementation of relevant works in 2013, we combined the use of internal control assessment and project audit to bolster the magnitude and depth of audit and standardize the processes to ensure the effective operation of process control points. For example, the audit of a construction project would cover bid invitation, bid tendering, construction process, certification management and other important risk factors to step up the management of high-risk operations. The Company also conducted project audit of four member enterprises with respect to their finance and operating conditions. Those audits were meant to discover problems from auditing perspective and to lift the Company's level of internal control.

We also followed up on problems discovered in audit, which resulted in more than 90% improvement rate for deficiencies identified in internal control assessment and project audits. For general deficiencies that may not be rectified immediately under the existing conditions of a member enterprise, we would carry out further analysis, identify a specific timetable and corrective actions and make sure the associated risks are within controllable range.

Anti-corruption campaign and field inspection

In the efforts of advocating doing business with integrity and ethics, the Company employs educational campaign and field inspection to improve

the control system for combating corruption and building clean business practices. In educational campaign, we set up a portal to introduce to employees anti-corruption practices inside and outside the Company, the construction of advanced anti-corruption culture, experiences and related rules and systems. In conducting field inspection, the Honest Administration Supervision Department works together with the Audit Department to watch and inspect business processes and key control points posing higher business risks.

Internal control deficiencies and corrective actions

Through continuous improvement of internal control systems, the Company refines further its overall management requirements and fulfills those requirements based on the industry characteristics to control and prevent associated risks. The Company has maintained effective internal controls in all material aspects in accordance with its internal control systems and relevant rules and requirements and did not find any material weakness or significant deficiency in 2013. During the reporting period, the great majority of deficiencies found have been corrected and risks associated with general deficiencies are within controllable range.

External supervision

In accordance with The Basic Standard for Enterprise Internal Control and the relevant regulations of CSRC and SSE, an independent external institution was retained in 2013 to examine the effectiveness of internal controls over financial reporting and has issued an unqualified opinion.

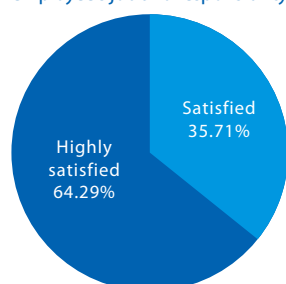
Construction and implementation of the IT system at Fosun Pharma HQ in 2013

Employee survey	We conducted online employee surveys on how they feel about the effectiveness of regular work meetings and other activities, including: • Fosun Pharma's 2013 campus recruitment activity. • Satisfaction with Fosun Pharma's performance communication in 2013. • Satisfaction of Fosun Pharma's new employees in 2013.	Optimization of 360-degree evaluation system	Optimization of internally developed 360-degree performance appraisal system. According to the feedback of employees who have used the system, we added the functions of automatic prompting and reminder to the system to improve prompting during operation and diversify the styles of report presentation, and make it available for use by member enterprises.
WeChat interactive platform for annual meeting	We set up an interactive platform for 2014 annual meeting using WeChat to enable full communication between employees and management: • Interactive platform for annual meetings. • Platform for directors to raise questions. • Platform for discussion of health issues. • Platform for innovative ideas.	Medical imaging solutions	To enhance the sharing of multimedia resources, we have built a video and image management system to perform the following functions: • Upload of large image and video files. • File (image and video) labeling and search. • Batch download of search results. • Review and approval of request for file distribution by an administrator.

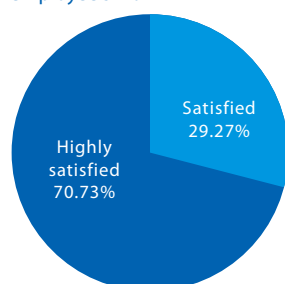
Case Report: 2013 New Employee Satisfaction Survey

In 2013, Fosun Pharma conducted a satisfaction survey among all new employees hired in the year. This detailed survey touched on matters such as job interview, orientation arrangement, training, and probationary period. A total of 42 questionnaires were sent out and 42 responses were received.

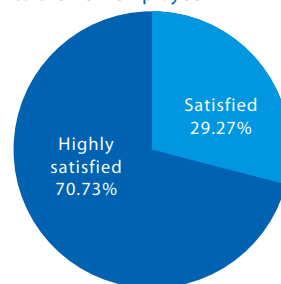
Satisfaction with direct supervisor's clarity on new employee's job and responsibility



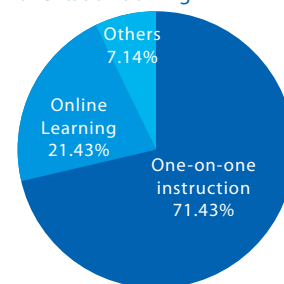
Satisfaction with direct supervisor's instructions on new employee's work



Satisfaction with concern shown by other team members to the new employee



In what manner does the new employee wish to receive orientation training



Stakeholder Engagement




Stakeholder	Communication channels	Stakeholder protection	
 Shareholders (investors)	<ul style="list-style-type: none"> - Information disclosure required of a listed company - Telephone number - Email - Website - Visits - Investor conference 	<ul style="list-style-type: none"> - An Investor Relations Dept. is set up to handle and respond to investors' requests. - Institutional and retail investors can communicate their opinions and requests by mail, phone or online. - Investor Relations Dept. would visit individual investors or hold reverse roadshows from time to time. - In 2013, Fosun Pharma held 27 board of directors' meetings, 7 board of supervisors' meetings and 2 shareholders' meetings. 	27 Board of Directors' Meetings 7 Board of Supervisors' Meetings 2 Shareholders' Meetings
 Customers and consumers	<p>- Establish a clear customer complaint handling process</p> <p>- Establish a comprehensive information feedback mechanism</p> <p>- Establish a drug/product recall system</p>	<p>Complaint handling process: A complaint phone call is received. Customer Service documents the nature of complaint in detail and determines whether the complaint is valid. The store concerned and relevant departments are informed of the complaint. Customer Service follows up on the matter by calling the customer to find out whether the complaint is addressed and whether he/she is satisfied with the response. For example, when a customer files a complaint about the quality of a drug, the Company first verifies the veracity of the problem. If the problem does exist, Company representatives meets with supplier and customer to discuss solution together or ask Quality Assurance to look into the matter, and at the same time, initiate recall of the supplier's products. For complaints concerning biomedical products, a "User Service Record Form" is filled out; for complaints concerning ELISA products, a "User Service Record Sheet" is filled out. After the product manager or market service personnel check the product quality problem with the end-user by phone or in person, they will document the matter on quality complaint related record sheet. After determining preliminarily the cause of complaint, the matter is promptly handled by phone or in person.</p>	
	Participate in seminars, academic exchanges, medical forums and science conferences organized by academic organizations and trade associations	The member enterprises of Fosun Pharma actively participates in academic activities organized by domestic and foreign academic groups to promote academic exchange in related professional fields, assist in elevating the level of rational drug use, and promote continuing education in clinical pharmacology.	
	Doctor-patient relationship	<ul style="list-style-type: none"> - Healthcare service providers under Fosun Pharma provide patients with convenient services and ensure sufficient service resources to reduce patient wait time. - In 2013, four hospitals under Fosun Pharma reported customer satisfaction rating of 96% or higher. Anhui Jimin Cancer Hospital asks all of its discharged patients to participate in satisfaction survey to discover its deficiencies and take remedial actions to improve services. The hospital enjoys 98.5% patient satisfaction rate. 	Survey shows that 98.5% of patients at Jimin Cancer Hospital are satisfied with the hospital service
	Strengthen the construction of online shopping networks such as www.jxdyf.com and www.daoyao.com	<ul style="list-style-type: none"> - Complete Implementation Procedures for Distribution Proposals - Dynamic marketing system - Maintenance System for Prioritized Manufacturers - Membership Classification and Point Accumulation Management System - Through well-known e-commerce platforms and other channels, For Me Pharmacy promotes its products, provides customers with online advisory and pharmaceutical services, and accepts online payment. In 2013, For Me Pharmacy worked with a well-known e-commerce platform to start O2O (online to offline) pilot services. 	
	Customer satisfaction survey	<ul style="list-style-type: none"> - In 2013, pharmaceutical enterprises, medical diagnostics and healthcare service enterprises under Fosun Pharma conducted altogether more than 210 customer satisfaction surveys involving more than 37,000 retail service users, clinical service users and patients. - In 2013, Fosun Pharma's subsidiary Moluodan Pharma made 8 customer visits, conducted 4 satisfaction surveys, and served 33,521 persons with a workforce of 206 people. It is found customers in general identify with the brand of Moluodan and efficacy of the therapeutic services it offers. 	More than 210 customer satisfaction surveys involving more than 37,000 respondents have been conducted

Stakeholder	Communication channels	Stakeholder protection
 Suppliers	<ul style="list-style-type: none"> - Regulated supplier management means and process - Supplier management system - Comprehensive supplier files - Annual supplier feedback system - Field audit 	<ul style="list-style-type: none"> - Fosun Pharma and its pharmaceutical, medical diagnostics, medical devices and pharmaceutical commerce subsidiaries have all established well-rounded supplier management system, select their suppliers through fair price competition or bid invitation and site inspection, and have established the annual supplier quality review system to ensure the quality and safety of drug and other healthcare related products at the source.
 Peer interactions	<ul style="list-style-type: none"> - Corporate cultural exchange - Benchmarking analysis - Peer-to-peer exchange 	<ul style="list-style-type: none"> - Communicate with peers through corporate cultural exchange, visits and benchmarking analysis. - On September 24, 2013, Fosun Pharma hosted the 8th China Pharmaceutical Industry Business Development Forum to promote exchange within the industry and bolster investment and commerce cooperation in the pharmaceutical industry. - Fosun Pharma hosted the first Internet Application in Medical Industry Summit Forum with the aim to grasp the development and directions of the Internet applications in healthcare industry and build close relationships with other outstanding enterprises in the industry.
 Partners Member enterprises	<ul style="list-style-type: none"> - Visit and survey of member enterprises - Internal control and audit - Director and supervisor accountability system - Holding discussions with member enterprises and provide them with training 	<ul style="list-style-type: none"> - We conduct regular exchange with member institutions and offer training to them every year. - We initiate the corporate culture communication program to enhance communication and cultural exchange of new member enterprises.
 Communities Non-governmental organizations	<p>Community service</p> <p>Netspring Social Enterprise</p> <p>Shanghai United Foundation</p>	<ul style="list-style-type: none"> - Fosun Pharma and its member enterprises undertook a variety of community service projects in 2013. For Me Pharmacy, Wanbang Biopharmaceuticals, Golden Elephant Pharmacy, Yueyang Guangji Hospital, and Anhui Jimin Cancer Hospital offered community residents free health counseling and health lectures, established electronic medication records, hosted the "Medicine chest in homes" and the "Clean up the home medicine chest" activities, and offered community lecture series, pharmacist home services, and free blood sugar tests, serving cumulatively more than 70,000 people. - Fosun Pharma and Netspring Social Enterprise embarked on the "Fosun's Love Relay • Recycled Computer Classroom" project on September 18, 2013. Fosun Pharma's employees reassembled and repair computers no longer in use, donated them to students in impoverished areas and built a computer classroom for them. - Under the organization and call of Fosun Pharma's volunteer group, 16 volunteers from Fosun Group and Fosun Pharma participated in the "A Runaway Egg" community charity activity organized by the Shanghai United Foundation on April 20, 2013. Three runaway groups that participated in the activity rose more than RMB 100,000.
 The public	<ul style="list-style-type: none"> - Information disclosure - News conference - Media communication mechanism - Public opinion monitoring 	<ul style="list-style-type: none"> - We fulfill our information disclosure obligation in strict compliance with the regulations governing listed companies, and regularly update our website (Simplified Chinese, English, and Traditional Chinese) to enhance communication with the public and ensure compliance with the information disclosure requirements. - Fosun Pharma's Brand and Public Communication Department sets up a media management post to take charge of media relations management and communication. Fosun Pharma has also opened an official WeChat account to help the public understand better its efforts and achievements in "innovation, internationalization and social responsibility." - We publish FOSUNPHARMA News (monthly), Fosun Pharma Magazine (quarterly), Fosun Pharma Enterprises News Weekly and press briefings to enable the public, media, employees and stakeholders understand better the latest movements and development strategies of the Company. - Fosun Pharma attaches great importance to crisis management. We set up a public opinion monitoring system at the HQ that covers all media to communicate the truth to the public and clarify facts in a timely manner. - We would post announcements on Shanghai Securities News, Securities Times and China Securities News to announce corporate information to the public. We have held 3 press conferences at home and abroad, made 10 corporate event broadcasts, and published more than 1,000 reports (including reprints) in domestic and international press.

Community service served
more than **70,000** people

"A Runaway Egg" community
charity activity raised more
than **100,000** RMB

More than **1,000** reports
were published in the press

Stakeholder	Communication channels	Stakeholder protection
 Government Trade associations	<p>- We participate in policy suggestions and counseling (via reports, proposals, discussions, surveys and face-to-face communication with government agencies)</p>	<p>- In 2013 during the NPC & CPPCC sessions, we made the suggestion of "speeding up the review of generic drugs" to relevant authorities.</p> <p>- In 2013 during the NPC & CPPCC sessions, deputies to National People's Congress representing the enterprises attended the "Voice, Responsibility — NPC & CPPCC Deputies from Pharmaceutical Industry Forum" held by 24 trade associations. Chairman of Moluodan Pharma Chen Zhi-han and Chairman of Jingfukang Lee Shen-ming attended the forum as NPC deputies and made suggestions on bid invitation, protection of Chinese medicinal materials and other matters.</p> <p>- Shanghai Henlius Biotech, Fosun Pharma's monoclonal antibody research entity attended many seminars and forums on biosimilars and symposiums on biosimilar policy, regulations and technical guidance principles, and made presentation on the state legislation on biosimilars to voice the view that China should promulgate regulations on biosimilars as soon as possible.</p>
	<p>Actively respond to and implement government policies</p>	<p>- Based on the onsite survey conducted by Director Yang Wei of Certification Committee for Drugs (CCD) under China Food and Drug Administration, Guilin Pharma, as a representative drug production enterprise, is recognized as a training base for GMP inspectors based on the global fund program requirements and the requirements for the construction of CCD inspection team.</p> <p>- Fosun Pharma, Wanbang Biopharmaceuticals, Moluodan Pharma and Golden Elephant Pharmacy were invited to attend the opinion solicitation meeting on the formulation of Provisions on Procedures for Imposition of Food and Drug Administrative Penalty held by the Department of Legal Affairs of China Food and Drug Administration. The meeting aims to raise the awareness of enterprises and their leaders to relevant pharmaceutical regulations and let them understand better the State's intention of drafting relevant regulations, and enable the government to hear the needs and voices of the private sector and enhance the private sector's sense of participation in the administration and discussion of state affairs.</p>
	<p>Maintain and coordinate public relations</p>	<p>- Fosun Pharma maintains effective communication with the State Food and Drug Administration, Ministry of Health, Ministry of Commerce, National Development and Reform Commission, Ministry of Human Resources and Social Security, Ministry of Industry and Information Technology, Ministry of Science and Technology, China Securities Regulatory Commission, Stock Exchange, Financial Services Office and other government agencies to keep abreast of government policies and offer policy suggestions for the strategic business development. We also file required reports in an accurate and timely manner.</p>
	<p>Assist in government's foreign-aid programs</p>	<p>- Fosun Pharma undertook 10 foreign material aid projects in 2013, which included providing medical supplies of Arsuamoon, Artesun, and Artesun-Plus worth 8,363,919 RMB in value and covered nine countries (Angola, Guinea Bissau, Liberia, Madagascar, Mali, Mauritania, Sierra Leone, Sénégal and Tanzania).</p> <p>- Fosun Pharma undertakes two foreign-aid training projects: Seminar on Malaria Prevention and Control for Asian and African Countries and Seminar on Pharmaceutical Quality Management for Developing Countries. In the 2013 Seminar on Malaria Prevention and Control for Asian and African Countries, 14 trainees from 9 countries attended the class; in the 2013 Seminar on Pharmaceutical Quality Management for Developing Countries, 15 trainees from 10 countries attended the class.</p>
	<p>- Fosun Pharma contributes ideas to the formulation of national policies through trade associations</p>	<p>- Fosun Pharma's Chairman Chen Qiyu attended the China - ASEAN Drug Safety Forum in the capacity of industry representative (he is currently the chairman of China Pharmaceutical Industry Research and Development Association) and gave a keynote speech on "International Development of Chinese Pharmaceutical Enterprises", in which he indicated that the global marketplace determines the internationalization decisions of Chinese enterprises.</p> <p>- The Medicine for Malaria Venture organized the "Conference on Delayed Hemolysis after Treatment with Injectable Artesunate" in Vienna, Austria on March 19, 2013. Representatives of The Economic and Commercial Counselor's Office of the Embassy of the People's Republic of China in the Republic of Austria, China Food and Drug Administration, World Health Organization (WHO), European Medicines Agency (EMA), US Food and Drug Administration, Doctors without Borders (MSF), UNICEF, and Clinton Health Access Initiative (CHAI) attended the conference as observers. Guilin Pharma also attended the meeting. As the world's only injectable artesunate producer that has received WHO-PQ certification, Guilin Pharma introduced in the conference its medication safety alert and research efforts in the post-marketing of Artesun (injectable artesunate) and its planned studies of delayed hemolysis associated with Artesun. Experts attending the conference reached the following conclusion: Artesunate shows significant advantage in the treatment of severe malaria and its clinical value should not be denied because of one adverse reaction of "delayed hemolysis" that the WHO still strongly recommends intravenous or intramuscular artesunate for the treatment of severe malaria and requests the attending experts to accurately relay the conference messages. Currently, countries with high incidence of malaria include injectable artesunate as first line treatment for severe malaria in their national use of drugs policy.</p>

Undertook **10** foreign material aid projects by making donations worth **8,363,919** RMB in value

Undertook **2** foreign aid training programs with trainees from **19** countries and districts

Stakeholder	Communication channels	Stakeholder protection
 Employees	<ul style="list-style-type: none"> - Staff and workers representative congress - Solicitation of employee opinions - Regular department meetings - Online forum - Internal publications (FOSUNPHARMA News) - (Fosun Pharma Enterprises News Weekly) - Consolation of employees in grief - Blood donation - Performance of art groups - On-the-job training - CSR training 	<ul style="list-style-type: none"> - In 2013, Fosun Pharma and its member enterprises held Staff and workers representative congress. - In the Monday morning meetings, the Company gives the participants an update of information surfaced in the past week and conveys latest policies, systems and requirements. - The Company publishes FOSUNPHARMA News every month. The newspaper is for all employees in the Fosun Pharma system to keep them updated with the developments of Fosun Pharma HQ and subsidiaries. - The Company delivers Fosun Pharma Enterprises News Weekly to all employees via email every week to effectively spread information and enhance communication within the Group. - The Company provides all employees with free annual check-up to make sure they stay healthy while doing their jobs. - The trade union of Fosun Pharma Group plays an active role in helping employees in distress solve their problems. In 2013, Fosun Pharma and member enterprises visited 1,051 employees and passed out 321,409.50 RMB in consolation money. Member enterprises that participated in employee visit program included Moluodan Pharmaceutical, Wanbang Biopharmaceuticals, Aohong Pharma, Dongting Pharma, Shine Star, Yaoyou Pharma, Jimin Cancer Hospital and For Me Pharmacy. - The trade union of Fosun Pharma organizes blood drive among employees every year. In 2013, 114 employees of Fosun Pharma and member enterprises donated their blood. - All member enterprises embark on performing art activities and engage in arts and cultural exchange with each other. The trade union invites outstanding art groups from member enterprises to join the artistic performance activity of Fosun Pharma to achieve cultural integration within the Group. - As a show of concern for retired employees, retired employees are invited back to attend the Company's New Year and Chinese New Year gathering activities. - Fosun Pharma embarked on on-the-job drills more than 20 times in 2013 to cultivate employee passion for their jobs, hone their skills, and advance the overall quality of employees. -Members of the CSR report team received CSR training in 2013.
	<ul style="list-style-type: none"> - Systems - Signing of collective agreement 	<ul style="list-style-type: none"> - The trade union of Fosun Pharma and its local unions play an active role in protecting the interests of employees. In 2013, they signed the Fosun Pharma Collective Labor Agreement, Fosun Pharma Collective Bargaining Agreement, Fosun Pharma Collective Agreement on Protecting the Special Interests of Female Employees as well as related employee management systems, and attendance management system to uphold the legal interests of employees.
	<ul style="list-style-type: none"> - Solicitation of employee opinions - Democratic management - Reasonable suggestions 	<ul style="list-style-type: none"> - Fosun Pharma conducted three questionnaire surveys among HQ employees on the issues of new employee orientation, campus recruitment and performance review and passed out altogether 605 questionnaires. -The trade union of Fosun Pharma and its local unions, including the local union at Moluodan Pharma, Jimin Cancer Hospital, Golden Elephant Pharmacy, and Chongqing Pharmaceutical Research Institute, actively participate in addressing issues of particular concern to employees and reasonable suggestions made by employees, and support the Company's administration and management. On the matter of enhancing the quality of cafeteria food, the local union at Chongqing Pharmaceutical Research Institute listened to the suggestions of employees, drafted new cafeteria food management program, and conducted inspection of contractor's food preparation site with Personnel Administration from time to time to stay on top of the matter. - Fosun Pharma and member enterprises encourage employees to reflect to the management and their departments on things they have observed. It is hoped that through the reasonable suggestion activity, employees will take the initiative to care about the development of the company, are willing to voice their opinions, and develop a sense of ownership that their affinity and creativity will benefit the company. For problems concerning company's development discovered in the reasonable suggestion activity, inter-department coordination and collaboration are undertaken to promote communication and seek solutions, thereby enhancing the management level of the company.
	Safety management	<ul style="list-style-type: none"> - The trade union of Fosun Pharma and the local unions of member enterprises play a role in keeping the working environment safe to safeguard the lives and properties of employees.

Trade union visited a total of
1,051 employees in distress
and passed out
321,409.50 RMB in
consolation money

114 employees participated
in blood drive

A total of **605** questionnaires
were passed out in **3** employee
surveys

List of associations Fosun Pharma is involved in

Name of association	Position held	Name of association	Position held
China Pharmaceutical Industry Association	Vice chairman	China Pharmaceutical Newspapers and Periodicals Association	Vice chairman
China Health Insurance Research Association	Director	China Medicinal Biotechnology Association	Vice chairman
China Pharmaceutical Association	Member	China Pharmaceutical Industry Research and Development Association	Vice chairman
China Non-Prescription Medicines Association	Standing director	Chinese Journal of Pharmaceutical Technology Economics and Management (China Pharmaceutical Technology Transfer Organization)	Vice chairman
China Price Association	Director	China Association for Pharmaceuticals and Medical Devices Technology Exchange	Director
China Pharmaceutical Enterprises Association	Vice chairman	Shanghai Bio Industry Association	Chairman and juristic person of the Association
Fudan BioPharmaceutical Alumni Association	Founding member	Shanghai Genetics Society	Director
Shanghai Pharmaceutical Trade Association	Vice chairman	Shanghai Society for Biotechnology	Vice chairman
Shanghai Health Insurance Association	Standing director	Shanghai Society for Microbiology	Personal member
Medical and Pharmaceutical Youth Federation	Personal member	Shanghai Pharmaceutical Trade Association	Vice chairman
China Health Economics Association	Vice chairman	Shanghai Licensed Pharmacist Association	Vice chairman
Board of Directors of Inspection Products Branch of National Association of Health Industry and Enterprise Management Council	Executive vice chairman	Technical Committee for Clinical Laboratory Equipment, China Association of Medical Equipment	Deputy commissioner
National Technical Committee on System of Medical Clinical Test Lab and in Vitro Diagnostic System of Standardization Administration of China	Corporate committee member / standing committee member		

Customer satisfaction surveys conducted by member enterprises

Name of enterprise	Fields	Principal forms of customer service	Number of customer service personnel	Year-round operating hours of customer service system	Number of surveys conducted in 2013	Total number of service recipients
Moluodan	Commercial and retail customers, clinical service customers, patients	Visits, surveys	206	4,240	12	33,521
Guilin Pharmaceutical	Commercial and retail customers, clinical service customers, patients	Phone calls, visits	15	22.5	Not surveyed	No statistics
Hongqi Pharmaceutical	Commercial and retail customers, clinical service customers	-	-	-	2	296
Dongting Pharmaceutical	Commercial and retail customers	Phone calls, visits	10	1,608	63	58
Yaoyou Pharmaceutical	Commercial and retail customers, clinical service customers, patients	Phone call, visits, training sessions	104	3,956	17	400
Fosun Med-Tech	Commercial and retail customers, clinical service customers	Phone calls, visits	28	3,200		
Long March Medical Science	Commercial and retail customers	Toll-free number (800) service instruction, onsite service and training of technical personnel	23	>2,000	40	>2,000
Fosun Biolog	Non-clinical service customers, clinical service customers	Call back, visits, surveys	4	2,100	6	580
Yaneng Bioscience	Agents and healthcare institutions	Communication by phone, door-to-door service	34	2,863	1	504

Communication with customers and consumers

Name of enterprise	Nature of meeting	Number of meeting session	Size of meeting (unit: person-times)	Therapeutic areas involved	Areas covered
Fosun Pharma Group	CPHI Worldwide	1	29,000	Active pharmaceutical ingredients (APIs)	Global
	CPhI, ICSE & BioPh China	1	45,000	Active pharmaceutical ingredients (APIs)	Global
	PHARMCHINA	1	100,000	Pharmaceuticals	Nationwide

Stakeholder Feedback



Media

Lee Xiaobing of China Pharmacy Magazine:

I would like to thank the professional, refined and comprehensive work Yaoyou Pharma did for the seminar on "Canceling the System of Subsidizing Medical Cost with Expensive Drug Prescription and Rationalizing the Compensation Mechanism". I would also like to thank Yaoyou Pharma for its long-term support for China's hospitals in pharmaceutical management work and for our magazine. (National Seminar on "Canceling the System of Subsidizing Medical Cost with Expensive Drug Prescription and Rationalizing the Compensation Mechanism").



Customer

Mr. Liu Hua, Head of Department of Clinical Laboratory, Shanghai Sixth People's Hospital:

The PCR products of Fosun Med-Tech offer stable performance, reliable quality, and timely, effective after-sale service. It provides assurance to the reliability of our hospital's PCR testing service.

Superintendent Geng Jianxiang of Department of Pathology, Nanjing Municipal Hospital Of Traditional Chinese Medicine:

The HPV typing kit of Yaneng Bio offer stable performance, reliable quality, and timely, effective after-sale service. It provides assurance to the reliability of our hospital's cervical cancer testing service. Yaneng Bio has also made positive contribution in its joint effort with the Jiangsu Province HPV Multidisciplinary Team in promoting HPV typing technology in China. The technology has helped increase the detection of precancerous lesions of uterine cervix at our hospital and in Jiangsu area, hence making a significant contribution to the prevention of cervical cancer and other HPV related diseases.



Government

Director Lu Changming of Foreign-Aid Training Liaison Office Academy for International Business Officials (AIBO), MOFCOM:

I developed some strong feeling in this "Seminar on Pharmaceutical Quality Management for Developing Countries" that the healthcare level and sanitation conditions in many developing countries, particularly African countries, are relatively poor and they are faced with serious shortage of doctors and medicines. Take Africa as an example, there is considerable gap between the healthcare level of many developing countries and that of China. By embarking on such a program that allows exchange between the health officials of developing countries and sharing of experience with experts in China, and targets specific topics, we can work together to promote the development of healthcare system in developing countries, which is a meaningful undertaking for those countries.



Patients

Reporter Cui Baosen:

At Wanbang Home for People with Diabetes, the staff not only give you drug intake instruction, they really care about every patient. Having such devoted staff is rare for businesses.

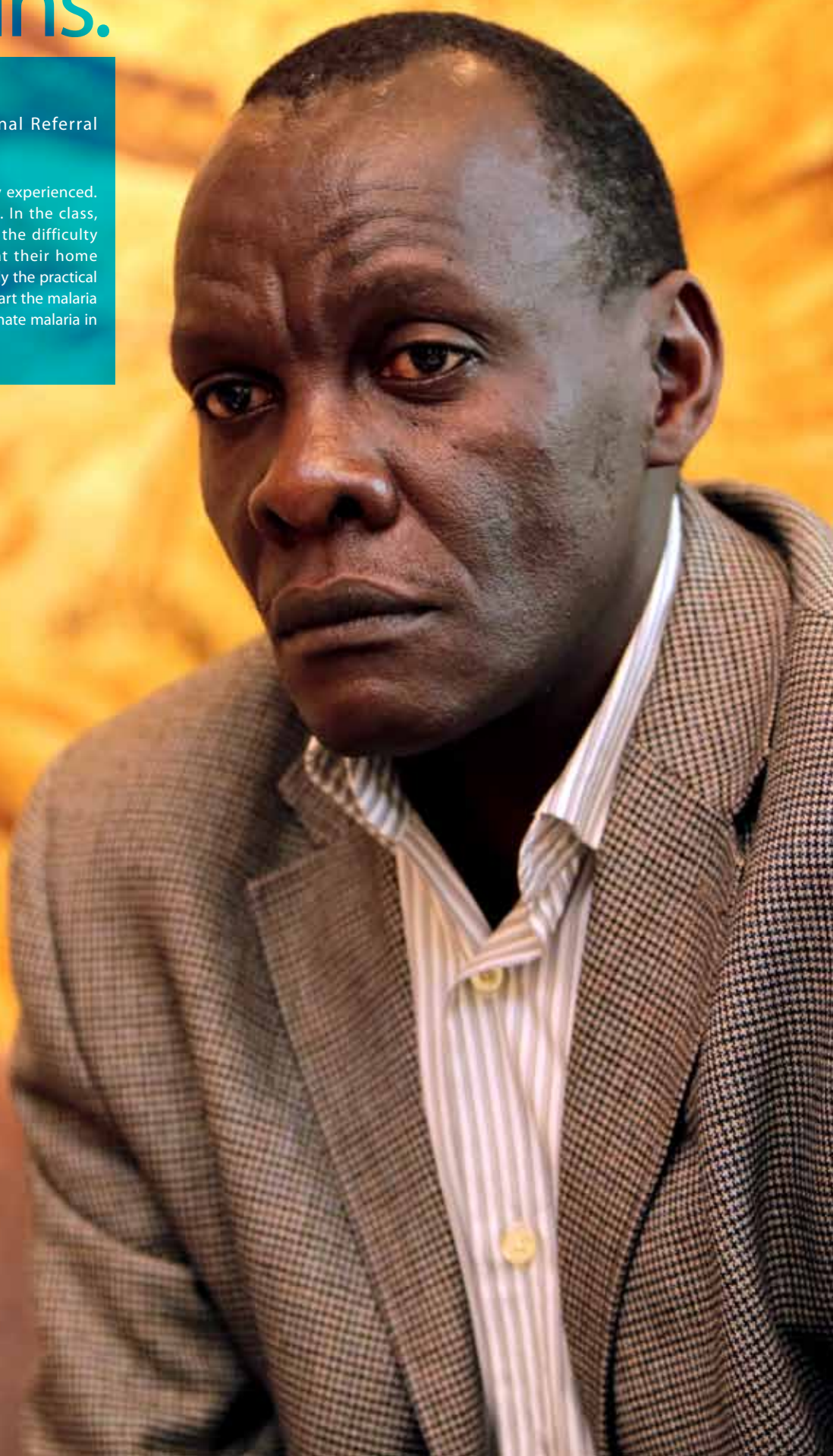
Retired worker Ma Pingdi:

I have several kids, but none of them are nearby. When I get ill, only my wife can take care of me. I need insulin shots and have not been able to control my blood sugar level, which fluctuates widely. At Wanbang Home for People with Diabetes, I receive the warmth and compassion that I miss elsewhere. A modification of my original insulin injection method coupled with the right diet and exercise gives me back my health and let me feel that somebody really cares about me. I feel that the staff is closer to me than my own children.

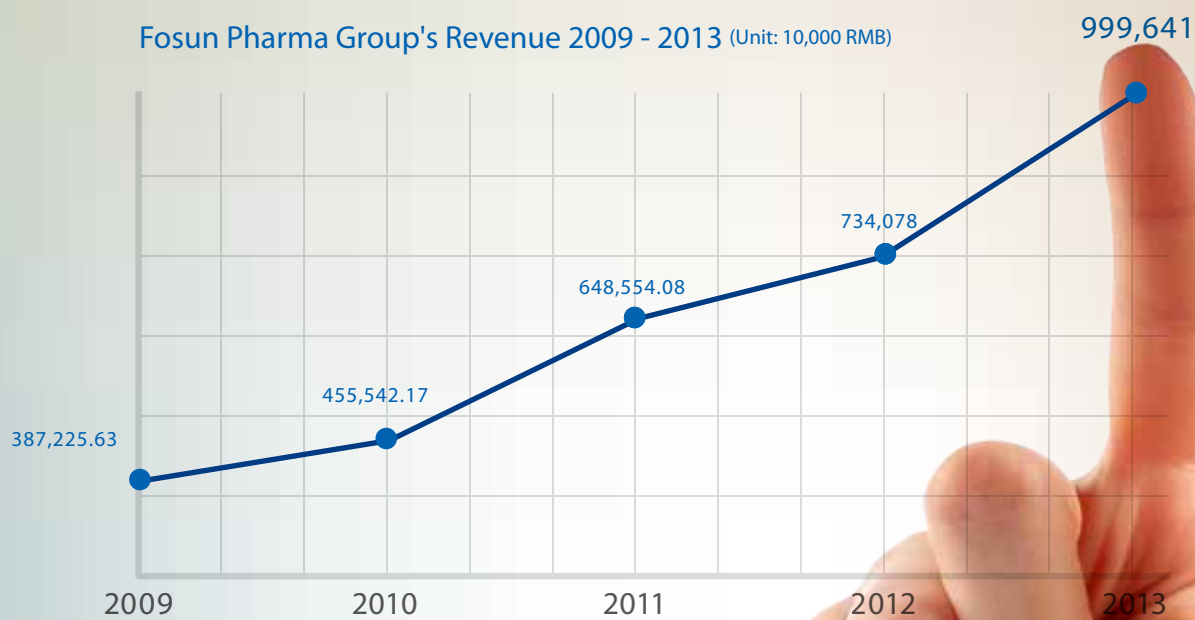
Our Gains.

Dr. Michael Osinde
Medical Director of Jinja Regional Referral
Hospital in Uganda

The instructors at the seminar are very experienced. They give the work I do a lot of help. In the class, students can also raise questions on the difficulty they encounter in fighting malaria at their home countries.. After I go back, I hope to apply the practical experiences I have learned in China to start the malaria prevention program and gradually eliminate malaria in Uganda.



Fosun Pharma Group's Revenue 2009 - 2013 (Unit: 10,000 RMB)



Economics

Holding onto the belief of "innovation for good health", Fosun Pharma Group invests heavily in drug R&D to build an innovative R&D system, integrates viable resources, and has achieved outstanding performance in pharmaceutical manufacturing, pharmaceutical commerce, healthcare services, medical devices and medical diagnostics.

Fosun Pharma Group reported consolidated revenue of 9,996,410,000 RMB in 2013, an increase of 36.18% as compared to 2012. Operating income from manufacturing and R&D businesses totaled 6,584,270,000 RMB in 2013, an increase of 40.75% from 2012. In 2013, the Group posted consolidated operating profit of 2,818,830,000 RMB, total profit of 2,906,270,000 RMB, net profit of 2,027,060,000 RMB to be distributed to shareholders of the listed company, and net profit of 1,025,870,000 RMB less non-recurring loss to be distributed to shareholders of the listed company, up 38.45%, 36.89%, 29.61%, and 19.11% respectively as compared to 2012.

Business Performance

In 2013, the Company was able to overcome challenges brought about by a relative slowdown in global economic growth, unfavorable international economic environment, and continuously rising costs of materials and labor. Guided by the mission of "promoting health and wellbeing of mankind" and holding onto the belief of "innovation for good health", the Company vigorously developed its pharmaceutical business, embarked on product innovation and management enhancement, and vigorously implemented the strategic approach of "organic growth coupled with outward expansion and integration" to achieve rapid growth of core businesses.

Product Innovation

Innovative R&D system

Fosun Pharma continues to improve its pharmaceutical R&D system that employs the "generic + new drug" strategy with focuses on innovative drugs, first generic drugs, and differentiated branded generics. The Company also continues to expand its "4+1" R&D platform, push forward the construction of innovative systems, boost R&D capabilities, introduce new products on the market, while endeavoring to enhance its core competence. The Company owns a national-level enterprise technology center and maintains a highly capable international R&D team with operations in Shanghai, Chongqing, and San Francisco.

The Company's R&D activities focus on developing drugs to treat metabolism and digestive tract, cardiovascular, central nervous system, tumor and immune disorder, and infectious diseases. The Company also continues to strengthen and improve the setup of innovative pilot enterprises advocated by the Ministry of Science and Technology and integrate domestic

Consolidated revenue

9,996,410,000 RMB

Consolidated operating profit

2,818,830,000 RMB

resources. For example, we organized "Fosun Pharma Strategic Alliance of Technology Innovation" with a number of prestigious scientific research institutes in China, which is now one of the major "national industry-academia research alliances" focusing on new drug technology. We have also constructed an innovative R&D model in collaboration with Shanghai Institute of Materia Medica under the Chinese Academy of Sciences and together developed 3 target-based anti-cancer drugs. Teaming up with Shanghai Jiao Tong University, we jointly developed the technology of artemisinin synthesis from arteannuic acid.

In September 2013, Fosun Pharma established a new drug incubation base - Ruije Pharma, which sets a solid foundation for our ongoing efforts to make inroads into mainstream markets. In October 2013, Chongqing Fochon Pharma, a small molecule drug R&D platform under Fosun Pharma embarked on new drug R&D collaboration with SELLAS Clinicals Holding AG and transferred the development, sales and other rights relating to its independently developed two drugs to SELLAS. This transaction marks the first time Fosun Pharma out-licenses its R&D results to an overseas company and boosts the Company's confidence in its independent R&D capability.

In 2013, the Company again garnered the honor of being named "Most Innovative Pharmaceutical Enterprise in China."

R&D investment

Fosun Pharma Group carried on the R&D of biosimilars and new drugs in 2013 by investing 438 million RMB in R&D works, an increase of 43% from the year before. The R&D spending in pharmaceutical manufacturing and R&D totaled 359 million RMB, accounting for 5.46% of related business income.

R&D progress

The Company has turned in impressive results in R&D. The Company has 119 new drug and vaccine projects in progress. In 2013, the Company was granted production approval for 4 products, 1 new drug certificate, 9 drug production licenses, and approval for 10 new drug clinical trials. The Company also has 8 clinical trial projects underway.

In 2013, the Company's new gout medication Febuxostat Tablets received CFDA approval to market; our diabetes drug, recombinant lispro insulin, and its injection have received clinical trial approval from CFDA, signifying that our third-generation insulin product, lispro insulin, formally enters the phase of clinical study. Our Chemical Drug Category 2 rasagiline transdermal patch for the treatment of Parkinson's disease has also received approval for clinical trial. Our new Injectable Artesunate pack has also passed the WHO pre-qualification in February 2013.

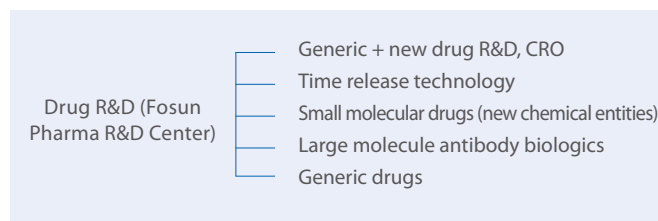
In the aspect of R&D and innovation, a new innovative drug, Fotaglitin benzoate developed by the Group has obtained clinical trial approval from CFDA. The Group has also completed the establishment and selection of high-expression cell lines for 5 monoclonal antibodies and applied to CFDA for clinical trial approval for four of the five monoclonal antibody products (for 5 indications).

Patents and results

On November 27, 2013, Fosun Pharma was recognized by the State Intellectual Property Office of the P.R.C. as the first batch of national-level companies with IPR advantages. In 2013, Fosun Pharma's pharmaceutical manufacturing and R&D businesses submitted 72 patent applications, including 59 applications for invention patents (in China, PCT and foreign countries), and received 32 patents, including 27 invention patents. Our drug Fotaglitin benzoate has received the notice of allowance from the U.S. Patent & Trademark Office and the State Intellectual Property Office of the P.R.C.

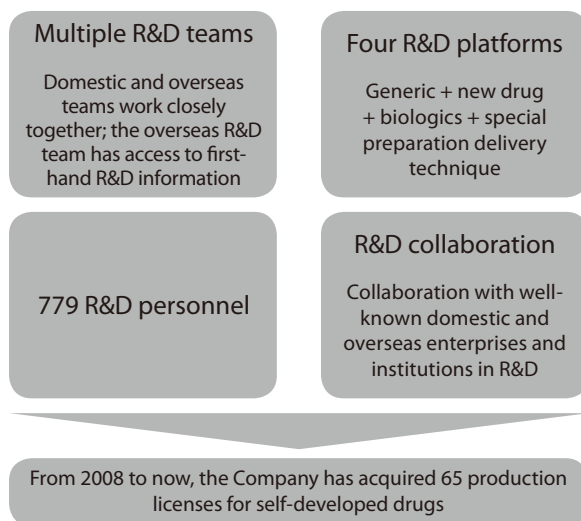


R&D Establishments and Platforms

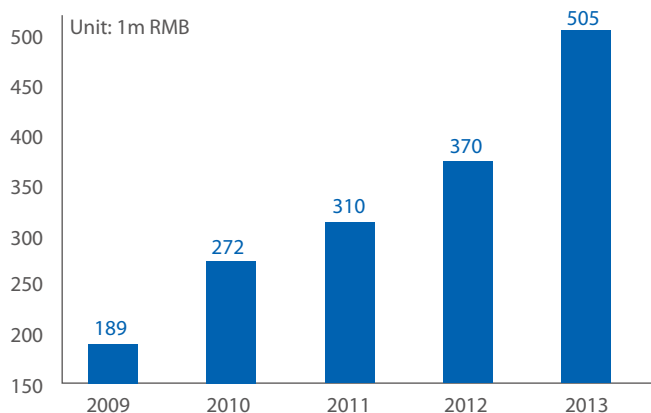


Capable of undertaking all development tasks, from upstream to downstream, from pre-clinical research to clinical trial.

R&D Performance and Success



2013 R&D Spending



R&D spending in 2013 totaled 505 million RMB (including capital expenditure), a year-over-year increase of 36%.


Therapeutic Areas and Major Products

Therapeutic areas	Product	INN/Indications
Metabolism and digestive tract	Atomolan	Reduced Glutathione Tablets, used for protective treatment of chronic hepatitis B.
	Wan Su Lin	Protamine Zinc Insulin Injection, used for treatment of type II diabetes.
	Wan Su Ping	Glimepiride Tablets, used for the treatment of type II diabetes.
	Moluodan	Relieve stomach problem, including chronic atrophic gastritis, gastralgia, etc.
Cardiovascular	Xin Xian An	Meglumine Adenosine Cyclophosphate Injection, used to treat coronary heart disease, cardiac failure, cardiac arrhythmia, and sick sinus syndrome.
	Ke Yuan	Calcium Dobesilate Capsules, used for the prevention and treatment of diabetic retinopathy.
	Su Ke Nuo	Low-molecular-weight Heparin Sodium for Injection, used to prevent extracorporeal circulation of blood dialysis, and the formation of deep vein thrombosis.
Blood circulation system	Bang Ting	Hemo-coagulase for Injection, used to reduce or stop bleeding.
	Yi Bao EPO	Recombinant Human Erythropoietin for Injection, used for treating anemia caused by renal insufficiency and applicable to dialysis patients and non-dialysis patients.
Central nervous system	Ao De Jin	Deproteinised Calf Blood Injection, used to improve cerebral blood circulation and correct nerve function defect caused by nutrition disturbance (ischemic injury and craniocerebral trauma).
	Qiwei	Quetiapine Fumarate Tablets, used to treat the negative and positive symptoms of schizophrenia.
Anti-infection	ARTESUN-PLUS, ARTESUN	Artesunate Preparation series, the top drug of choice recommended by the World Health Organization (Guidelines for the Treatment of Malaria) for the treatment of severe malaria among adults and children.
	Xi Chang	Cefmetazole Sodium for Injection, used to treat infections caused by a number of microorganisms.
	Natrii Kalii	Potassium Sodium Dehydroandroan drographolide Succinate for Injection, indicated for the treatment of viral pneumonia and viral upper respiratory tract infection.
	Yi Nuo Ni Kang	Ethambutol Hydrochloride, Pyrazinamide, Rifampicin and Isoniazid Tablets II, used for two-month short-term intensive tuberculosis treatment and must be taken every day.
Anti-cancer	Rifampicin	Indicated in the treatment of tuberculosis and enterococcus infection.
	Eluzer	Pemetrexed Disodium for Injection, Used to treat non-small cell lung cancer and malignant pleural mesothelioma.

Pharmaceutical Manufacturing

In 2013, the pharmaceutical manufacturing and R&D businesses of Fosun Pharma Group reported rapid growth with operating income of 6,584,270,000 RMB, an increase of 40.75% from 2012. Total profit generated from these segments of business was 1,201,030,000 RMB, up 73.13% from 2012.

Pharmaceutical business is the core business of Fosun Pharma. In 2013, our pharmaceutical business maintained solid growth. After many years of M&A, integration, R&D, and marketing, Fosun Pharma's products are leaders in five markets and the sales of the Company's core products experienced rapid growth in the year. For example, the sales of core products for the treatment of cardiovascular diseases grew 31.05% in 2013 on a year-over-year basis; that of core products for treatment of central nervous system disorders grew 89.94%; that of core products for the treatment of blood system diseases grew 37.79%; that of core products for the treatment of metabolic and digestive tract diseases grew 15.64%; and that of core products for the treatment of infectious diseases grew 47.04%. According to the statistics of IMS, Fosun Pharma now ranks in the top five domestic pharmaceutical companies in China. Currently Fosun Pharma Group has 15 products with annual sales exceeding 100 million RMB a year. Youdier, Artesunate series, and Moluodan posted sales over 100 million RMB the first time in 2013, while the annual sales of Ao De Jin and Atomolan passed over the mark of 500 million RMB. In 2013, the Group provided the public with 380 million units of sterile preparations and 8.8 billion tablets/capsules of oral preparations. Fosun Pharma has also become a leader in the global market for anti-malaria drugs.

 Operating income from pharmaceutical manufacturing and R&D segments

6,584,270,000 RMB

Segment profit

1,201,030,000 RMB



Operating
income from drug
distribution and retail

1,506,390,000 RMB



Number of retail stores

> 650




Operating income of
healthcare services

475,010,000 RMB



No. of beds

2,090



Operating income of
medical devices and medical
diagnostics manufacturing

1,088,150,000 RMB

Drug Distribution and Retail

In 2013, the Group's drug distribution and retail businesses reported operating income of 1,506,390,000 RMB. Fosun Pharma is the second largest shareholder of Sinopharm, China's largest pharmaceutical distributor. The Company also operates leading local pharmacy chains, including For Me Pharmacy and Golden Elephant Pharmacy, which, from their bases in Shanghai and Beijing, are developing into a nationwide retail network. As of end of 2013, chain drug retailers under the Company - For Me Pharmacy and Golden Elephant Pharmacy have more than 650 outlets, keeping the leading brand status in their respective regional markets and holding significant market share in the drug retail markets in Shanghai and Beijing areas.

Fosun Pharma continued to strengthen the growth strategy of "For Me in the south and Golden Elephant in the north" in 2013. At the same time, the Group actively explored the transformation of drug retail business by seeking innovation and trying new business models to bring about the successful transformation of pharmacy business.

Medical Service

Along with China's economic development, the demands for high-quality healthcare services grow, bringing tremendous opportunities to the development of high-end, specialty and general healthcare service markets. In 2013, Fosun Pharma Group vigorously bolstered the management capabilities of healthcare service subsidiaries, stepped up the training and recruitment of medical personnel, while actively expanding the regional service markets. The Group-invested healthcare service providers reported total operating income of 475,010,000 RMB, an increase of 196.97% from 2012. The Group's strategic deployment of a healthcare service network providing high-end medical service in developed coastal cities and combining specialty and general hospital services in second and third tiered cities has taken shape.

The Company also continues to support the development and deployment of "United Family Healthcare" network to create a leading brand in high-end medical service market in China. "United Family Healthcare" has been developed into the largest high-end medical service network with highest brand name recognition and the highest degree of internationalization, and the top choice for local and foreign high-end consumers in China. Jimin Cancer Hospital is the first cancer specialty hospital in Anhui Province; Yueyang Guangji Hospital, and Suqian Zhongwu Hospital are grade 2 general hospitals with considerable brand recognition in their respective region.

In 2013, Fosun Pharma acquired Chancheng Hospital, a 3A Class hospital, and NanYang Tumor Hospital, a cancer hospital that adopts Chinese and Western medicines combined approach to cancer treatment to push further the development of healthcare services. Currently Jimin Cancer Hospital, Guangji Hospital, Zhongwu Hospital, and Chancheng Hospital under the Group offer in total 2,090 beds.

Medical Devices and Medical Diagnostics

The Company drove forward the development of its medical devices and medical diagnostics businesses in 2013 through M&A and collaboration. The medical devices and medical diagnostics businesses of Fosun Pharma Group reported operating income of 1,088,150,000 RMB in 2013, up 85.67% from 2012. In 2013, Fosun Pharma acquired Alma Lasers, a world leading medical aesthetic equipment manufacturer and continued to maintain its world market leader status. This transaction marks an important milestone for Fosun Pharma in the strategy of growing its global business. It also strengthens further Fosun Pharma's medical devices business in the aspects of innovation, internationalization and competitive advantage. In the field of medical diagnostics, the Group has invested in Saladax Biomedical, Inc. in the USA that specializes in personalized medicine and drug dosing and OXFD, an in-situ tuberculosis diagnostic product and service provider to further enrich its diagnostics product lines and expand its presence in the international markets.

Merger & Acquisition Creates Value

While promoting the development of member enterprises, Fosun Pharma steps up the pace of integration and M&A. In 2013, Fosun Pharma acquired Alma Lasers in Israel and Chancheng Hospital in Foshan, Guangdong Province.

At the same time, leveraging the resources and control systems of Fosun Pharma, the Company consolidates the operations and management of subsidiaries to achieve positive synergy, shares resources within the Group, carries out risk controls, amalgamates organizational culture, and accumulates the forces of development.

New Partners of Fosun Pharma 2013

Alma Lasers

Fosun Pharma and Pramerica-Fosun China Opportunity Fund jointly acquire up to 95.16% stake in Israel-based Alma Lasers Ltd. ("Alma Lasers") in May 2013.

Founded in 1999, Alma Lasers is an internationally well-known manufacturer of laser, light-based, radio frequency and ultrasound products with an integrated product portfolio. Alma Lasers has had an outstanding performance over the past decade and become a global leading brand in the market segments while enjoying rapid growth.

Beijing Blue Satellite Communication Technology Co., Ltd.

Shanghai Fosun Pingyao Investment Management Company Limited, a wholly-owned subsidiary of Fosun Pharma invested in Beijing Blue Satellite Communication Technology Co., Ltd. ("Blue Satellite") in August 2013 to become its shareholder.

Blue Satellite is a leading enterprise in remote health care services and offers a series of remote healthcare software and hardware products. With ten years of experience in the construction and operation of remote healthcare systems, the company has successfully built a military telemedicine information network and the remote healthcare service system in Shuozhou City, Shanxi Province, Anhui Province, Hebei Province and Hainan Province. The network now has close to 500 registered hospitals and offers the service of more than 4,000 specialists. Blue Satellite is not only a remote healthcare system construction service provider but also an operator of remote healthcare service platform.

Guangzhou Nanyang Tumor Hospital

Fosun Pharma made an investment in Guangzhou Nanyang Tumor Hospital in September 2013.

The hospital is a specialty hospital that combines Chinese and Western medicines in tumor treatment. Under the guidance of well-known oncologist academician Sun Yan, China Cancer Research Foundation established Beijing Nanyang Tumor Hospital in 1978. For the convenience of patients from Southeast Asia who were attracted by the hospital's reputation, Guangzhou Nanyang Tumor Hospital was established in 1993 with the participation of foreign investors and has since recruited many outstanding domestic and foreign experts and doctors. Under the leadership of Prof. Luo Peng-fei, the hospital established the Luo Pengfei Minimally Invasive Treatment Center, which put the hospital in the rank of world-class hospitals known for minimally invasive surgery.

Foshan Chancheng Central Hospital

Shanghai Yicheng Hospital Investment Management, a subsidiary of Fosun Pharma signed an investment agreement with Foshan Chancheng Central Hospital ("Chancheng Hospital") in October 2013 to acquire 60% stake in the hospital.

Chancheng Hospital is a Class 3A hospital in Foshan, Guangdong commanding significant influence in Pearl River Delta. The hospital serves more than two million outpatients every year and enjoys significant market share in the region with its high quality services and workforce. Led by Director Xie Da-jie, the hospital offers an energetic, experienced team of specialists composed of more than 100 doctors with senior title. Director Xie is a well-known minimally invasive spinal surgery specialist in China and a representative of the 12th Guangdong Provincial People's Congress. He specializes in minimally invasive inter-vertebral disc surgery and the treatment of chronic problems of neck and shoulder, lumbocrural pain and joint problems caused by cervical spondylosis, lumbar disc herniation, spinal instability, and spinal canal stenosis.

Shanghai Fugao Computer Technology Co., Ltd.

In June 2013, Shanghai Fosun Pingyao Investment Management Company Limited ("Fosun Pingyao"), a wholly-owned subsidiary of Fosun Pharma entered a strategic cooperation agreement with Shanghai Fugao Computer Technology Co., Ltd. ("Shanghai Fugao"), acquiring 10% stake of Shanghai Fugao.

Shanghai Fugao is one of the pioneer healthcare IT solution providers dedicated to providing health care related software products and technical services. The company has received the qualifications of high and new technology enterprise, double soft certification, and system integration (class 3), and has been CMMI3 and ISO9001 certified. It owns nearly 100 proprietary intellectual properties (including patents) and its solutions cover smart hospital information platform, community health information platform, public health information platform and regional health information platform and offer novel products, including hospital information platform, clinical data center, clinical management system, remote healthcare, mobile healthcare, healthcare B1 system, and newborn screening. Its integrated electronic health record project has won the support of state and Shanghai innovation funds.

Paid dividends every year for

14 years since listing

The Group's tax payments

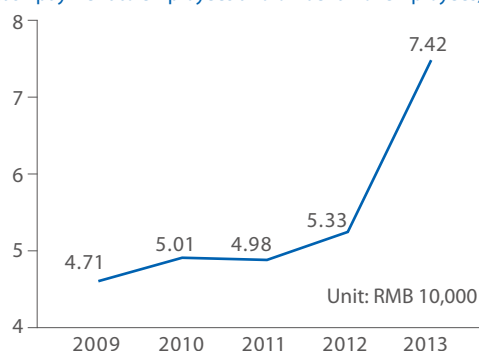
1,051 million RMB

The Group's cash payment to employees and on behalf of employees

1,245 million RMB

Average employee salary within the Group 2007 - 2013

(Cash payment to employees and on behalf of employees)



The Group's personnel costs

Year	Total payroll	Insurance expenses (10,000 RMB)		Benefit expenses (10,000 RMB)			Training expenses (10,000 RMB)	Recruitment expenses (10,000 RMB)	* Other expenses (10,000 RMB)	Total expenses (10,000 RMB)
		Social insurance	Provident fund	Business insurance	Allowances (transportation, meals, telecom expenses)	Others				
2011	57,684	11,338	2,955	215	3,024	893	762	134	5,851	81,677
2012	75,159	14,124	3,218	154	3,598	1,186	813	112	4,680	103,044
2013	106,260	17,225	3,967	183	4,736	1,416	931	244	6,175	141,138

Note*: The "Other expenses" in 2011 includes partial additional training and recruitment expenses; the "Other expenses" in 2012 made adjustment of those expenses.

Return to Shareholders

Guided by the principles of honesty and integrity, Fosun Pharma is dedicated to create value for its shareholders. The Company's social image and intrinsic investment value have been widely recognized by investors since it becomes listed on the market. While striving to create value, Fosun Pharma also works hard to pay back to its shareholders.

As of year-end 2013, the Company's shareholders' equity has increased 2893.18% from 1998 when it was first listed, and the Company has paid dividends 14 years consecutively since listing. The Company received the Outstanding Board of Directors Award in the 9th Golden Roundtable Award and was named in the Top Ten Listed Pharmaceutical Companies with Highest Investment Value.

Tax Compliance

Fosun Pharma is proud of its tax records. In 2013, Fosun Pharma Group paid 1,051 million RMB in taxes to the government. The Group's growing tax payments also reflect its improving business performance brought about by continuous efforts to optimize management.

Pay and Employee Benefits

Fosun Pharma appeals to its employees by offering them career development opportunities. The Company conducts market pay rate survey every year and gradually perfects its pay and benefit systems, which are adjusted in a timely manner based on individual employee's position and duties, and business performance. All workers of the Group receive pay higher than the local minimum wage. In 2013, the Group's cash payment to employees and on behalf of employees totaled 1,245 million RMB, an increase of 62.67% from 2012.

Fosun Pharma conducts human resources audit of 4 to 5 member enterprises every year to carry out full-scale evaluation of their human resources compliance, system effectiveness and system integrity. The Company also offers them improvement recommendations and helps them enhance human resources management knowhow and systems.

Hope.

Roseline Orlunwoh Dulu-Appah
Project manager of Malaria Prevention Center of
Cross-River State, Nigeria

This was my first time attending the Seminar on Malaria Prevention and Control for Asian and African Countries. The incidence of malaria in Nigeria is very high. According to statistics, the nationwide incidence rate in 2011 was 60%. For my country, the biggest challenge in malaria prevention is the shortage of funding for the purchase of medications, medical supplies, and healthcare personnel training.





Product and Service Quality

Quality and safety are the carved-in-stone unchanged goals of our company. From the research and development of new drugs to the procurement of raw materials and the manufacturing to the distribution of drugs and medical products, FOSUNPHARMA has been constantly improving its technology and production and workmanship procedures, extending the life cycle of drugs, and reducing the cost to provide people with safer, more convenient, and more effective products and services, making health care products and services as universal as possible.

Supply of quality medicinal products

Quality and safety are the carved-in-stone unchanged goals of our company. From the research and development of new drugs to the procurement of raw materials and the manufacturing to the distribution of drugs and medical products, FOSUNPHARMA has been constantly improving its technology and production and workmanship procedures, extending the life cycle of drugs, and reducing the cost to provide people with safer, more convenient, and more effective products and services, making health care products and services as universal as possible.

Research and development and drug manufacturing enterprises under FOSUNPHARMA are located in ten provinces, autonomous regions, and municipalities throughout China. They produce biological preparations, Chinese herbal medicine, chemical drug substances and preparations, vaccines, antibiotics, biochemical drugs, etc. The produced medicinal products cover most of the categories and dosage forms indicated in the Chinese Pharmacopoeia and therapeutic fields namely cardiovascular, central nervous, and hematological systems, metabolism and digestive tract, and anti-infection. The Fosun Pharmaceutical Group supplied around 380 million units of sterile preparations and around 8.8 billion tablets/pills of oral preparations to society in 2013. All are outstanding drugs.

The four enterprises under the Diagnostic Business Group of FOSUNPHARMA, namely Long March Medical Science, Fosun Med-Tech, Biofosun Biotech, and Yaneng Bioscience, are production-oriented enterprises. They produce primarily in-vitro diagnostic reagents and instruments, particularly the research and development, production, and distribution of biochemical diagnostic reagents, nucleic acid diagnostic reagents, microbial diagnostic reagents, nucleic acid chip diagnostic reagents, and diagnostic instruments.



Preparation
Approximately

380 million units



Oral preparation
Approximately

8.8 billion tables/pills

Construction of drug manufacturing quality systems

In 2013, FOSUNPHARMA continued to focus on the construction of quality systems to be introduced to individual pharmaceutical enterprises in order to comply with the latest GMP requirements. Under the operation and management platform of the Group are GMP pre-testing, quality audit and flight check that are available to urge pharmaceutical enterprises to establish quality systems meeting the latest GMP requirements.

The Operation Management Department of the FOSUNPHARMA continued to exercise strict quality risk control over subordinate drug producing enterprises in 2013. Throughout the year inspectors with professional attainments adopted measures such as quality audit, flight check, and GMP certification as part of quality risk control and management in order to locate insufficiency in corporate quality management in a timely manner and produce an objective and realistic inspection report that demands the enterprise in question to provide feedback on the overall improvements applying CAPA within a month. The Operation Management Department repeatedly followed up on site for secondary review, inspections, and improvements. This contributed to a constantly improving professional management level at each of the enterprises and helped promote production hardware and software standards for the drugs in order to guarantee drug quality and meet patient's demand to a maximum extent possible.

In the construction of drug manufacturing quality systems, the Operation Management Department has combined the requirements of the latest domestic GMP and international cGMP requirements. It has comprehensively implemented the idea of quality risk management throughout the Group.

Case: The new product of Wanbang Biopharmaceuticals' Yiulitong® is a better option for patients with hyperuricemia

In June 2013, the new product of Wanbang Biopharmaceuticals Yiulitong® (Febuxostat Tablets) was approved by the China Food and Drug Administration for marketing. Febuxostat demonstrated defined efficacy in treating hyperuricemia. Dosage adjustment is not required for use in patients with mild to moderate renal insufficiency. It does not cause hypersensitivity as is associated with purines that belong to the same category. In addition, its price is only half that of equivalent drugs imported from Europe and America. The marketing of Yiulitong offers a better option for patients with a history of gout and stones and hyperuricemia with complications such as concomitant diabetes, hypertension, and coronary heart disease.

Comparison of the prices of febuxostat tablets of the same dosage form under other US brands and Yiulitong®

Dosage form	Average price in the US (Brand: Uloric)	Average price in China (Brand: Yiulitong®)
80 mg tablet	50 dollars/tablet	28 dollars/tablet



New sterile preparations production lines

19



127 batches inspected

Quality system qualification rate

100%

We focus on the construction of annual quality review, change management, deviation management, OOS investigation, and supplier audit systems, comprehensive improvements in the subordinate enterprise awareness of quality and software standards. While constantly enhancing the systems, FOSUNPHARMA also encourages its enterprises to prioritize advanced equipment and workmanship in the manufacturing of drugs, emphasize workmanship authentication, and strictly abide by applicable requirements in the nation and international standards in change management so as to ensure that quality of drugs meets registration requirements.

In 2013 FOSUNPHARMA performed a total of 19 field technical support events such as GMP pretesting and quality audits, embarked on two specific quality inspections, namely the visible foreign substance spontaneous visual inspection of small injections and the corporate adverse reaction monitoring. All enterprises at a high risk of quality concerns were included in the inspections.

In 2013, subordinate pharmaceutical enterprises under FOSUNPHARMA were audited or inspected on site by government drug surveillance departments 65 times in total. All of them successfully passed the audits or inspections, proving that our corporate quality systems are meeting existing regulatory requirements. Throughout the year all enterprises were sampled 492 times in total by the government and no non-conformity was reported. In the Phase 4 national product quality announcement released in 2013, drugs of FOSUNPHARMA were inspected a total of 127 times. It turned out that they were 100% qualified.

To meet the requirements of the latest GMP issued by the CFDA and international GMP, FOSUNPHARMA has improved its software and systems and increased investment in hardware. It spent more than one billion dollars building 19 production lines for sterile preparations and introducing international quality-standard facilities and equipment to ensure quality of products from the bottom up.

Management of diagnostic reagents

Enterprises under the Medical Diagnostics Division of FOSUNPHARMA continue to reinforce internal management, regulate production behavior, and guarantee the safety and effectiveness of their products. They have established corresponding quality management systems with proper documentation and records established in accordance with the Medical Instruments Supervision and Management Regulations, the Enforcement Rules for the Production of In-vitro Diagnostic Reagents, and the Management Regulations Governing the Registration of In-vitro Diagnostic Reagents. The quality management systems were steadily, constantly, and effectively enforced in respective enterprises.

In 2013, respective medical diagnostics enterprises followed system requirements by performing spontaneous inspections or internal reviews and found through internal reviews non-conformities within their quality management systems. They approved corrective and preventive measures to further enhance the compliance and effectiveness of respective quality management systems. Enterprises conduct management ratings and produce management rating reports on a yearly basis.

The procurement data of major materials used in respective medical diagnostics producing enterprises are traceable. The qualification certificate of the supplier, procurement contract, or technical processing agreements, procurement invoices, product quality certificates provided by the supplier, incoming goods inspection (acceptance) reports, or sample production and test reports are kept as required for procurement control documents. The source and traceability of standard products purchased externally and quality control products are able to be proven.

Information such as the name, lot number, effective period, and inspection status of all materials is clearly specified. The accounts are kept clearly and specifically to ensure consistency among the account, the certificate, and the materials. Inflammable, combustible,

Distribution of production lines newly built in 2013

Enterprise	Produced dosage form	Number of new production lines	Investment size (\$10,000)
Wanbang Biopharmaceuticals	Lyophilized powder for injection, small volume injection	4	24,900
Chemo Wanbang Biopharma	Lyophilized powder for injection (containing anti-tumor ingredients)	3	32,000
Zhaohui Pharmaceutical	Small volume injection	3	4,370
Guilin Pharmaceutical	Small volume injection, Penicillin powder for injection	3	11,600
Jinzhou Aohong	Lyophilized powder for injection, small volume injection	2	13,700
Dongting Pharmaceutical	Small volume injection	2	9,800
Aleph Biomedical	Vaccine	2	4,400

In addition, Yaoyou Pharmaceutical upgraded and improved multiple existing sterile production lines.

toxic, hazardous, polluting or contagious, bioactive, or biological materials are stored in compliance with applicable national requirements in dedicated zones and are clearly labeled. There are people in charge of keeping and dispatching the materials.

Respective medical diagnostics producing enterprises engage themselves in production applying nationally approved workmanship. The processes and procedures, workmanship documents, and standard operating procedures are in place to facilitate production. Key or special processes are defined. The quality control points are specified. There are complete production records for each batch of products. Management systems for the compilation, verification, ratification, and alteration of control documents for different levels of production were established to fulfill the requirements indicated in the registration management regulations. Each of the producing enterprises has established their own lot number management system to keep the production process traceable, govern the level, scope, and means of traceability for the materials and products, manage the lot numbers of major materials, intermediate products, and finished products, and keep and provide traceable records.

To ensure the safety and effectiveness of products and continuous effective operations of quality management systems, all of the medical diagnostics producing enterprises under FOSUNPHARMA have their own quality department to take charge of the following quality responsibilities: sampling, reserving samples, keeping samples, evaluating material storage conditions, evaluating material quality and stability, monitoring and inspecting the clean room, controlling the inspection environment, signing off or refusing to sign off test reports, establishing the effective period for finished products, evaluating and releasing qualified products, rating and processing non-compliant products, and assisting in evaluating the eligibility of suppliers and other matters relating product quality, establishing applicable operating procedures to ensure fulfillment of quality responsibilities, and summarizing, tallying, and analyzing quality test data and quality control trends.

In light of the safety and effectiveness requirements for their products, respective medical diagnostics producing enterprises verify their control methods for the main features, production environment, facilities and equipment, primary and auxiliary materials, procurement, workmanship, testing, and quality of their products. They are able to provide corresponding verification data. They provide research and development and verification records for the products they have spontaneously developed, designed, and produced.

Medicinal product safety mechanism

FOSUNPHARMA values quality risk management throughout the life cycle of its products and has strict quality and safety mechanisms in place in terms of product research and development, technical transfer, production and manufacturing, marketing and distribution, and so on to ensure the safety of medicinal products and medical products during research and development, production, distribution, delisting, and recall.

The company cares about medication safety for patients and values the monitoring and reporting of adverse drug reactions as well. In 2013, FOSUNPHARMA continued to strictly implement the "Adverse Drug Reaction Reporting and Monitoring Management System" and asked each of its enterprises to report adverse reactions as soon as they become aware of the adverse reactions. Individual enterprises enforce "zero-reporting" management in terms of adverse reactions as required by the adverse reaction monitoring articles of FOSUNPHARMA. That is, even if there are no relevant adverse reactions, respective drug producing enterprises should submit the adverse reaction information sheet in the beginning of every month. For new or serious adverse reactions, reporting must be completed within a given period of time. Subordinate enterprises are asked to report to the listed company and local adverse reaction reporting centers by the given deadline to ensure that all adverse drug reactions are collected and managed in a timely manner. Applicable regulations regarding the monitoring of adverse drug reactions established by the China Food and Drug Administration are strictly enforced. For products with associated serious adverse reactions, enterprises are asked to adopt corresponding measures in order to bring down the incidence. Thirteen cases of adverse reactions were reported throughout 2013, which is far lower than the industrial average. Meanwhile, patients have all recovered from the adverse reactions after discontinuation of medication or treatment.

Yaoyou Pharmaceutical reinforced the monitoring of adverse reactions and prioritized the investigation and improvement of the quality of Potassium Sodium Dehydroandrographolide Succinate for Injection in 2013. In terms of comprehensive pharmacological, clinical, and standard studies of the said product, material quality standards, product pharmacological and toxicological research, pharmacodynamic studies, non-clinical and pre-clinical safety assessment studies, impurity and allergy studies, post-marketing safety reassessments, total process quality control for production, monitoring of adverse reactions, and quarterly analyses, among others, were comprehensively embarked on to effectively enhance product quality and safety. An inquiry of data kept by the enterprises and at local adverse reaction reporting centers revealed that the incidence of adverse reactions among users of Potassium Sodium Dehydroandrographolide Succinate for Injection dropped from nine out of 100,000 in 2012 to one out of 100,000 in 2013.



Among the 9 sterile
preparations producing
enterprises under
FOSUNPHARMA, 24
production lines have been
comprehensively certified by
the latest GMP



16 drug substances have been certified by the international GMP

Respective medical diagnostics producing enterprises under FOSUNPHARMA performed risk analyses and managed their products in compliance with the requirements in the "Medical devices – Application of risk management to medical devices" standard and were able to provide risk management reports and relevant verification records.

Certification of quality systems

In accordance with the requirements of CFDA, 2013 was the last year for all sterile preparations to get certified in accordance with the latest GMP. Sterile production lines that failed to be certified by the end of 2013 had to be discontinued. Among the nine sterile preparations manufacturing enterprises under FOSUNPHARMA, 24 production lines have been completely certified by the latest standard and are at the cutting edge compared to their competition. In addition, CFDA requires that other dosage forms must be certified by the latest GMP by the end of 2015. Eight drug substance and solid preparations producing enterprises under FOSUNPHARMA were already certified by the latest GMP in China within 2013. Their systems have reached requirements ahead of time.

This is also evidence of the internationalization strategy of FOSUNPHARMA realized in its quality systems. In July 2013, Yaoyou Pharmaceutical's solid preparations workshops completed field inspections by the US FDA with two found with ordinary defects, indicating that the oral solid preparations of FOSUNPHARMA have been approved for marketing in the US. In September, nine of Carelife Pharmaceutical Company's drug substances successfully passed the FDA field inspections for the fourth time with zero defects. In October, three drug substances of Chongqing Pharmaceutical Research Institute completed the FDA field inspection.

As of now, among Carelife, Dongting Pharmaceutical, Chongqing Pharmaceutical Research Institute, and Guilin Pharmaceutical, 16 drug substances have been certified by the US FDA, European Union, Ministry of Welfare of Japan, Federal Health Office of Germany, and the World Health Organization (WHO). One of the oral solid preparations production lines and two injection production lines of Guilin have been certified by WHO-PQ and one of the oral preparations production lines of Yaoyou Pharmaceutical has been certified by Health Canada's GMP.

GMP certifications of sterile preparations among enterprises in 2013

Name of enterprise	Number of sterile production lines	Newly certified by the latest standard	Time of certification
Hexin Pharmaceutical	1	Yes	January 2013
Wanbang Biopharmaceuticals	4	Yes	April 2013
Yaoyou Pharmaceutical	6	Yes	April 2013
Aohong	2	Yes	August 2013
Guilin Pharmaceutical	2	Yes	August 2013
Zhaohui Pharmaceutical	3	Yes	September 2013
Chemo Wanbang Biopharma	2	Yes	November 2013
Dongting Pharmaceutical	2	Yes	November 2013
Aleph Biomedical	2	Yes	November 2013

GMP certification status of non-sterile preparations among enterprises in 2013

Name of enterprise	Certified dosage form	Certified by the latest standard	Time of certification
Wanbang Folon	Capsule, tablet, pill (containing herbal extract)	Yes	June 2013
Moluodan	Chinese solid preparation, syrup, chelating agent (containing extract)	Yes	September 2013
Chongqing Pharmaceutical Research Institute	Drug substance (pemetrexed, aripiprazole)	Yes	June 2013
Wanbang Jinqiao	Drug substance (insulin, febuxostat, fasudil)	Yes	May 2013
Sainuokang	Drug substance (heparin sodium)	Yes	June 2013
Yaoyou Pharmaceutical	Sterile drug substance (cefmetazole, etc.)	Yes	September 2013
Guilin Pharmaceutical	Drug substance (dihydroartemisinin)	Yes	September 2013
Carelife Pharmaceutical	Drug substance (Entecavir)	Yes	December 2013

As of the end of 2013, 16 pharmaceutical enterprises under FOSUNPHARMA had been certified by the latest GMP.

Retail Sale of Drugs

Protection system

To reinforce quality management, individual retail drug stores and franchise stores of FOSUNPHARMA insist on abiding systems such as the Drug Operation and Quality Management System, the Medical Device Operation and Quality Management System, and the Medical Device Management System and Operating Procedures to guarantee that all products sold comply with the required quality standards or requirements.

FOSUNPHARMA manages and regulates individual retail drug stores consistently, has established management rules for franchise stores, and takes advantage of e-commerce to extend its distribution and services through online platforms. It strictly abides by the Purchase Order Management Procedure, Goods Dispatch Management Procedure, and Payments Receivable Management Procedure to realize enhanced management transparency.

Management of franchise stores

There are more than 650 retail shops of For Me Pharmacy and Golden Elephant Pharmacy under FOSUNPHARMA. Management of franchise stores plays a key part in the management of retail drug stores under FOSUNPHARMA. FOSUNPHARMA strictly abides by the Franchise Contract, Franchise Purchase and Distribution Agreement, Franchise Store Computer Management Rules, Franchise Store Remodeling and Equipment/Supplies Configuration Management Rules, and Franchise Drug Quality Guarantee Agreement in its reinforced management of franchise stores.

For Me Pharmacy strictly abides by the Franchise Contract, Franchise Purchase and Distribution Agreement, Franchise Store Computer Management Rules, Franchise Store Remodeling and Equipment/Supplies Configuration Management Rules, Franchise Drug Quality Guarantee Agreement, and Transformed Department and Store Management System in its reinforced management for franchise stores. Besides the monthly routine inspections of franchise stores in 2013, the company organized three comprehensive inspections of 90 franchise stores in total. The inspections focused primarily on pharmacists on duty, receiving of drugs, sale of prescription drugs, overall environment of the store, classification and display, advertising and promotion. We also started to inspect specific aspects such as the distribution and effervescent tablet management at medical insurance-covered stores. For issues found during these inspections, measures were taken in a timely manner. Orders, for example, were issued to mandate overall correction. Interviews and warnings were also given to ensure timely management. In 2013, a total of 11 stores were mandated to make corrections and four stores were interviewed. All were done to ensure effective management of franchise stores.



More than

650 retail shops

90 franchise stores inspected
Mandated correction and
improvement notice issued to

11 stores

4 stores interviewed

New drug retail sale related management systems added in 2013

Shop GSP Management System	Shop Service Management Regulations, Code of Conduct for Employees
E-commerce Management System	Complete Implementation Procedures for Distribution Proposals, Dynamic Distribution System, Maintenance System for Prioritized Manufacturers, Membership Classification and Point Accumulation Management System

New safety supervision and control methods added for retail drug stores in 2013

Type of product	Supervision method
Prescription drug	Sold strictly by doctor's prescription; sold after prescription is reviewed and confirmed to be accurate by a pharmacist (pharmacy practitioner); pharmacist (pharmacy practitioner) provides instructions on how to use the prescription drug (Drug Sale and Prescription Management System) Management System for Special Drug Compound Preparations Sold strictly by prescription with sales to be reminded by each single product through the POS machine
Non-prescription drug	Drug Sale and Prescription Management System - Open-shelf sales of non-prescription drugs with the type clearly marked -The pharmacist is on duty every day to provide counseling service on how to use non-prescription drugs. When the pharmacist is temporarily away, Class A non-prescription drugs will not be sold and customers will be reminded with a sign set up

Medicinal products (units) recalled by individual enterprises in society with assistance from For Me Pharmacy in 2013

External inspection	Internal inspection	Announcement	Manufacturer recall	Total
9	3	13	25	50

Primary issues behind the recall of medicinal products included "content (chromium), packing volume, preparation, labeling, instructions," etc.

Non-medicinal products (units) recalled by individual enterprises in society with assistance from For Me Pharmacy in 2013

External inspection	Cancellation of registration certificate	Manufacturer recall	Total
2	7	33	42

Primarily issues behind the recall of non-medicinal products included that "the producing enterprise unilaterally added the medical claim or indication in the label or instructions and the name of the product is identical to that of a medicinal product," among others.

Drug recall

When recalling drugs, individual retail shops are responsible for cooperating with the Quality Management Department in the investigation of drugs whose safety is in question and the recall of drugs. After the Quality Management Department receives a spontaneous recall notice from the producing enterprise or a mandated recall notice from the supervisory department, it shall perform a spontaneous inventory check and pass on the recall message to individual stores and related departments and strictly record the recall process. After the recall process is completed, it shall also sort out and archive related data. Meanwhile, to prevent products recalled for quality issues enter the market or illicit channels, the supplying enterprise (producing enterprise) that initiated the recall shall seal the returned products on site, scrap and destroy them. In cases of events violating self-perceived behavioral norms, the company will re-regulate the systems and procedures relevant to the events and hold specific training again. The company will also eradicate causes of the events and clear any barrier and inconvenience in the management of retail store-related matters and increase the inspections and penalties for non-compliant sales.

FOSUNPHARMA had a drug recall drill in 2013 for its enterprises in the pharmaceutical industry to ensure that drugs could be quickly recalled in case of quality concern and to protect consumers' interests.

To facilitate return of drugs by consumers, individual retail shops have established their criteria for drugs to be returned and a detailed return procedure in accordance with the Returned Drug Quality Management System. For customers of drug stores within the Golden Elephant network, Golden Elephant guarantees a full refund if products have quality issues confirmed by Golden Elephant or the producing enterprise and products are in their original package with complete accessories within seven days from the date customers receive the products. The Golden Elephant network promises that it will provide the pickup service if products have quality issues confirmed by Golden Elephant or the producing enterprise and are in their original package with complete accessories and the purchase receipt within 30 days after customers receive the products.

Recall systems available for drugs sold through For Me Pharmacy include the Non-conformity Quality Management System, Non-conformity Confirmation and Processing Procedures, Non-conformity Recall and Registration Management System, and Emergency Product Recall Operating Procedure. Individual retail shops are responsible for embarking on the investigation of drugs whose safety is in question and their recall in collaboration with the Quality Management Department and strictly record the recall process. After the recall process is completed, it shall also sort out and archive related data. Meanwhile, to prevent products recalled for quality issues enter the market or illicit channels, the supplying enterprise (producing enterprise) that initiated the recall shall seal the returned products on site, scrap and destroy them.

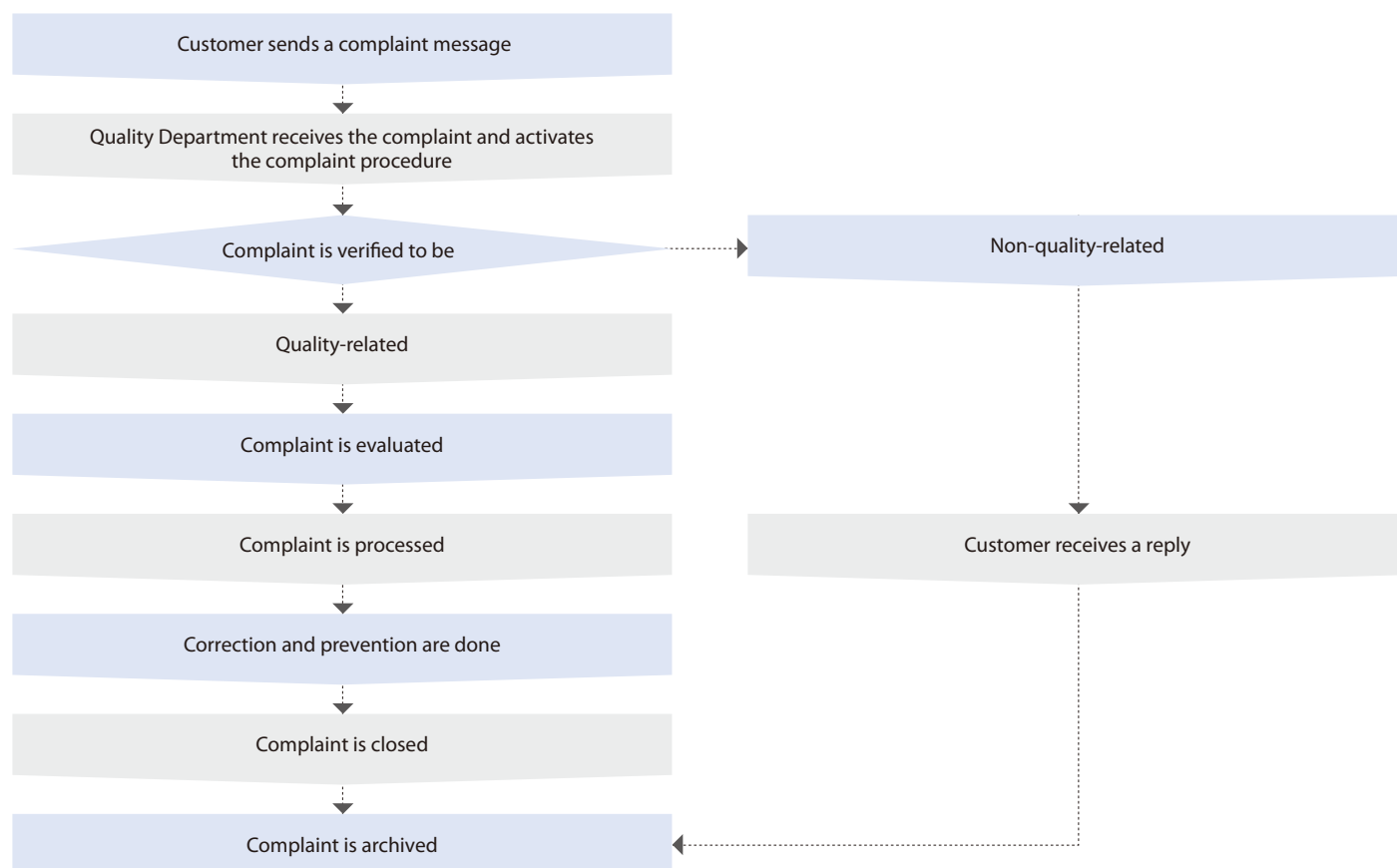
Handling of Complaints

The producing enterprises under FOSUNPHARMA care about how complaints are handled and record each complaint message that they receive every day. Spearheaded by the quality department at the respective enterprise and with involvement of other related departments, complaints will be properly addressed and users will receive replies within a given period of time. Such complaints include written or verbal complaints, grounded or ungrounded complaints, and complaints with or without samples. Regardless of their nature, all complaints are received, registered, reviewed and confirmed, managed, and answered with the causes investigated in accordance with strict procedures. Meanwhile, we adopt substantial corrective and preventive measures to ensure a high level of satisfaction on the part of the users.

Complaints are classified and managed in accordance with their level of influence on the safety of the users by these enterprises. They will be investigated and replied within a given period of time, with corresponding measures taken. When it is necessary, recall measures will be taken in order to minimize the impacts on user safety.

FOSUNPHARMA did not receive serious product quality complaints in 2013.

Case: Complaint procedure for Wanbang Biopharmaceuticals products



Case of Complaint Feedback

Complainant: Nanjing iKang Guobin Physical Examination Center

Handled by: Long March Medical Science

Customer Li Xiumei used Abbot C8000 instrument and it showed no results for GLU. She reported it as 1501, that is, absorbency is out of bound and there are no test results. The instrument manufacturer confirmed that the reagent caused the problem.

Technician Song Xianfeng went to provide maintenance service that started with adjustment of parameters, replacement with a reagent of a new lot number, and testing of the light bulb at the source and also included cleaning of the reaction cup, re-installation of the instrument, recalibration, and clearing channels, and wiping the needle but the condition remained. Mr. Song later came back with two Abbot technicians. They continued to check the light source, reaction cup, and the cleaning mechanism. The failure was taken care of for the time being but was not completely removed. The customer reported a worse condition the second time. After prioritized inspection of the cleaning system, the pump was found to be leaking, which resulted in the cursory cleaning of the reaction cup and the depletion of blood sugar substrate as soon as it was added. This was why no results were rendered for most blood sugar parameters. The cause was confirmed. After the leakage was resolved, specimen testing began consecutively. No reporting of the 1501 condition occurred. The mission was completed successfully.

During this mission, Long March Medical Science responded pro-actively and took the trouble to arrive at site for a serious analysis of the issue as soon as the technical service call was received. The responsible attitude was highly recognized and rated by the leadership and teachers at the Physical Examination Center. It brought their knowledge of Long March Medical Science, the partner, to a new height.



More than **210** customer satisfaction surveys done

A headcount of more than **37,000** people

Services provided through the national medical diagnostic hot line exceeding **10,000** hours to a headcount of more than **3,000** people

Distribution Compliance Flowchart for Individual Pharmaceutical and Medical Diagnostic Enterprises



Distribution Compliance

Pharmaceutical enterprises under FOSUNPHARMA and the respective enterprises under the Medical Diagnostics Division strictly abide by applicable national laws and regulations in their operations. Member enterprises are equipped with perfect systems and procedures that help ensure compliance of business management behavior with the requirements of national laws and regulations. Respective business units of these enterprises enter into distribution agreements with promoters on the market and distributors to ensure necessary advance prevention, process monitoring, and post hoc audits of all promotions.

Enterprises under FOSUNPHARMA strictly aided by national laws and regulations during market promotion in 2013 and had never been reported for disciplinary dispositions by the supervisory department for any illegal promotion or non-compliant operations. Enterprises under FOSUNPHARMA value customer service and conducted more than 210 customer satisfaction surveys among distributors, clinical users, patients, and hospitals in 2012. The surveys involved a headcount of more than 37,000 retail users, clinical users, and patients combined. Questions asked by customers were answered in a timely manner. The company's products and services were received well by the customers.

All of the enterprises under FOSUNPHARMA have established their own adverse drug reaction monitoring report system. Professionals on the medical market visit clinical users periodically in accordance with the Quality Management Department's deployment to communicate information on clinical application, research progress and safe and reasonable medication, for example, and understand and report the drug application status and adverse reactions, if any, in a timely manner. In terms of distribution compliance, For Me Pharmacy considers itself compliant with the National Advertising Law for it does not make exaggerating claims and reviews the claims made by the producing enterprise about a product before releasing a batch. For Me Pharmacy has the "Adverse Drug Reaction Reporting System" in place. In accordance with the system, when an adverse drug reaction is found, the store clerk shall report to the store quality staff. The store quality staff will then complete the adverse reaction report with all required details and submit it to the company's Quality Department. The Quality Department will then declare the reaction online. When an adverse reaction is spotted, the quality staff shall verify in a timely manner and check basic information of the customer, how the drug in question is used, and other details such as the expression of adverse reactions, complete the Adverse Drug Reaction Reporting Form, and submit it to the Quality Department. The company will then report through the national adverse drug reaction testing informative network. There were no violations and non-compliance with distribution and promotion requirements found with For Me Pharmacy during the reporting period. For Me Pharmacy strictly implements distribution systems and keeps the risk of corruption during distribution under control. Applicable management regulations such as the Anti-Commercial Bribery Regulations for Procurement and Distribution Staff and the Anti-Commercial Bribery Reporting and Registration Regulations have been established to facilitate related management.

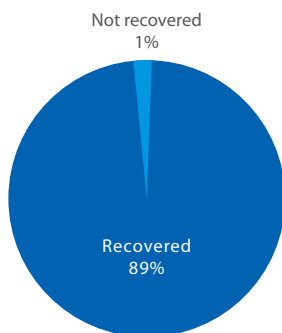
Subordinate enterprises of FOSUNPHARMA's Medical Diagnostics Division provide quality distribution services and solve issues appearing during the application process in a timely manner. Besides the 800 free toll number to support customers free of charge over the phone around the clock, professional technicians have established a periodical circuit tour mechanism for field training, follow-up service, information update, among other services available for consumers. Customer services provided in 2013 totaled over 10,000 hours to a headcount of more than 3,000 people.

Golden Elephant Pharmacy strictly implements a distribution compliance system. Its requirements and procedures for the review of distribution compliance include that the design and preparation of all promotional materials must be reviewed and approved by the Operation Department at the store; the manufacturer can implement various promotion activities at the store unilaterally and have printed copies kept at the store; the store must follow information given in the implementation list, including the name of the store, material specification, and activity time when carrying out activities and have a systematic archiving system; pile-up of goods is prohibited at stores; the store manager must distribute all sales incentives fairly to employees by their actual contribution to the sales. Meanwhile, Golden Elephant Pharmacy controls the risk of corruption during distribution by establishing related management systems. It collects and analyzes risk information comprehensively and tries its best to locate corruption risk and reinforce its staff's awareness of the importance of anti-corruption and self-discipline as a preventive measure. For existing corruptive behavior, Golden Elephant Pharmacy introduces corresponding punishment systems in order to prevent it from happening again.

Case: 2013 Hongqi Pharmaceutical Customer Satisfaction Surveys

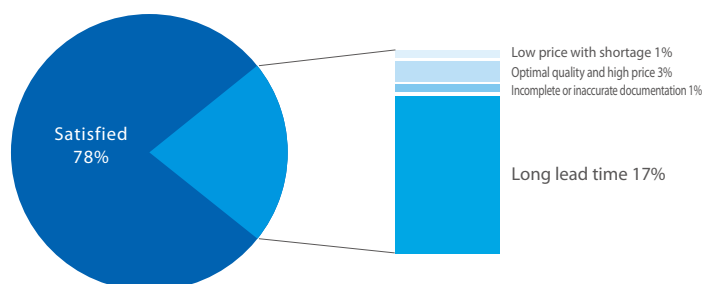
Hongqi Pharmaceutical conducted customer satisfaction surveys among major companies and health care facilities between September 1 and October 31, 2013.

Recovery rate



Survey 1: Time efficiency of delivery, dispatch accuracy, and structural advantages of brands

Respondents: 180 business units in 23 provinces and municipalities



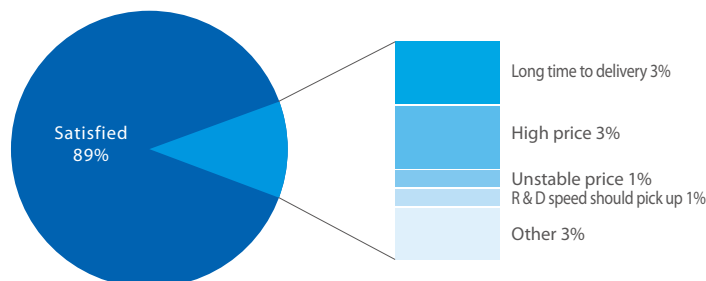
Survey 2: Quality of service provided by sales clerks

Respondents: 180 business units in 23 provinces and municipalities



Survey 3: Time efficiency of delivery, dispatch accuracy, and structural advantages of brands

Respondents: 116 health care facilities in 23 provinces and municipalities

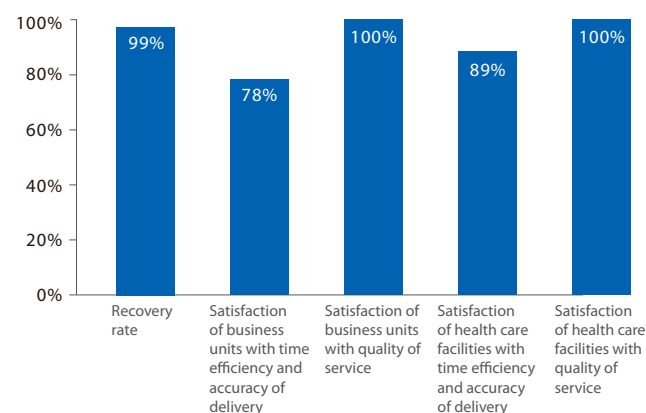


Survey 2: Quality of service provided by sales clerks

Respondents: 116 health care facilities in 23 provinces and municipalities



Analysis of survey results



Results of the surveys show that the respondents generally had a high level of satisfaction with the attitude and quality of services provided by sales clerks of Hongqi Pharmaceutical. The satisfaction with time efficiency of delivery, dispatch accuracy, and the structural advantages of brands was relatively high as well. Finally, Hongqi Pharmaceutical has communicated substantial issues found through the surveys with departments concerned and found specific solutions. Meanwhile, it will pay attention to customers' needs at all times from now on in order to bring about better benefits for its partners.

Recycling and Handling of Expired Drugs



Expired drugs recycled
and destroyed
100%

As required by law, individual pharmaceutical enterprises were able to destroy all expired drugs centrally through qualified contractors. Expired drugs are collected and kept in the non-conformity zone at retail drug stores and are reported to be scrapped and destroyed in a timely manner. Retail drug stores also organize campaigns to recycle drugs in communities. They recycle expired drugs and clean up medicine cabinets at homes from time to time. There are recycle bins set up at stores to collect expired drugs over the long term for centralized destruction, which will help prevent against contamination of the environment.

Quality Safety Training



Quality and
safety training
122,365 hours

To enhance the standards for quality management systems, accept the latest quality ideas, and consolidate standard operating procedures, individual drug producing enterprises under FOSUNPHARMA highly value quality training. Key production quality managers are sent to attend high-end forums and trainings on specific topics such as ISPE risk management, the production, verification, and change management of sterile preparations on the one hand, and all staff within these enterprises participate in management training on the latest GMP and standard SOPs on the other.

Throughout 2013, people in the pharmaceutical, business, and medical diagnostic sections of FOSUNPHARMA received up to 122,365 hours of quality safety training. Among them were 5,326 hours of external training and 77,570 hours of internal training for pharmaceutical enterprises. Each person received around 12.3 hours of training on average.

In terms of quality safety training for employees at shops of retail sale pharmacies under FOSUNPHARMA, For Me Pharmacy and Golden Elephant Pharmacy, in particular, the focus was on drug storage, medication counseling, and other aspects about the quality and safety of drugs.

Table of 2012-2013 quality and safety training status at pharmaceutical enterprises under FOSUNPHARMA

Year	2012	2013
Hours of external training	9,953	5,326
Hours of internal training	71,707	77,570
Hours of training per capita	11	12.3

Quality and safety training at For Me and Golden Elephant

Enterprise	Training provided in 2013	Total hours of training		Hours of training per capita	
		2012	2013	2012	2013
For Me Pharmacy	<ul style="list-style-type: none"> -Shop employees must complete the professional GSP training held by the municipal food and drug administration, be qualified and receive the GSP certificate before they start working. -Service training encompassing the drug quality management system is provided to new hires. -Continuing education and training are provided to employees each year on drug quality regulations and company quality management systems as well as applicable operating procedures. -Licensed pharmacists and pharmacy practitioners are sent to take part in external continuing education provided by Licensed Pharmacists Associations in order to enhance their awareness of quality and safety and their management skills. -Training is provided to maintainers on the Maintenance Management System for Chinese Over-the-counter Drugs and Chemical drugs. -Training is provided to pharmacists on knowledge of chronic disease and drugs and drug instructions. -Training is provided on regulatory requirements and operating procedures. 	12,991	13,960	19.92	22.09
Golden Elephant Pharmacy	<ul style="list-style-type: none"> -Training is provided on drug management laws and regulations, drug operation quality management regulations, GSP articles, and the management of applicable quality files. -Training is provided on new laws and regulations, new systems, and business process flows, the comparison table of the new and old versions of GSP regulations, and new company quality system documents. -Training is provided on quality liabilities, applicable quality management systems, and operating procedures for procurement, verification, maintenance, warehousing and storage, and release review, among others. -Pre-service and continuing education is provided to drug quality management-related staff (four major categories) and continuing education is provided to licensed (practitioning) pharmacists. -Training takes place at least once a month to cover knowledge of drugs produced by respective pharmaceutical enterprises. 	28,800	22,760	72	42

Individual producing enterprises under the Medical Diagnostics Division of FOSUNPHARMA have consistently established their own production management and quality management mechanisms to specify quality management responsibilities of related departments and staff. Staff engaged in production operation and testing complete pre-service professional training while people dealing with the production and quality control of in-vitro diagnostic reagents complete the training and audits on applicable laws and regulations. Specialized technicians are equipped with professional background knowledge and related practical experience to fulfill their responsibilities at work.

Supplier Management

Supplier management is one of the important parts of quality management systems of medicinal enterprises. The selection of suppliers has a direct influence on the quality and safety of products. Both FOSUNPHARMA and its subordinate producing enterprises have their supplier management procedures and annual supplier quality review systems in place and perform field quality audits prior to use to ensure the quality and safety of drugs at the source following the principle of fair price competition, procurement tender, and quality first for suppliers.

In terms of supplier management, producing enterprises under FOSUNPHARMA introduce supplier audit standards, supplier management ordinances, supplier internal control quality agreements, supplier inspection guidelines, etc. to facilitate scientific rating and classified management of suppliers' qualification, production environments, workmanship and technical standards, and quality assurance systems, etc. Prior to a new supplier supplying goods, these enterprises audit the supplier's qualification, quality system, and field workmanship and production of products, among others, and perform quality testing and small-scale inspection of samples of goods to be imported and additionally verify the workmanship, stability, and backup proposals of the supplier. The supplier must meet all requirements to be qualified. During the goods supply period, enterprises perform statistical evaluation on the quality, lead time, and service attitude concerning the received products to accomplish effective supplier management. FOSUNPHARMA implements classified management for its suppliers in accordance with the level of risk involved of the materials they supply on quality of medicinal products. A higher class means a higher level of risk and hence more frequent and more advanced field quality audits. In 2013, FOSUNPHARMA prioritized pharmaceutical excipient suppliers to perform field audits and entered into internal quality agreements with these suppliers to ensure product quality at the source.

Individual producing enterprises under FOSUNPHARMA also have annual supplier quality review systems in place that rate suppliers periodically mainly on quality, goods supply, and pricing. For suppliers falling short

of meeting quality requirements, the one ballot veto rule is adopted. Communication with suppliers and feedback is provided to suppliers through review in order to help the latter improve the quality of their materials. Enterprises establish their own supplier file and supplier rating system and update their list of qualified suppliers. They implement category and priority management to ensure controllable quality.

Individual medical diagnostics producing enterprises under FOSUNPHARMA have their supplier evaluation systems in place. All the materials are purchased from legal and qualified suppliers capable of quality assurance. They have established rosters of qualified suppliers to facilitate conduct periodical evaluations. Evaluation results and rating records will be kept. Supply and demand contracts or technical agreements are entered into with confirmed qualified suppliers to ensure quality and stability of materials.

Retail sale pharmacies, namely For Me and Golden Elephant, under FOSUNPHARMA have and strictly implement supplier management systems and process flows. The supplier management systems of For Me Pharmacy include the Drug Procurement Management System and the First-time Operator and First-time Brand Review Management System. Golden Elephant Pharmacy, on the other hand, implements varied management in accordance with the credit rating each supplier receives as is shown in the established supplier catalog. Meanwhile, both pharmacies have established their own supplier files and annual supplier feedback systems. There are complete supplier files that include information such as the drug production permit or management license, business license, GMP or GSP certificate, letter of authorization, tax registration certificate, organizational code card, name of bank and bank account number, etc. As of the end of 2013, there had been 887 suppliers in total, including 606 of drugs, 78 of medical instruments, and 203 of non-drugs. Among the 135 first-time operators organized by the company in 2013, 30 are producers of drugs, 35 managers of drugs, 15 medical instrument enterprises, and 55 non-drug enterprises. The first-time operator quality file is in place. Two hundred and six suppliers were discontinued. Among them, 139 were drugs suppliers, 15 were medical instruments suppliers, and 52 were non-drug suppliers. A main reason for the discontinued procurement is the absence of the required business. Golden Elephant Pharmacy has a total of 658 suppliers. Meanwhile, both For Me and Golden Elephant have included relevant management systems such as the Anti-Commercial Bribery Regulations for Procurement and Distribution Staff and the Anti-Commercial Bribery Reporting and Registration Regulations as part of their supplier management to exercise a preventive effect on corruption. There are, for example, specific clauses in the procurement contract. Anti-corruption education is provided to procurement people. Procurement people are asked to sign the anti-corruption letter of undertaking. Measures are taken for corruptive behavior that has already taken place. Corresponding reward systems are introduced to keep recurrence under control.

2013 Overview of supplier management at major pharmaceutical enterprises under FOSUNPHARMA

Enterprise	Wanbang Biopharmaceuticals	Yaoyou Pharmaceutical	Guilin Pharmaceutical	Aohong Pharmaceutical	Hongqi Pharmaceutical	Chemo Wanbang Biopharma	Zhaohui Pharmaceutical	Aleph Biomedical	Moluodan	Wanbang Folon	Wanbang Jinqiao	Chongqing Pharmaceutical Research Institute	Kangle Pharmaceutical	Dongting Pharmaceutical	Hexin Pharmaceutical	Carelife Pharmaceutical
No. of Suppliers	57	113	200	21	48	73	85	8	32	14	25	79	28	65	28	73
Annual qualify reviews	57	113	70	54	48	73	85	8	54	14	25	79	28	30	28	73
Ratio of annual quality reviews	100%	100%	30%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	45%	100%	100%
Rejected suppliers	1	0	0	0	0	1	5	0	6	1	1	0	0	2	0	0

Quality of Medical Service

FOSUNPHARMA looks at medical service as one of the prioritized business fields to be developed in the future. As the economy in China quickly grows and the general public awareness of health care increases on a daily basis, the demand for medical services, particularly in high-end medicine and specialized services will quickly surge on the market in the future.

Medical quality systems and measures

Medical quality is an eternal topic that hospitals have to deal with while they manage to survive and develop. The four hospitals under FOSUNPHARMA highly value medical quality management based on their belief that focuses on patients and the "patient is king and quality comes first" principle. Each of the hospitals has complete applicable measures and process flows in place by establishing multiple medical quality management systems to reinforce medical quality management and constantly improve medical service standards.

Each of the hospitals insists on train of thought that quality comes first and patients are prioritized, which is closely related to its patient-centered service belief. A perfect medical quality management system is established prioritizing sixteen core elements including the Initial Visit Championship System, Tertiary Physician Ward Round System, Classified Nursing System, Pre-operative Discussion System, Difficult Case Discussion System, Prescription System, and Critical Patient Rescue System.

To consolidate individual medical systems and constantly enhance medical quality that helps ensure orderly medical practice, individual hospitals have established their various medical service process flows out of the desire to protect patients' right to medical care. It helps ensure medical quality for patients.

Jimin Cancer Hospital, for example, provides quality medical services from patient registration to hospital admission, medical consultation, referral, hospital discharge, and follow-up visits. It has related process flows in place such as "Outpatient Registration Process Flow", "Inpatient Admission Process Flow", "New Rural Cooperative Medical System Patient Admission Process Flow", and "Medical Insurance Patient Registration Process Flow." The hospital reinforces its normative treatment by conducting specialist consultations, management of medical techniques and operations, establishing medical operating procedures, implementing the doctor-patient communication system, and activating "demonstrative patient wards for the normative treatment of cancer-

related pain" it has created, among others. To further enhance quality management, Jimin Cancer Hospital prioritizes monitoring of patients with critical illness, strictly implements the reporting system for patients in critical condition at respective departments and divisions, a perfect consultation system and report review and approval system for the surgical division, and reinforces medical record quality management. It helps ensure normalization of medical care and nursing tasks to satisfy patients' needs.

In order to constantly improve medical quality, Yueyang Guangji Hospital constantly improves its quality management performance inspection report that covers multiple sections such as medical care, nosocomial infection and infectious disease management, and nursing management.

On the basis of its core medical system, Chancheng Hospital has established the Medical Service Articles for Coma Patients on Life Support and Service Articles for Weak Old People, Children, and Disabled Patients in order to provide patients in unique conditions with better medical diagnosis and treatment.

Meanwhile, to govern the whole medical process that covers the receiving, triage, examination, diagnosis, and rescue for patients in acute critical condition so that they can receive timely, normative, highly efficient, and thorough medical services and to enhance the successful rescue rate and minimize medical risk, medical staff provides medical services to patients receiving emergency medicine in compliance with the Emergency Green Channel Management System. It helps ensure that patients in acute critical condition receive precise and effective treatment.

Doctor-Patient Relationship

The doctor-patient relationship at present is relatively intense and it has become a social issue that can no longer be ignored. Hospitals under FOSUNPHARMA apply systems for the sake of protecting not only the doctors' rights but also the patients' rights. Hospitals adhere to a patient-centered service belief. They enhance the awareness of medical staff for reinforced prevention in advance through a careful organization, rigid attitude, strict requirements, and toughest measures on the one hand and laws and regulations such as the Regulation on the Handling of Medical Accidents, General Principles of the Civil Law of the People's Republic of China, and Tort Liability Law People's Republic of China on the other hand. Actual circumstances of individual hospitals are taken into consideration. Related systems are established. All are meant to legitimize, normalize, and systematize medical disputes.

2013 Statistics of medical services provided at individual hospitals under FOSUNPHARMA

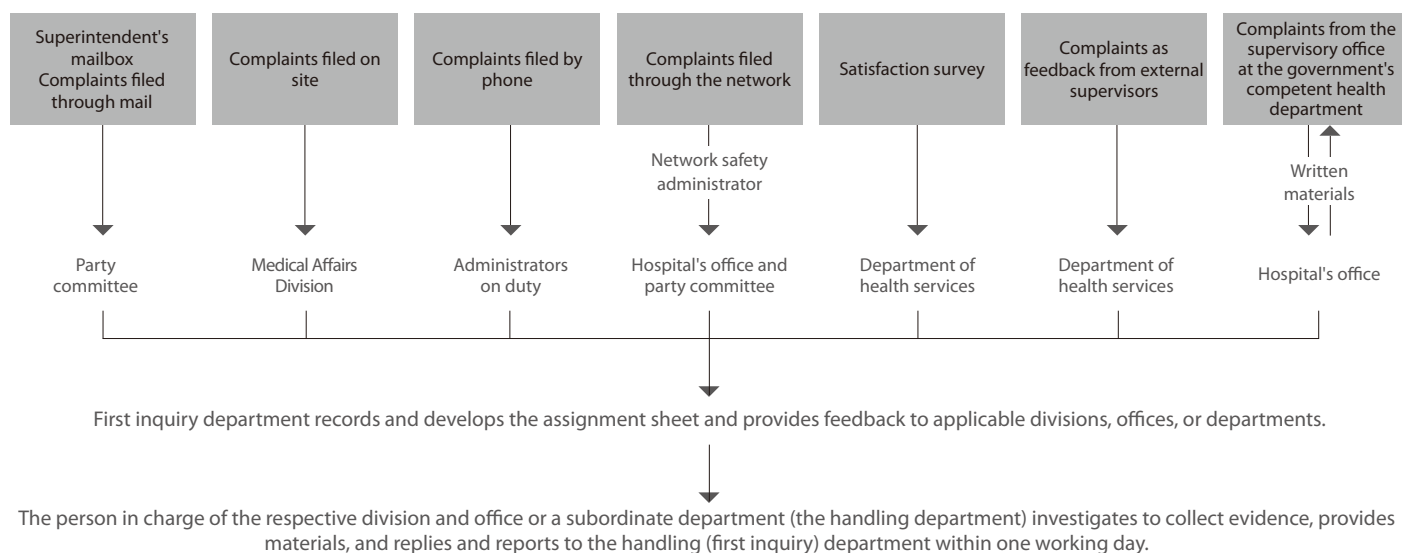
Item	Chancheng Hospital	Guangji Hospital	Jimin Cancer Hospital	Zhongwu Hospital
Approved total bed count (beds)	700	470	420	500
Total number of employees (person(s))	1,370	478	260	560
Headcount of patients diagnosed and treated during the year	2,129,764	60,666	15,000	214,300
Headcount of patients discharged during the year	34,609	12,691	6,910	21,232
Headcount of patients having completed surgery during the year	18,964	4,104	1,100	8,485
Bed utilization rate (%)	105.30%	86.50%	93%	108%
Average number of days hospitalized (day)	7.49	12.1	12	9.5
Cure and recovery rates (%)	Statistics not available due to the new homepage used for medical records since September 2012	97%	96%	47.5% - 49.9%

Prevention against and improvement upon medical disputes

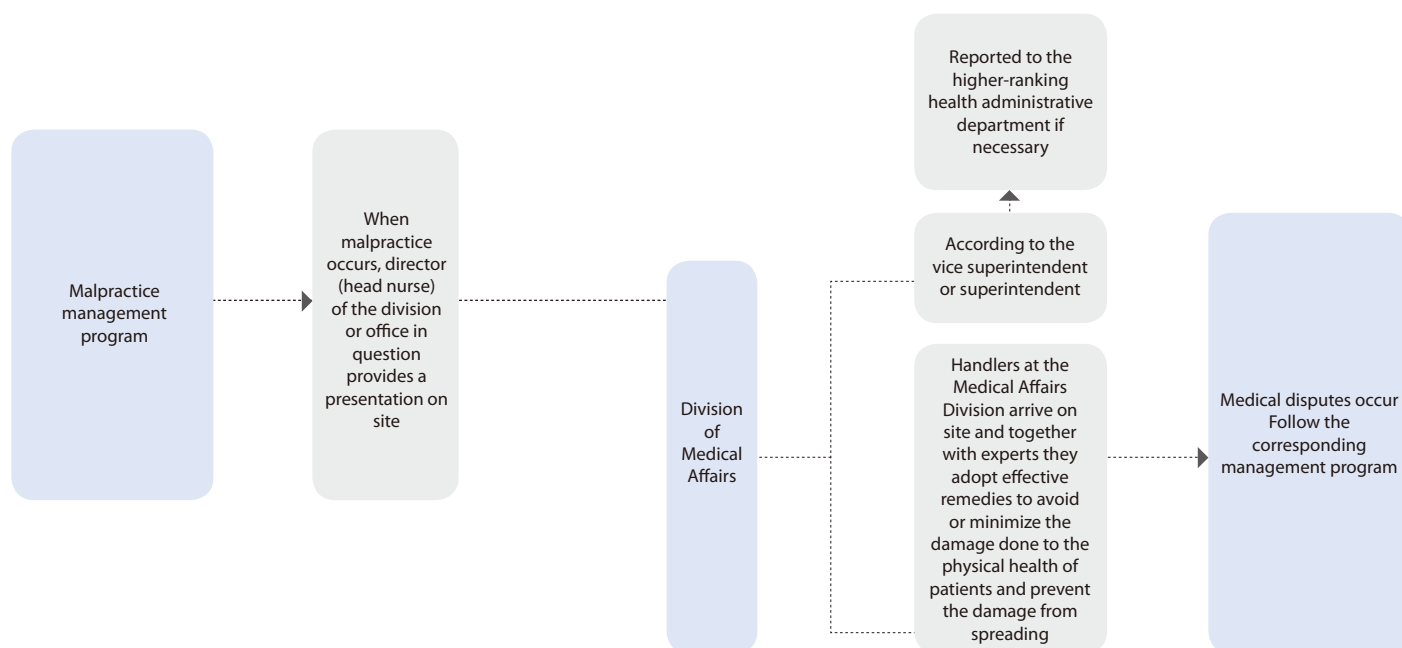
To handle disputes between doctors and patients properly and remit the contradiction between doctors and patients, individual hospitals highly value the prevention and management of complaints and medical disputes in order to comply with applicable requirements of the Management Regulations for Complaints about Hospitals (Trial) released by the State Administration of Traditional Chinese Medicine under the Ministry of Health taking into account the actual management of doctor-patient disputes at hospitals. They have established a variety of related systems such as the Medical Service Quality Complaint Management System and the Medical Event and Dispute Punishment Ordinance. Meanwhile, they emphasize the importance of training for health care professionals on

medical laws and regulations and doctor-patient communication skills. They have set up safety proposals to further enhance the legal knowledge, quality awareness, risk awareness, service awareness, and safety awareness of health care professionals and reinforced the implementation of informed consent forms for all kinds of treatment procedures. They value communication between doctors and patients and embark on effective communication with patients so that patients and their family members can understand how disease has evolved and been treated for patients in the first place to effectively eliminate or avoid medical disputes. Individual hospitals precisely implement centralized management of complaints filed by patients and medical disputes and have established a sound process flow for the handling of medical disputes and doctor-patient disputes.

Case: Complaint management process flow at Chancheng Hospital



Case: Process flow for special evacuation programs in case of malpractice at Zhongwu Hospital



Guangji Hospital pro-actively smoothes message channels between patients and hospitals, regulates the management of complaints and doctor-patient disputes and specifically requires that responsible persons at respective departments "treat complaints they receive seriously, properly record them, and manage them in a timely manner. No departments or individuals may conceal or ignore reported complaints." The hospital has also established corresponding punishment guidelines for confirmed complaints and concealments. Everyone throughout the hospital tries his/her best to realize "zero complaints and zero disputes" under the belief that "complaints are insults." In terms of medical events and disputes, individual punishment standards are specifically systematized to maintain and protect the rights of patients to medical care.

Jimin Cancer Hospital reinforces its regulations governing the doctor-patient relationship by further perfecting and consolidating the "critical value" reporting system. Meanwhile, the doctor-patient relationship office is set up at Anhui Jimin Cancer Hospital to quickly respond to and activate management of medical disputes.

Patient satisfaction

Chancheng Hospital performed satisfaction surveys among outpatients at clinical departments and divisions and inpatients at auxiliary departments and divisions throughout the hospital on a quarterly basis in 2013. The surveys were conducted through greeting cards, phone follow-ups, questionnaires completed at the clinic and inpatient questionnaires to collect information on patient satisfaction. Patient satisfaction throughout the year was 96.84%.

Jimin Cancer Hospital constantly improves its health care professionals' service awareness with the six "hearty" pieces of advice, that is "to listen with

your heart, to render a diagnosis carefully, to provide answers patiently, to treat exquisitely, to serve enthusiastically, and to give patients hearty wishes" and reinforce patient safety measures in the services provided. Adhering to patient satisfaction, the hospital is able to get patient's understanding and respect to the maximum extent possible and to constantly enhance patient satisfaction as well. A total of 48 banner and flags and 16 letters of gratitude were received throughout 2013. The hospital insists on having each patient discharged from the hospital to complete the patient satisfaction questionnaire in order to constantly locate loopholes and improve services. Patient satisfaction already reached 98.5%.

Zhongwu Hospital performs satisfaction survey among its inpatients at ten sections throughout the hospital a total of 12 times a month. Ten copies of the questionnaire are issued randomly at each section. Patient satisfaction throughout the year was 97.2%.

Guangji Hospital pro-actively promotes customer satisfaction services. To enhance standards of the service provide by the hospital to patients, the Customer Service Department and Goal Management Department have been established with an office director and a customer service director and specific job responsibilities at the Customer Service Department. Guangji Hospital performed patient satisfaction survey among 30 patients discharged from the hospital each month in 2013. Patient satisfaction was 96% on average. Meanwhile, with free clinic as the means, it tries to secure its share in communities and contribute to bundle-type developments. It enters communities for the free clinic three times a month. There are the pre-natal training class and baby training class available each month. Meanwhile, keynote workshops are organized on common illness and chronic illness as planned.

2013 mean waiting time associated with treatment procedures at individual hospitals under FOSUNPHARMA

Hospitals under FOSUNPHARMA provide patients with convenient services to ensure that they have access to sufficient medical resources and precisely shorten the waiting time for patients while they access medical care.

Item		Chancheng Hospital	Guangji Hospital	Jimin Cancer Hospital	Zhongwu Hospital
Mean waiting time (min)	Registration	5	3	10	2
	Picking up medication	5.11	3	10	2
	Treatment	30.26	5	20	Instant
	Checkup	60	5	20	10

A portrait of Lu Chang-Ming, a woman with short dark hair and glasses, wearing a white blazer over a black top, a pearl necklace, and a red beaded bracelet. She is seated and looking slightly to the right. The background features a large, abstract painting in shades of grey and white.

Exchange.

Lu Chang-Ming
Director of the Foreign Aid Training Liaison Office,
Academy for International Business Officials
(AIBO)

In many developing countries, particularly African countries, where health care conditions are relatively unfavorable, the shortage of doctors and drugs is worse. Through the project such as the "Seminar on Pharmaceutical Quality Management for Developing Countries," it enables students in developing countries to exchange with one another and learn specific experiences from the Chinese experts. It is extremely significant in the promotion of health care business in developing countries.



Environmental Protection, Health & Safety

It is our mission to keep mankind healthy. While accomplishing the mission, we emphasize harmonious development with nature. The green transformation ensures sustainable development of the environment. FOSUNPHARMA implements EHS constructions among its pharmaceutical enterprises to offer systematic guarantee of environmental protection, occupational health, and safety. We stipulate clean production plans, maximize investment in manpower, finance, and materials for the sake of environmental protection, pro-actively conduct business that is conducive to society, environmental protection, and community charity, and draw the attention of related stakeholders to environmental protection.

Construction of EHS System

FOSUNPHARMA highly values the importance of the EHS management system to corporate development and the fulfillment of social responsibilities. While enterprises constantly expand their operation scale and business continues to grow rapidly, the company has never forgotten the social responsibilities that it shall take upon itself as corporate citizen. FOSUNPHARMA emphasizes the construction and perfection of its EHS management system. As such, it has established a steering committee for its EHS management system that helps define a management system that integrates the listed company and each of its producing member enterprises while at the same time taking care of daily correspondence and coordination of the EHS management system. The committee manages, controls, and inspects environmental protection, occupational health maintenance, and safe production conditions of individual producing member enterprises, gives guidance to these enterprises on optimal environmental protection practice, cares about the occupational health of employees, strictly abides by safe production guidelines, makes sure that no major safety issues and personal injuries as well as major environmental pollution incidents occur.

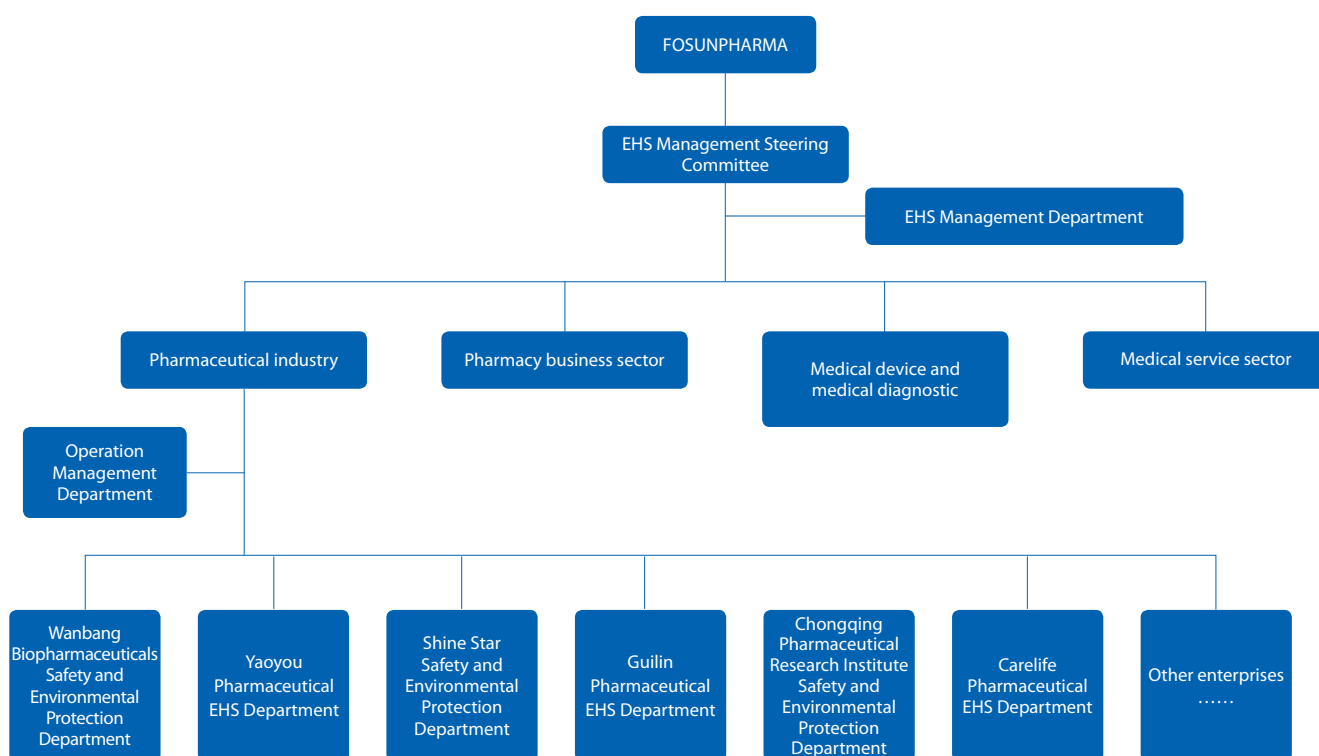
The company highly valued environmental protection, occupational health, and safety (EHS) tasks in 2013. The FOSUNPHARMA EHS directives were proactively introduced and the EHS manual were enforced in the five major business divisions, namely pharmaceutical, medical device, medical diagnostic, medical service, and pharmacy business. Under the premise that national and local EHS laws, regulations, and compulsory standards are strictly followed, individual producing member enterprises were asked to further reduce their emissions of pollutants, optimize energy resources utilization efficiency, enhance their process safety management ability, and strengthen the training and supervision of occupational health and safety. All of these member enterprises made efforts and accomplished optimal results.

The Environment, Health, and Safety (EHS) Management of FOSUNPHARMA is in charge of establishing the FOSUNPHARMA EHS Management System, enhancing the occupational skills of EHS professional managers at FOSUNPHARMA and its holding members, inspecting process safety and EHS risk control status at individual member enterprises, and controlling the EHS risk of investments. FOSUNPHARMA accomplished spontaneous EHS risk check among its holding member enterprises in 2013 and comprehensively investigated the EHS management standards of these member enterprises as well as major risks in existence. The company conducted risk investigation and research and flight check on process safety and EHS among high-risk enterprises and provided professional advice and solutions with regard to improving EHS and process safety management among its member enterprises, which powerfully supported enterprises to continue their effective control over process safety and EHS risks.

In 2013, the company's EHS Management Department particularly stipulated the comprehensive "EHS Event Reporting and Investigation Procedure" that applies throughout the group in accordance with applicable national regulatory requirements and applicable requirements of the FOSUN Pharmaceutical Group to specify how EHS events that happen to its individual holding members should be reported and investigated. Individual holding member enterprises value EHS management, with favorable safety protection and management condition. During the reporting period, the EHS Management Department of the company did not receive EHS accidents of the reporting grade as defined by the company.

Multiple holding member enterprises of FOSUNPHARMA have so far established their own EHS management system one after another. The Baoshan site of medical diagnostic business, Zhaohui Pharmaceutical, Shine Star, Yaoyou Pharmaceutical, Wanbang Biopharmaceuticals, Wanbang Jinqiao, Moluodan, and Carelife Pharmaceutical have completed GB/T24001-2004 and GB/T28001-2001 system certifications or safe production standardization system certifications.

Framework of FOSUNPHARMA EHS Management System



Environmental Protection

"To develop harmoniously with the environment with health promotion as the mission; to guarantee sustainable development on the basis of maintaining a favorable environment" is the environmental protection policy of FOSUNPHARMA. FOSUNPHARMA pro-actively promotes construction of an environmental protection and management system among its holding member enterprises that provides systematic protection in terms of environmental protection and management. Clean production and enhanced energy saving and emission reduction performance are being promoted in order to control the generation of pollutants at the source. Devotion to environmental protection is maximized to ensure steady and criteria-compliant emissions of three pollutants, protecting the environment at the enterprises and in their surroundings. Meanwhile, the company pro-actively devotes itself to environmental protection and community charity-related business in society to inspire individual stakeholders to pay attention to and value the protection of their working environments and the natural environment.

FOSUNPHARMA highly values the importance of environmental protection to corporate development and its social responsibilities, focuses on the construction and perfection of an environmental protection and management system. It established the EHS manual in 2013, enforced EHS spontaneous inspections and training among individual member enterprises, established the "EHS Event Reporting and Investigation Procedure", released the Safety Management of Mechanical Cooling System with Ammonia as the Coolant, periodically published the latest EHS laws and regulations and notices regarding their impacts on the member enterprises, performed management control and inspections on the EHS management status among producing member enterprises, and supervised its producing member enterprises on environmental protection effort and regulatory operations to ensure that no major environmental pollution incidents occur. Individual producing member enterprises of FOSUNPHARMA have also compiled their own environmental pollution response proposal to handle possible environmental protection accidents according to their own product structure and risk features. Existing environmental protection facilities already built by individual holding member enterprises of FOSUNPHARMA are functioning normally and are able to meet the current production needs of these enterprises. The three pollutants can be discharged with steady compliance with criteria after treatment.

Pollutants discharged by medicinal holding member enterprises of FOSUNPHARMA are primarily waste water (that contains COD, ammonia nitrogen, airborne particles, etc.). The waste water is first treated at the sewage disposal workstation and then discharged through the dedicated pipeline into a secondary treatment plant or the municipal sewage pipework as soon as it reaches criteria. Waste gases (technical gases contain minimal organic solvents, volatile gases or volatile acid fog; furnace emissions contain minimal sulfur oxides, nitrogen oxides, and fumes) are collected, absorbed by activated carbon, and sprayed with liquid agents (or dedusted) before the compliant exhaust is discharged in the high air through pipes. Solid waste (primarily consisting of waste activated carbon, boiling residue, waste solvents, internal packing materials, expired medicinal intermediates or products, etc.) are treated, cremated, filled, or reprocessed for utilization by contractors of individual enterprises qualified to process waste.

FOSUNPHARMA continues to maximize its devotion to environmental protection. Individual member enterprises combined invested up to RMB 26.97 million in the construction and improvement of environmental protection facilities and hardware in 2013. The said investment does not include optimization of production process and improvement of production facilities' performance and does not include the cost of treating three major pollutants and operating environmental facilities that totaled RMB 22.14 million. The impressive capital investment in environmental protection indeed exercised a crucial function in terms of realizing energy-saving and reduced emissions as well as protecting the environment in the

surroundings of the enterprises.

No serious environmental pollution accidents occurred among the producing member enterprises of FOSUNPHARMA in 2013. They did not receive administrative punishments by local competent environmental protection authorities and were not filed complaints about by surrounding facilities or residents due to environmental issues, either.

Data of resources utilization or consumption within the reporting period:

- (1) Water resource: 7,777,884 cubic meters/year
- (2) Electricity: 365,006,317 kWh/year
Standard coal: 44,859,276 kg/year;
- (3) Other energy-consuming standard coals: 120,177,461 kg/year
- (4) Annual overall energy consumption: electricity + others = 165,036,737 kg/year

Protection of biodiversity

FOSUNPHARMA values the protection of biodiversity. None of its offices and manufacturing facilities is located in natural reserves in order not to destroy primitive vegetation. It does not use precious animals in animal studies, either.

Some of the drugs producing members of FOSUNPHARMA, including Yaoyou Pharmaceutical and Chongqing Pharmaceutical Research Institute, conducted animal experiments in 2013. They primarily used mice and rarely used rabbits in animal studies. Carcasses of these animals from the experiments were given to qualified service providers for cremation. These enterprises have a sound animal laboratory management system and technical regulations on the purchase, raising, experiment, and disposition of laboratory animals. Despite the fact that animals are used in experiments, they try their best to make sure that these animals' benefits are taken care of. Their basic needs are satisfied and their pains are reduced to a minimum to fully realize "laboratory animals are healthy and happy while alive and die peacefully."

Chongqing Pharmaceutical Research Institute is a pharmaceutical research enterprise. During research and development, they need to perform animal experiments. Nevertheless, they have been strictly abiding applicable requirements of the Laboratory Animal Law by reasonably and legitimately using laboratory animals in animal experiments in order to research and develop drugs. Under the premise that it is allowed by drug laws, regulations, and technical criteria, they try their best to remove the pyrogen test and replace it with the endotoxin determination method while establishing product research and development standards in order to minimize the use of rabbits or not to use rabbits at all.

Normalization of environmental protection and management

FOSUNPHARMA has a healthy and perfect environmental protection and management system that reinforces risk control associated with environmental protection and management. It helps ensure that individual producing member enterprises are meeting the requirements of environmental protection laws and regulations and other applicable standards by understanding and keeping track of the environmental protection status among producing member enterprises and performing environmental protection and management or flight check. Environmental protection and management or flight check was performed internally among some producing member enterprises in 2013 in order to urge them to make improvements, correct issues and loopholes existing in environmental protection and management, constantly perfect and enhance environmental protection and management operation standards, precisely fulfill their social responsibilities in terms of energy-saving, emission reduction, and environmental protection.

FOSUNPHARMA pro-actively implements environmental protection policies and strictly controls three major pollutants to effectively manage the discharge of pollutants. Meanwhile, through advancement

in innovative technology, optimization of process flows, reasonable deployment of productivity, among other improvement measures and regulation means, the company is helping each of its producing member enterprises accomplish energy-saving and emission reduction. Individual producing member enterprises of FOSUNPHARMA are able to register pollutant discharge declaration with the local environmental protection and management authority in a timely manner. The control and discharge of the three major pollutants are done effectively under the surveillance of local environmental protection and management authorities to ensure compliant discharge of pollutants. Individual producing member enterprises of FOSUNPHARMA include themselves in the scope of legal environmental protection surveillance to meet the requirements of applicable laws and regulations. In areas where pollutant discharge permit system is enforced, these producing member enterprises apply for the Pollutant Discharge Permit with local environmental protection and management departments. In areas where water discharge permit system is enforced, on the other hand, they apply for the Water Discharge Permit with local water affairs and management departments. Individual producing member enterprises of FOSUNPHARMA periodically perform environmental monitoring targeting the discharge of three major pollutants. Environmental monitoring reports issued by local environmental monitoring institutions show that all of the producing member enterprises were able to ensure steady and complaint discharge of three major pollutants in 2013. Individual producing member enterprises of FOSUNPHARMA paid the required pollutant discharge fees on time and in full in 2013 according to the payment notice issued by local environmental protection supervisory authorities.

Resources consumption, clean production, energy-saving and emission reduction, and reutilization of resources

Individual producing member enterprises of FOSUNPHARMA consumed

7,777,884 cubic meters of water and 365,006,317 kWh of electricity, which totals 44,859,276 kilograms of standard coal and a total of 120,177,461 kilograms of standard coal for the other energies combined in 2013.

FOSUNPHARMA continued to enforce optimization measures that aim to implement clean production among its producing member enterprises to become environmentally-friendly enterprises in light of the fact that most of its enterprises have been reviewed and validated for clean production in 2012. Most of the enterprises were reviewed and approved for clean production in 2013 to fulfill the goal of effectively controlling and reducing total emissions of pollutants. Zhaohui Pharmaceutical was rated to be an environmentally friendly enterprise in the Baoshan District of Shanghai City. Producing member enterprises of FOSUNPHARMA that have been reviewed and approved for clean production include Zhaohui Pharmaceutical, Yaoyou Pharmaceutical, Wanbang Biopharmaceuticals, Wanbang Jinqiao, Kangle Pharmaceutical, Wanbang Folon, Shine Star, Guilin Pharmaceutical, Moluodan, Chongqing Pharmaceutical Research Institute, Carelife Pharmaceutical, Kaixing Pharmaceutical, Hexin Pharmaceutical, Hongqi Pharmaceutical, Chemo Wanbang Biopharma, Blood Transfusion Technology, Long March Medical Science, and Yaneng Bioscience. For most of the producing member enterprises, the implementation of clean production has helped with effective consolidation of energy-saving and emission reduction measures.

Some of the producing member enterprises of FOSUNPHARMA generate a relatively large quantity of residue from production. Wanbang Jinqiao, for example, generates pancreas residue; Moluodan generates Chinese medicine residue; and Shine Star generates furnace residue, etc. The residue is re-utilized through different ways. Pancreas residue and Chinese medicine residue are combined and used in organic fertilizers. Wormwood residue is used as furnace fuels. Furnace residue is sold to become building substrates. All of these contribute to recycling efficacy, are energy-saving, and reduce emissions.

Three-year energy and resources consumption at FOSUNPHARMA

Year	Total water (Unit: cubic meter/year)	Total electricity (Unit: kWh/year)	Electricity in standard coal (Unit: kg/year)	Total consumption of other energies than electricity (Standard coal) (Unit: kg/year)
2011	7,440,584	174,413,259	Not available	109,521,700
2012	6,175,823	249,387,502	Not available	79,928,627
2013	7,777,884	365,006,317	44,859,276	120,177,461

The data of the pharmaceutical industry in 2013 included the standard coal consumed per RMB 10,000-worth of production. Since sales and production values of individual enterprises are settled differently, such as by the base price, by the ex-work price, or by the market price, with relatively significant differences, the energy consumption values do not completely reflect the energy consumption level. Data in the column are for reference only.

The 2013 energy consumption summary includes 30 holding member enterprises, 2 additional enterprises from the pharmacy business segment, 4 in the medical service segment, 2 enterprises namely Dongting and Sainuokang and excludes one enterprise, namely Fenghuang Jiangshan (no production in 2013 and hence not included). Compared to that of 2012, energy consumption increased in the pharmaceutical industry segment in 2013 for three reasons. One of them is that the number of enterprises joining in the statistics increased due to integration and acquisitions. Another reason is the implementation of new GMP, which increased the control requirements for pharmaceuticals during production and hence energy consumption. The third reason is the quantity of drugs or medicinal intermediates produced, which also contributed to energy consumption.

Overview of resources consumption among holding member enterprises of FOSUNPHARMA in 2013 (Source of data: 30 subordinate holding enterprises)

Segment	Name of company	Total water (Unit: cubic meter/year)	Total electricity (Unit: kWh/year)	Electricity in standard coal (Unit: kg/year)	Total consumption of other energies than electricity (in standard coal) (Unit: kg/year)	Standard coal consumed per RMB 10,000-worth of production (kg)
Pharmaceutical industry	Wanbang Biopharmaceuticals	263,709	11,161,200	1,371,711	2,646,038	89.00
	Wanbang Jinqiao	56,308	3,842,750	472,274	2,321,780	372.00
	Chemo Wanbang Biopharma	27,130	2,559,000	314,501	622,182	160.00
	Zhaohui Pharmaceutical	103,135	4,200,000	516,180	854,745	137.00
	Wanbang Folon	29,000	649,500	79,824	275,006	89.00
	Sainuokang	3,400	137,707	16,924	21,354	2.20
	Shine Star	4,000,000	250,000,000	30,725,000	85,716,000	910.00
	Moluodan	29,969	1,345,240	165,330	1,000,020	93.00
	Aohong	235,000	6,304,000	774,762	2,726,941	30.00
	Guilin Pharmaceutical	612,965	18,938,628	2,327,557	5,067,959	141.00
	Dongting Pharmaceutical	746,000	7,508,000	922,733	8,165,068	181.00
	Hongqi Pharmaceutical	48,630	1,623,184	199,489	627,059	35.00
Pharmaceutical industry	Aleph Biomedical	65,728	3,702,863	455,082	871,493	365.00
	Yaoyou Pharmaceutical	348,269	21,233,200	2,609,560	5,386,630	52.00
	Carelife Pharmaceutical	113,000	3,933,420	483,417	645,050	79.00
	Kaixing Pharmaceutical	33,075	2,167,922	266,438	834,531	323.00
	Hexin Pharmaceutical	16,240	76,500	9,402	80,598	6.70
	Chongqing Pharmaceutical Research Institute	16,220	1,539,528	189,208	142,829	28.00
	Kangle Pharmaceutical	109,651	1,377,272	169,267	489,082	105.00
Medical device	Huaiyin Medical	38,496	1,700,000	208,930	26,585	—
	Blood Transfusion Technology	37,000	1,322,000	162,474	221,479	—
	Chindex International	233	196,414	24,139	0	—
	Alma Lasers	3,422	896,015	110,120	0	—
Medical diagnostic	Baoshan Site of Diagnostic Business Group	6,483	3,140,760	385,999	0	—
	Yaneng Bioscience	2,888	328,959	40,429	0	—
Pharmacy business	Golden Elephant Pharmacy	10,977	968,599	119,041	29,709	—
	FOSUNPHARMA	13,538	2,035,085	250,112	130,363	—
Medical service	Jimin Cancer Hospital	154,540	1,035,252	127,232	138,133	—
	Chancheng Hospital	357,278	5,447,326	669,476	624,961	—
	Guangji Hospital	195,600	2,875,000	353,338	490,993	—
	Zhongwu Hospital	100,000	2,760,993	339,326	20,873	—
FOSUNPHARMA total:		7,777,884	365,006,317	44,859,276	120,177,461	

The purchase, utilization, and re-utilization of materials by some holding member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Type of material	Name of material	Purchased quantity	Actual utilization	Recycled quantity	Recycled rate
Wanbang Biopharmaceuticals	Raw material	Insulin extract	245.8kg	245.8kg	—	—
		Glimepiride	324kg	324kg	—	—
	Chemical	Glycerol	2,900kg	2,900kg	—	—
		Phenol	340kg	340kg	—	—
	Auxiliary ingredient	Pregelatinized starch	7,000kg	7,000kg	—	—
		Microcrystalline Cellulose	3,000kg	3,000kg	—	—
Wanbang Jinqiao	Raw material	Pig pancreas	1,914,467kg	1,801,647kg	—	—
	Chemical	Ethanol	939,000kg	6,436,000kg	5,497,000kg	585.40%
		Ammonia	229,400kg	225,000kg	—	—
		Phosphoric acid	285,433kg	270,000kg	—	—
		Sodium chloride	138,000kg	135,000kg	—	—
Chemo Wanbang Biopharma	Chemical	Bovine serum	722.5L	722.5L	—	—
		Mannitol	500kg	500kg	—	—
		Sodium hydroxide	600kg	600kg	—	—
Zhaohui Pharmaceutical	Raw material	Ketoconazole	1,500kg	1,200kg	—	—
		Lidocaine hydrochloride	5,500kg	5,000kg	—	—
		Pioglitazone hydrochloride	120kg	100kg	—	—
Wanbang Folon	Raw material	Natural indigo	37,050 kg	27,340kg	—	—
		Amber	25,704 kg	28,515 kg	—	—
		Aloe	29,755 kg	29,525kg	—	—
	Auxiliary ingredient	Magnesium stearate	300 kg	450 kg	—	—
Sainuokang	Chemical	Ethanol	34,000kg	34,000kg	540,000kg	1588%
Shine Star	Raw material	Feather	59,000,000kg	57,800,000kg	—	—
		Coal (carbonizing)	90,000,000kg	90,000,000kg	—	—
Moluodan	Raw material	Chinese medicinal material	302,032kg	422,665kg	—	—
		Alcohol	27,300kg	25,452kg	—	—
Guilin Pharmaceutical	Chemical	Dimethyl sulfoxide	154,000kg	277,200kg	123,200kg	80%
		Tetramisole	650,000kg	646,000kg	—	—
	Raw material	Terramycin	140,000kg	140,000kg	—	—
		Licorice extract powder	43,000kg	43,000kg	—	—
	Auxiliary ingredient	Starch	275,000kg	275,000kg	—	—
Dongting Pharmaceutical	Chemical	Ammonia liquid	255,040Kg	249,440 Kg	—	—
		Chlorobenzene	144,240Kg	141,240 Kg	—	—
		Toluene	77,920 Kg	77,920 Kg	—	—
	Auxiliary ingredient	Sucrose	10,000 Kg	8,200 Kg	—	—
		Starch	20,000 Kg	18,000 Kg	—	—
		Lactose	21,600 Kg	18,450 Kg	—	—

The purchase, utilization, and re-utilization of materials by some holding member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Type of material	Name of material	Purchased quantity	Actual utilization	Recycled quantity	Recycled rate
Hongqi Pharmaceutical	Raw material	Ethambutol hydrochloride	103,200kg	117,645kg	—	—
		Rifampicin	110,075kg	114,127kg	—	—
		Isoniazid	52,075kg	56,055kg	—	—
		Pyrazinamide	102,350kg	109,405kg	—	—
Aleph Biomedical	Chemical	Sucrose	1,550kg	1,200kg	—	—
		Disodium hydrogen phosphate	335kg	575kg	—	—
		Sodium chloride	1,937kg	1,334kg	—	—
Yaoyou Pharmaceutical	Raw material	Glutathione	38,000kg	35,000kg	—	—
		Glutamine	17,000kg	14,000kg	—	—
		Yanhuning	3,000kg	2,000kg	—	—
		Aspirin	9,000kg	8,500kg	—	—
	Auxiliary ingredient	Microcrystalline Cellulose	8,000kg	7,000kg	—	—
Carelife Pharmaceutical	Raw material	Lincomycin hydrochloride	121,000kg	121,000kg	—	—
	Chemical	Acetone	983,000kg	980,000kg	—	—
		Anhydrous ethanol	670,000kg	660,000kg	—	—
		N,N-dimethyl formamide	118,000kg	116,000kg	—	—
		Chloroform	736,000kg	2346,000kg	1,610,000kg	219%
		Dichloromethane	100,000kg	350,000kg	150,000kg	150%
		Ethanol hydrochloride solution	17,000kg	17,000kg	—	—
		Glacial acetic acid	81,000kg	78,000kg	—	—
Kaixing Pharmaceutical	Raw material	Cefmetazole acid	17,691kg	17,000kg	—	—
	Auxiliary ingredient	Sodium bicarbonate	3,120kg	3,118kg	—	—
Hexin Pharmaceutical	Raw material	Cefmetazole	2,210kg	1,920kg	—	—
		Dirithromycin	1,520kg	1,410kg	—	—
Chongqing Pharmaceutical Research Institute	Chemical	Sulfonate carboxylate copolymer	6,100kg	6,100kg	—	—
		Methylmorpholine	210kg	210kg	—	—
		Pyrrolidine	60,500kg	60,500kg	—	—
		Sucrose	96,100kg	96,100kg	—	—
Kangle Pharmaceutical	Chemical	95% Ethanol	166,080kg	372,949kg	221,109kg	133%
		Piperazine	6,425kg	21,946kg	15,561kg	242%
		Toluene	72,000kg	316,880kg	252,980kg	351%
		Methanol	29,600kg	81,974kg	52,374kg	177%

Energy-saving and emission reduction measures and accomplishments of some producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Energy-saving measures		Cost saved (Unit: 10 thousand dollars)		Ratio of cost saved to industrial production value through clean production	Ratio of cost saved to industrial production value through the energy-saving and efficiency-enhancing measures adopted
	Clean production	Other energy-saving measures	Clean production	Other energy- saving measures		
Wanbang Biopharmaceuticals	Improved process for glimepiride tablets; central air-conditioning control system; newly built sewage treatment stations	Continued replacement of old energy-saving lights with LED lights; recycling of water used to wash bottles and steam condensate at new facilities	95.92	11.00	0.21%	0.02%
Wanbang Jinqiao	Recycling and reuse of alcohol; deodorization through biological filtration; optimization of research and development platforms	—	269.00	—	3.59%	—
Chemo Wanbang Biopharma	Steam coordination and supply plan; small furnace consumption	Switch from water cooling for direct discharge to circulating cooling	87.90	3.70	1.50%	0.06%
Zhaohui Pharmaceutical	Energy-saving circulating water pump system, recycling of steam condensate, technical improvement on energy-saving of central air-conditioning water system	Transformation to automation of production lines	50.00	50.00	0.20%	0.20%
Wanbang Folon	Reinforced analysis of quality trends and reduced testing frequency; improved design of seals to reduce leakage; process optimization and improvement, etc.	Installation of solenoid valves at water outlets of individual oven cold fingers and connection to the clean zone to control timely discharge of condensate inside the outlets	7.90	1.00	0.20%	0.03%
Guilin Pharmaceutical	Process optimization and equipment improvement	Switch to energy-saving lights	199.00	1.60	0.38%	0.00%
Hongqi Pharmaceutical	Implementation of various clean production measures	—	130.48	—	0.56%	—
Yaoyou Pharmaceutical	Improvement in the glutathione process for increased recovery, recycling of condensate	Replacement of air-conditioning equipment, savings of natural gas	139.00	120.00	0.10%	0.08%
Carelife Pharmaceutical	Installation of tail gas and waste heat utilization systems onto furnaces to save around 100 cubic meters of natural gas a day	Reduction in the steam working pressure to save around 120 cubic meters of natural gas a day; collection of post-purification concentrate water for reutilization to save 4,400 tons of water a year; Switch of lights in offices to voice-controlled to save 5,000 degrees of electricity a year	7.20	10.50	0.05%	0.08%
Kaixing Pharmaceutical	Recycling of steam condensate for reuse in furnaces (reduction in the natural gas consumed and water used through waste heat of condensate)	—	11.00	—	0.35%	—
Hexin Pharmaceutical	Reduction in the consumption of energy and resources to increase the utilization rate	—	2.00	—	0.01%	—
Kangle Pharmaceutical	Recycling of waste solvents; recycling and reuse of low-temp water and waste cooling water; recycling of waste condensate for treatment prior to compliant discharge; recycling and utilization of waste mother solutions.	Use of energy-saving lights; setup of hydrophobic valves to increase steam utilization rate; reinforced basic management to eliminate the phenomenon of keeping lights on and water running all the time.	201.00	15.00	3.42%	0.26%

Individual enterprises in the pharmaceutical industry segment tried their best to adopt energy-saving and emission reducing measures in 2013, which not only helps accomplish the energy-saving and emission reduction effect but also fulfills the goal of reduced discharge of pollutants and increases benefits.

Classification of energy consumption among individual holding member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Type of energy consumed during production								
	Electricity	Natural gas	Liquefied gas	City gas	Steam	Run coal	Diesel	Gasoline	Fuel
	(Unit: kWh)	(Unit: M3)	(Unit: kg)	(Unit: M3)	(Unit: T)	(Unit: T)	(Unit: T)	(Unit: T)	(Unit: T)
Wanbang Biopharmaceuticals	11,161,200	0	1,400	0	30,826	0	0.00	0	0
Wanbang Jinqiao	3,842,750	0	0	0	27,073	0	0.00	0	0
Chemo Wanbang Biopharma	2,559,000	0	0	0	0	0	427.00	0	0
Zhaohui Pharmaceutical	4,200,000	6,143	0	0	0	0	581.00	0	0
Wanbang Folan	649,500	0	0	0	0	385	0.00	0	0
Sainuokang	137,707	0	0	0	249	0	0.00	0	0
Shine Star	250,000,000	0	0	0	0	120,000	0.00	0	0
Moluodan	1,345,240	0	0	0	0	1,400	0.00	0	0
Aohong	6,304,000	0	0	4,962,258	0	0	120.00	0	0
Guilin Pharmaceutical	18,938,628	0	0	0	0	7,095	0.00	0	0
Dongting Pharmaceutical	7,508,000	1,386,100	0	0	0	8,850	0.00	0	0
Hongqi Pharmaceutical	1,623,184	0	777	0	0	0	0.00	0	438
Aleph Biomedical	3,702,863	0	0	0	10,162	0	0.00	0	0
Chongqing Yaoyou	21,233,200	4,010,000	0	0	0	0	36.60	0	0
Carelife Pharmaceutical	3,933,420	485,000	0	0	0	0	0.00	0	0
Kaixing Pharmaceutical	2,167,922	622,208	0	0	0	0	4.80	0	0
Hexin Pharmaceutical	76,500	60,600	0	0	0	0	0.00	0	0
Chongqing Pharmaceutical Research Institute	1,539,528	107,390	0	0	0	0	0.00	0	0
Kangle Pharmaceutical	1,377,272	367,731	0	0	0	0	0.00	0	0
Huaiyin Medical	1,700,000	0	0	0	0	0	13.60	5	0
Blood Transfusion Technology	1,322,000	0	0	0	0	0	152.00	0	0
Chindex International	196,414	0	0	0	0	0	0.00	0	0
Alma Lasers	896,015	0	0	0	0	0	0.00	0	0
Baoshan Site of Diagnostic Business Group	3,140,760	0	0	0	0	0	0.00	0	0
Yaneng Bioscience	328,959	0	0	0	0	0	0.00	0	0
Golden Elephant Pharmacy	968,599	488	0	0	0	0	0.00	20	0
FOSUNPHARMA	2,035,085	0	0	0	0	0	85.90	4	0
Jimin Cancer Hospital	1,035,252	73,950	0	0	0	0	0.30	27	0
Chancheng Hospital	5,447,326	229,418	0	0	2,400	0	53.00	25	0
Guangji Hospital	2,875,000	350,000	0	0	0	0	0.00	12	6
Zhongwu Hospital	2,760,993	0	0	0	0	0	0.00	14	0

FOSUNPHARMA comprehensively summarized the various primary energy consumption conversion indicators involved in the production process of its holding member enterprises in respective segments in 2013
(Converted to standard coal in accordance with centralized standards)

Type	Standard coal conversion coefficient
Natural gas	1.3300 kg of standard coal/cubic meter
Liquefied gas	1.7143 kg of standard coal/kg
City gas	0.5143 kg of standard coal/cubic meter
Steam	0.08576 kg of standard coal/kg
Run coal	0.7143 kg of standard coal/kg
Diesel	1.4571 kg of standard coal/kg
Gasoline	1.4714 kg of standard coal/kg
Fuel	1.4286 kg of standard coal/kg

Reutilization of resources among some producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Weight of pancreas residue (ton)	Weight of furnace residue (ton)	Weight of Chinese medicine residue (ton)	General descriptions of the utilization
Wanbang Jinqiao	450	—	—	After pancreas residue is treated, it is used as additives to animal feeds
Shine Star	—	32,000	—	Used as building materials and processed
Moluodan	—	574	420	Used as building materials and processed and farm basal dressing
Guilin Pharmaceutical	—	2,664	—	Used as building materials and processed
Dongting Pharmaceutical	—	3,500	—	Used as building materials and processed

In the pharmaceutical industry segment, some enterprises made comprehensive utilization in accordance with the underlying functions of ordinary solid waste in 2013. Pancreas residue, for example, was used as additives to animal feeds. Furnace residue was used as building materials and processed. Chinese medicine residue was used as farm basal dressing, etc. By doing this, it generates economic benefits and greatly reduces bulky emissions of ordinary solid waste. It avoids secondary pollution to the environment.

Utilization and protection of water resources

Individual member enterprises of FOSUNPHARMA made reasonable use of water resources in 2013 by adopting various effective water-saving measures and optimizing or improving their production process and facilities. The total water consumed came to 7,774,462 cubic meters, with a reduction from the RMB 10,000 of production value in 2012. The measures

and optimization or improvement exercised an important effect in terms of effectively protecting water resources. Compared to 2012, the total water consumed in the pharmaceutical industry segment increased by around 10% in 2013 and the sales value climbed by around 30%. Generally speaking, the water consumed per unit production value was somehow dropping to demonstrate substantial water-saving efficacy.

Utilization of water resources among individual producing member enterprises of FOSUNPHARMA in 2013

Segment	Name of enterprise	Total water consumed (ton/year)	Source of consumed water/total water ratio	Ratio of recyclable and reusable water	Water-saving measures	Water-saving efficacy (Value: RMB 10,000)	Water consumed per ten thousand worth of production value (ton)
Pharmaceutical industry	Wanbang Biopharmaceuticals	263,709	City water 100%	25%	Recycling of water used to wash bottles	23.5	5.85
	Wanbang Jinqiao	56,308	City water 100%	60%	Cycle utilization	12	7.51
	Chemo Wanbang Biopharma	27,130	City water 100%	34%	Switch from water cooling for direct discharge to circulating cooling	3.7	4.63
	Zhaohui Pharmaceutical	103,135	City water 100%	20%	Repeated recycling of condensate from the workshop and recycling of sewage-treated waste water	9.3	10.3
	Wanbang Folon	29,000	Ground water 100%	17%	Use of intermediate water for watering the lawns and energy-saving nozzles, etc.	1	7.3
	Sainuokang	3,400	City water 100%	—	—	—	0.194
	Shine Star	4,000,000	Self produced surface water 100%	20%	Recycling of cooling water for reutilization	80	31.25
	Moluodan	29,969	City water 30%, ground water 70%	30%	Recycling of cooling water for utilization	3.6	2.4
	Aohong	235,000	City water 39.57%, ground water 60.43%	—	—	—	2.57
	Guilin Pharmaceutical	612,965	City water 100%	50%	Recycling	107	11.76
	Dongting Pharmaceutical	746,000	City water 100%	50%	Reuse of circulating water	101	18.6
	Hongqi Pharmaceutical	48,630	City water 100%	—	—	—	2.1
	Aleph Biomedical	65,728	City water 100%	—	—	—	18.1
	Yaoyou Pharmaceutical	348,269	City water 100%	8.05%	Steam condensate system	12.6	2.42
	Carelife Pharmaceutical	113,000	City water 100%	65%	Collection of post-purification concentrate water for reutilization; repairing or construction of circulation tanks	22.1	8.28
	Kaixing Pharmaceutical	33,075	City water 100%	15%	Recycling of water used to wash bottles	2.23	10.6
	Hexin Pharmaceutical	16,240	City water 100%	30%	Reduction of water consumed during production, increase in water utilization rate	2	0.65
	Chongqing Pharmaceutical Research Institute	16,220	City water 100%	—	—	—	1.4
	Kangle Pharmaceutical	109,651	City water 100%	20%	Circulation for reuse of cooling water; prohibited rinse of ground with water; reinforced management to eliminate the phenomenon of water running permanently	6.58	18.65

Utilization of water resources among individual producing member enterprises of FOSUNPHARMA in 2013

Segment	Name of enterprise	Total water consumed (ton/year)	Source of consumed water/total water ratio	Ratio of recyclable and reusable water	Water-saving measures	Water-saving efficacy (Value: RMB 10,000)	Water consumed per ten thousand worth of production value (ton)
Medical device	Huaiyin Medical	38,496	City water 100%	50.80%	Water circulation system	2.5	—
	Blood Transfusion Technology	37,000	City water 100%	96.80%	Remodeling of the water preparation system	5	—
	Chindex International	233	City water 100%	0%	None	0	—
	Alma Lasers	3,422	—	—	—	—	—
Medical diagnostic	Baoshan Site of Diagnostic Business Group	6,483	City water 100%	0%	Promotion and education	0	—
	Yaneng Bioscience	2,888	City water 100%	0%	Promotion and education	0	—
Pharmacy business	Golden Elephant Pharmacy	10,977	City water 100%	0%	Posting of water-saving reminders and promotion of used water for flowers.	0	—
	FOSUNPHARMA	13,538	City water 100%	0%	—	0	—
Medical service	Jimin Cancer Hospital	154,540	City water 100%	0%	—	0	—
	Chancheng Hospital	357,278	City water 100%	0%	Water-saving device installed on the faucet, installation of angle valve switch to reduce water discharged.	6.2	—
	Guangji Hospital	195,600	City water 100%	0%	—	0	—
	Zhongwu Hospital	100,000	City water 100%	0%	Rated as a model unit for water-saving in 2013 (in terms of promotion, water-saving reminders, and devices)	5	—

Treatment and discharge of three major wastes

FOSUNPHARMA values the treatment and discharge of three major wastes. Normalization of the treatment of three major wastes and steady compliant discharge are the fundamental requirements for individual producing member enterprises to follow. Individual producing member enterprises have established sound technical regulations for treatment of three major wastes. Sewage, after it is treated, satisfies standard requirements for discharge or piped discharge. Waste gases, once collected and treated to meet requirements, are discharged in the high air. Release of boundary noises meets respective established standards and requirements.

For waste generated during production by individual holding member enterprises, ordinary solid waste is properly treated. External packing materials, in particular, can be recycled and reused. Furnace or Chinese

medicine residue, on the other hand, can be comprehensively used. Treatment of hazardous waste is outsourced to qualified environmental protection companies on a outsourced treatment contract. Treatment procedures meet applicable regulations for hazardous waste. Individual holding member enterprises of FOSUNPHARMA fulfilled applicable regulations in the discharge of water pollutants and accomplished compliant discharge without incidents of surrounding environments being polluted in 2013. Carelife Pharmaceutical expanded its sewage treatment system to bring the daily processing capability from originally 150 tons to 600 tons at present. It meets existing requirements for sewage treatment and satisfies the needs of enterprises for future developments. Shine Star expanded its sewage treatment system to extend the biochemical treatment lines from originally six to eight at present. The sewage treatment capability increased by 30%.

Discharge of water pollutants among individual producing member enterprises of FOSUNPHARMA in 2013

Segment	Name of enterprise	Total water discharged (ton/year)	COD emissions (ton/year)	Ammonia nitrogen emissions (ton/year)	Discharge destination and compliance
Pharmaceutical industry	Wanbang Biopharmaceuticals	171,410	11.313	0.008	Compliant discharge to the Jima River sewage treatment plant
	Jinqiao Pharmaceuticals	17,600	2.394	0.011	Compliant discharge to the Jima River Sewage Treatment Plant
	Chemo Wanbang Biopharma	24,417	0.780	0.079	Compliant discharge to the Bailong Harbor Sewage Treatment System
	Zhaohui Pharmaceutical	26,400	0.792	0.012	Compliant discharge to city sewage pipework
	Wanbang Folon	7,200	0.330	0.008	Compliant discharge to city sewage pipework
	Sainuokang	3,060	0.113	0.005	Compliant discharge to waste water pipework in the development zone
	Shine Star	3,600,000	342.000	30.400	Compliant discharge to the sewage treatment plant within the industrial park
	Moluodan	20,000	0.220	0.030	Compliant discharge into a secondary sewage treatment plant
	Aohong	73,000	6.100	0.100	Compliant discharge to a township sewage treatment plant
	Guilin Pharmaceutical	490,400	34.600	—	Compliant discharge to city sewage pipework
	Dongting Pharmaceutical	454,440	32.110	4.770	Compliant discharge to the Deshan Sewage Treatment Plant
	Hongqi Pharmaceutical	38,904	1.320	0.082	Compliant discharge to the Hunnan Sewage Treatment Plant
	Aleph Biomedical	42,000	2.400	0.010	Compliant discharge to a city sewage treatment plant
	Yaoyou Pharmaceutical	84,800	5.010	0.620	Compliant discharge to a city sewage treatment plant
	Carelife Pharmaceutical	79,000	21.730	3.480	Compliant discharge to Sino French Water Development
	Kaixing Pharmaceutical	15,848	0.916	0.052	Compliant discharge to city sewage pipework
	Hexin Pharmaceutical	12,310	0.530	0.015	Compliant discharge to city sewage pipework
	Chongqing Pharmaceutical Research Institute	12,976	1.414	0.103	Compliant discharge to city sewage pipework
	Kangle Pharmaceutical	48,000	19.200	0.240	Compliant discharge to Sino French Water Development
Medical device	Huaiyin Medical	30,700	2.600	0.600	City sewage treatment plant/compliant
	Blood Transfusion Technology	33,300	9.980	1.010	City sewage treatment plant/compliant
	Chindex International	0	0.000	0.000	City sewage treatment plant/compliant
	Alma Lasers	0	0.000	0.000	—
Medical diagnostic	Baoshan Site of Diagnostic Business Group	5,835	1.155	0.002	City sewage treatment plant/compliant
	Yaneng Bioscience	2,888	Not detected	Not detected	City sewage treatment plant/compliant
Pharmacy business	Golden Elephant Pharmacy	0	0.000	0.000	City sewage treatment plant/compliant
	FOSUNPHARMA	0	0.000	0.000	City sewage treatment plant/compliant
Medical service	Jimin Cancer Hospital	36,600	0.853	0.066	City sewage treatment plant/compliant
	Chancheng Hospital	350,000	0.000	0.000	City sewage treatment plant/compliant
	Guangji Hospital	195,600	0.000	0.000	City sewage treatment plant/compliant
	Zhongwu Hospital	70,000	0.000	0.000	City sewage treatment plant/compliant

Management of solid waste among individual holding member enterprises of FOSUNPHARMA in 2013

Segment	Name of enterprise	Solid waste Total (ton)	Trash (ton)	External packing materials Quantity (ton)	External packing material sale comprehensive utilization rate	Total hazardous waste (ton)	Total waste ratio	Total processed hazardous waste (ton)
Pharmaceutical industry	Wanbang Biopharmaceuticals	150	100	6.80	100%	4.20	2.80%	4.20
	Wanbang Jinqiao	1,500	50	5.00	100%	3.39	0.23%	3.39
	Chemo Wanbang Biopharma	105	93	3.00	100%	1.66	1.58%	1.66
	Zhaohui Pharmaceutical	163	11	1.00	100	151.70	93.24%	151.70
	Folon Pharmacy	167	40	7.03	100%	0.15	0.09%	Consolidated in 2014 to be treated
	Sainuokang	53	50	3.00	100%	0.30	0.56%	
	Shine Star	35,380	260	—	—	120.00	0.34%	120.00
	Moluodan	1,038	14	29.65	100%	—	—	—
	Aohong	160	50	26.70	—	5.55	3.46%	5.55
	Guilin Pharmaceutical	3,155	433	54.00	3.70%	3.50	0.11%	3.50
	Dongting Pharmaceutical	3,800	30	20.00	100%	250.00	6.58%	250.00
	Hongqi Pharmaceutical	43	14	27.02	100%	1.60	3.74%	1.60
	Aleph Biomedical	—	—	—	—	13.39	—	13.39
	Yaoyou Pharmaceutical	204	100	92.00	100%	11.83	5.80%	11.83
	Carelife Pharmaceutical	84	8	0.29	0%	76.38	90.52%	76.38
	Kaixing Pharmaceutical	32	12	20.21	100%	0.08	0.24%	0.08
	Hexin Pharmaceutical	7	6	1.00	100%	0.15	2.14%	0.15
	Chongqing Pharmaceutical Research Institute	79	20	1.00	0%	58.12	73.46%	58.12
	Kangle Pharmaceutical	51	2	0.50	99.00%	49.44	96.11%	49.44
Medical diagnostic	Baoshan Site of Diagnostic Business Group	—	—	—	—	0.00	—	—
	Yaneng Bioscience	3	2	—	—	0.48	19.20%	0.48
Medical device	Huaiyin Medical	20	20	—	—	0.00	0.00%	0.00
	Blood Transfusion Technology	10	10	—	—	0.10	1.04%	0.10
	Chindex International	0	0	—	—	0.00	—	0.00
	Alma Lasers	0	0	—	—	0.00	—	0.00
Pharmacy business	Golden Elephant Pharmacy	0	0	—	—	0.00	—	0.00
	FOSUNPHARMA	0	0	—	—	14.50	—	14.50
Medical service	Jimin Cancer Hospital	10	0	—	—	0.00	0.00%	0.00
	Chancheng Hospital	280	147	—	—	133.00	47.50%	133.00
	Guangji Hospital	48	25	—	—	23.20	48.13%	23.20
	Zhongwu Hospital	473	400	—	—	73.00	15.43%	73.00
FOSUNPHARMA total		47,015	1,896			996		996

Summary of total waste gas emissions and the emissions of nitrogen oxides, sulfur oxides, and fumes as well as other important waste gases of holding member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Total waste gas emissions M3/a	Nitrogen oxide emissions (NO) T/a	Sulfur oxide emissions (SO) T/a	Fume	Other major process waste gases discharged		
				emissions T/a	Gas A	Gas B	Gas C
Zhaohui Pharmaceutical	6,150,000	1.81	0.00	0.13	—	—	—
Wanbang Folon	2,866,000	3.04	13.10	1.15	—	—	—
Shine Star	570,480,000		252.00		—	—	—
Moluodan	70,500,000	3.88	10.47	1.99	0.91	—	—
Aohong		0.01	0.09	0.10	—	—	—
Guilin Pharmaceutical	50,000,000	14.50	49.51	9.75	—	—	—
Dongting Pharmaceutical	79,650,000				—	—	—
Hongqi Pharmaceutical	4,200,000	3.54	0.56	1.27	—	—	—
Yaoyou Pharmaceutical	128,600,000	6.66	1.18	2.23	—	—	—
Carelife Pharmaceutical	19,050,000	1.82	0.62	0.61	Waste chloride hydrogen: 0.556	—	—
Kaixing Pharmaceutical	7,160,000	0.49	0.06	0.14	—	—	—
Hexin Pharmaceutical	82,570	0.11	0.02		—	—	—
Chongqing Pharmaceutical Research Institute	1,181,290	0.11	0.01	0.02	—	—	—
Kangle Pharmaceutical	59,500,000	1.96	0.48	0.49	Toluene: 1.99	—	—

Summary of the emissions of greenhouse gases, ozone-depletion substances, non-methane hydrocarbons, and other important gases of subordinate producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Greenhouse gas emissions (direct or indirect) (M3/a)	Ozone-depletion substance emissions (M3/a)	Non-methane hydrocarbon emissions (T/a)	Other major process waste gases discharged		
				Gas A	Gas B	Gas C
Zhaohui Pharmaceutical	3,439,853	—	—	—	—	—
Hongqi Pharmaceutical	3,011,250	193.40	—	—	—	—
Carelife Pharmaceutical	1,996,461	—	0.85	—	—	—

Summary of investments in environmental protection, safety facilities, and overhead of individual producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Investment in safety and Firefighting facilities investment (RMB 10,000)	Investment in safety and Firefighting facilities operating expenses (RMB 10,000)	Investment in the construction or remodeling of environmental protection facilities (RMB 10,000)	Overhead of environmental protection facilities (RMB 10,000)	Remark
Wanbang Biopharmaceuticals	16.10	7.55	132.00	12.00	
Wanbang Jinqiao	2.04	4.00	37.80	25.00	
Chemo Wanbang Biopharma	0.00	11.00	12.00	5.00	
Zhaohui Pharmaceutical	125.00	5.80	0.00	22.00	Overhaul of steam pressurized pipeline
Wanbang Folon	2.00	3.00	1.00	9.00	
Sainuokang	2.00	6.00			
Shine Star	500.00	10.00	350.00	1,400.00	
Moluodan	80.00	20.00	8.00	63.00	Including replacement of firefighting devices and furnace safety maintenance and repairs
Aohong	0.00		400.00	20.00	Replacement of the ethanol evaporator
Guilin Pharmaceutical	200.00	23.00	60.00	182.00	
Dongting Pharmaceutical	250.00	15.00	350.00	150.00	Commissioning of the new facility
Hongqi Pharmaceutical	6.60	4.50	3.70	37.90	
Aleph Biomedical	0.00			5.00	
Yaoyou Pharmaceutical	2.50	9.00	6.40	12.00	
Carelife Pharmaceutical	10.70	0.59	730.00	100.00	Excluding manpower cost
Kaixing Pharmaceutical	0.00	0.56		4.00	
Hexin Pharmaceutical	2.80	0.50	0.40	1.00	
Chongqing Pharmaceutical Research Institute	65.00	80.72	14.99	20.00	Including the costs of training and occupational health protection
Kangle Pharmaceutical	8.10	5.00	5.50	16.70	

Among the ordinary solid waste generated by individual holding member enterprises of FOSUNPHARMA, most of the external packing materials were comprehensively utilized to reduce discharge and avoid secondary pollution of the environment in 2013. For hazardous waste, individual enterprises have been able to follow the requirements of the Environment Department by completing the whole environmental protection procedure that includes application, review and approval, transfer, and destruction. All are outsourced to qualified service providers for compliant dispositions. None of the holding member enterprises of FOSUNPHARMA experienced trans-territory transfer of hazardous waste in 2013.

Individual enterprises in the pharmaceutical industry segment were able to discharge atmospheric pollutants in compliance with regulations and continue to meet discharge criteria without major atmospheric environmental pollutions in 2013. The waste treatment device built by Wanbang Jinqiao in Xuzhou was commissioned in mid 2013 to effectively treat odor and gases generated during sewage treatment, which basically addressed the long-standing issue of hovering odor.

The pharmaceutical industry segment of FOSUNPHARMA invested more than 40 million dollars in environmental protection facilities and their overhead more than 14 million dollars in safety and firefighting facilities and their overhead in 2013. None of the above includes personnel cost. The enormous capital investment and human resources devoted contributed to perfect safety and firefighting and environmental protection facilities in the pharmaceutical industry segment and their remaining in an optimal operation status. They exercised proactive effects and brought about favorable results in preventing environmental pollutions.

The medical service, medical diagnostic, and medical device segments of FOSUNPHARMA also invested a lot of money in EHS constructions and operations, which totaled more than RMB 7,000,000 in 2013. Examples include the construction of a new sewage treatment station at Chancheng Hospital, the replacement of sewage treatment equipment at Zhongwu Hospital, and the upgrade of the sewage treatment system at Blood Transfusion Technology.

Green offices

FOSUNPHARMA practices green offices. Together with its member enterprises they adopt various effective measures to save energy and reduce consumption. Employees are encouraged to turn off office equipment, such as computers, lights, and the switch to the drinking fountain before they leave offices at the end of the day. Responsible person is sent on an inspection round to make sure all of the above are done, too. Energy-saving mode is turned on for all of the shared equipment such as printers, typewriters, and other equipment with the energy-saving mode. In terms of water saving throughout the office building, there are employees in charge of regulating the optimal water volume to guarantee reduced water use that is sufficient to satisfy water consumption needs. Faucets and the use of flush cisterns are checked from time to time. Any impairment is serviced in time to avoid water leakage and waste of resources.

FOSUNPHARMA promotes reduced use of disposable supplies in order to minimize the throughput of trash. Examples include disposable chopsticks, lunch boxes, and paper cups. For drinking water, the company offers mugs with its logo to be repeatedly used. Employees are also encouraged to carry their own washing supplies while on business trips. Used batteries are recycled separately. Separation of dry trash from wet trash is adopted. For electronic trash, the lifespan is adequately extended. Professional service providers are asked to recycle them for related treatment.

FOSUNPHARMA continues to enforce its management system for normalized and consistent use of vehicles. Company's vehicles are taken stock of to effectively control the mileage. There is also the fuel-efficient award to encourage drivers to save the fuels. The company's vehicle resources are integrated through further vehicle reforms that have helped bring down the total number of vehicles and improve the use efficiency. Meanwhile, FOSUNPHARMA pro-actively promotes low-carbon travel among its employees. In terms of information exchange, FOSUNPHARMA has the intranet

and bulletin board, email and video to facilitate information exchange. Video and telephone conferences accounted for around 30% of the total meetings taking place at the headquarters of FOSUNPHARMA in 2013. Most of them were meetings for member enterprises in different places. They help reduce travel expenses. For office process flow control, paperless OA management is adopted to reduce the use of a large quantity of paper. Efforts continued to promote the integration of resources, cross selling, and channel sharing through the FOSUN 1+N platform among its member enterprises in order to effectively bring down the cost and exercise a synergistic effect.

Environmental protection initiatives

FOSUNPHARMA's 1+N platform selects commercial suppliers having passed energy-saving certifications, such as furniture suppliers that have been approved for clean production domestically and Greenguard Indoor Air Quality Certified enterprises, organizes and purchases employee welfare products, and selects green product suppliers. The services available through the 1+N platform have covered other common employee commercial services such as centralized purchase of office supplies, reservation of fixed location hotels and accommodations, and periodical settlement of travel services.

FOSUNPHARMA organizes the resources sharing platform through the Administrative Support Department. The hope is to enhance the performance in purchasing production and operation resources by optimizing, integrating, and sharing resources inside the group. Meanwhile, the resources sharing platform also works to boost mutual understanding and support among departments and member enterprises and jointly advance corporate developments and low-carbon operations. It creates value for the enterprises and exercises the energy-saving and emission reducing function.

FOSUNPHARMA promotes paperless offices. Major holding enterprises have completely enforced and adopted paperless office systems.

Summary of paperless offices among subordinate member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Paperless office system	Scope of paperless office system operation	Remark
Wanbang Biopharmaceuticals	OA system, EAS system	Office automation, automatic management of corporate process flows	
Wanbang Jinqiao	OA system, EAS system	Office automation, automatic management of corporate process flows	
Chemo Wanbang Biopharma	OA system, EAS system	Office automation, automatic management of corporate process flows	
Wanbang Folon	OA system, ERP system	Office automation, receipt and procedural processing	Including material management
Shine Star	Kingdee K3, Tongda OA system, WeChat	Financial management, office automation, information management	
Moluodan	OA system, ERP system	Office automation, procedure and receipt review and approval	Including material management
Guilin Pharmaceutical	OA system	Procurement of office supplies and low-value consumables	
Hongqi Pharmaceutical	OA system	Office management, internal exchange, public information	
Yaoyou Pharmaceutical	OA system, ERP system	Finance and budget management, project and contract management, office automation	Including production management
Kaixing Pharmaceutical	RTX, ERP, OA system	Management of information at work, office automation, production plans management	Including material management
Hexin Pharmaceutical	ERP, distribution system, RTX	Procurement system, distribution management, information management	
Chongqing Pharmaceutical Research Institute	Kaken OA system, Kingdee K/3, ERP system	Supply chain management, financial management, human resources and customer relationship management, office automation	

Occupational Health

FOSUNPHARMA cares about the health of its employees and provides employees with optimal offices and operating sites for them to perform daily tasks and employees that are directly or indirectly exposed to the production process with annual health examinations. Individual producing enterprises have set up effective dust collectors, gas exhausters, and acoustic screens, among other facilities at first-line production operating sites likely exposed to dust, foreign odor, or noise and equip them with protection articles such as goggles and breathing filters to minimize potential unfavorable effects of hazardous factors existing in production operating sites on employees' health to the extent possible and ensure the

physical health of employees at work.

Individual holding member enterprises of FOSUNPHARMA continue to normalize their occupational health and safety management system and files. The EHS Department at each enterprise holds periodical occupational health training to further reinforce employees' awareness of their own health. FOSUNPHARMA implements health care among its employees at the head office through multiple health examination management service platforms so that employees can freely select qualified health care facilities to have their health checked, realizing personalized health service management.

Summary of physical examinations among employees of individual producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Total number of employees	Number of employees with direct or indirect exposure to occupational hazards	Identification of major occupational hazards				Ratio of employees to receive annual physical examination for possible occupational hazards to all employees	Employees having completed physical examination for possible occupational hazards	Completion rate	Employees having completed annual physical examination as part of employees' benefits	Ratio of employees having completed annual physical examination as part of employees' benefits to all employees
			Risk Factor A	Risk Factor B	Risk Factor C	Risk Factor D					
Wanbang Biopharmaceuticals	640	58	Noise	Methanol	Dimethyl sulfoxide	Acetonitrile	9%	58	100%	557	87%
Wanbang Jinqiao	145	83	Acetonitrile	Ether	Ammonia	Noise	57%	83	100%	141	97%
Chemo Wanbang Biopharma	147	22	Noise	Sodium hydroxide	—	—	15%	22	100%	114	78%
Zhaohui Pharmaceutical	283	10	Noise	High temperature	—	—	4%	10	100%	263	93%
Wanbang Folon	189	10	Noise	Dust	—	—	5%	10	100%	138	73%
Sainuokang	68	2	Noise	—	—	—	3%	2	100%	32	47%
Shine Star	1,956	452	Dust	Noise	Contagious disease	—	23%	452	100%	1,956	100%
Moluodan	613	0	—	—	—	—	0%	0	N/A	430	70%
Aohong	490	9	Noise, dust	—	—	—	2%	9	100%	434	89%
Guilin Pharmaceutical	920	194	Dust	Anhydrous ammonia	Methanol	Acetone	21%	194	100%	920	100%
Dongting Pharmaceutical	764	133	Barium hydroxide	Chlorine	Chlorobenzene	Dust	17%	133	100%	513	67%
Hongqi Pharmaceutical	376	28	Rifampicin	Isoniazid	Ethambutol hydrochloride	—	7%	28	100%	292	78%
Aleph Biomedical	334	0	—	—	—	—	0%	0	N/A	246	74%
Yaoyou Pharmaceutical	953	35	Noise	Dust	—	—	4%	35	100%	470	49%
Carelife Pharmaceutical	312	199	Chloroform	Dust	Acetone	N,N-dimethyl formamide	64%	199	100%	221	71%
Kaixing Pharmaceutical	81	0	—	—	—	—	0%	0	N/A	66	81%
Hexin Pharmaceutical	78	7	Noise	Dust	—	—	9%	7	100%	78	100%

Name of enterprise	Total number of employees	Number of employees with direct or indirect exposure to occupational hazards	Identification of major occupational hazards				Ratio of employees to receive annual physical examination for possible occupational hazards to all employees	Employees having completed physical examination for possible occupational hazards	Completion rate	Employees having completed annual physical examination as part of employees' benefits	Ratio of employees having completed annual physical examination as part of employees' benefits to all employees
			Risk Factor A	Risk Factor B	Risk Factor C	Risk Factor D					
Chongqing Pharmaceutical Research Institute	277	24	Dust	Noise	—	—	9%	24	100%	240	87%
Kangle Pharmaceutical	147	84	Chemical solvent	Dust	Noise	—	57%	84	100%	142	97%
Huaiyin Medical	650	4	Ionizing radiation	—	—	—	1%	4	100%	650	100%
Blood Transfusion Technology	164	0	—	—	—	—	0%	0	—	164	100%
Chindex International	231	0	—	—	—	—	0%	0	—	231	100%
Alma Lasers	145	60	—	—	—	—	41%	60	100%	—	—
Baoshan Site of Diagnostic Business Group	408	15	Chemical	—	—	—	4%	15	100%	408	100%
Yaneng Bioscience	237	0	—	—	—	—	0%	0	0%	237	100%
Golden Elephant Pharmacy	625	0	—	—	—	—	0%	0	—	625	100%
FOSUNPHARMA	924	0	—	—	—	—	0%	0	—	924	100%
Jimin Cancer Hospital	260	9	Ionizing radiation	—	—	—	3%	9	100%	260	100%
Chancheng Hospital	1,234	0	—	—	—	—	0%	0	—	1234	100%
Guangji Hospital	455	0	—	—	—	—	0%	0	—	341	75%
Zhongwu Hospital	569	11	Ionizing radiation	—	—	—	2%	11	100%	569	100%

In 2013, employees of individual member enterprises of FOSUNPHARMA that were directly or indirectly exposed to statutory occupational hazard risk factors were required to complete health examinations at designated health care facilities. These enterprises establish health examination files for each of their employees. The responsible management department at each of the enterprises in the pharmaceutical industry segment performs major occupational hazards identification in accordance with the production process and the properties of materials used. Employees at risk of occupational hazards periodically complete physical examinations performed at occupational hazard prevention and treatment institutions that help ensure physical health. For the other employees without exposure to occupational hazard risk factors, FOSUNPHARMA and individual holding member enterprises encourage them to complete health examinations as part of their benefits arranged by the company.

Safe production

FOSUNPHARMA understands the importance of safety management and has reinforced safety management control and supervision among individual producing member enterprises. Individual producing member enterprises have normalized and perfect their safety management system and pro-actively enforces and implements standardized safe production management. None of the producing enterprises experienced major safe production liability events or personal injuries in 2013. Safe production management appeared to be in favorable condition.

Safety protection

In terms of safety protection, FOSUNPHARMA has established the Safety Protection Steering Committee to comprehensively reinforce individual safety protection tasks, deploy and consolidate safety protection measures, and complete individual safety protection missions throughout FOSUNPHARMA and among its member enterprises. Individual member enterprises performed their own firefighting safety drills within 2013. Safety management levels are enhanced through inspections and drills,

investigation and management of safety loopholes, normalization of the safety system, and perfection of the safety management framework. The Safety Protection Steering Committee has embarked on multiple routine safety protection inspections to timely eliminate unsafe factors or concerns. The EHS Management Department of FOSUNPHARMA is invited to provide safety protection education at the head office and member enterprises in order to improve these enterprises' ability to handle firefighting emergency.

Health and safety issues

With the commissioning of the Baoshan site of the Medical Diagnostics Division and the rapid developments of individual enterprises, the number of paid employees at FOSUNPHARMA increases as well. To provide these employees with better services, the Diagnostic Business Group offers employees working at the Baoshan site with multiple routes for shuttle buses. The management of shuttle buses is reinforced. Shuttle bus drivers' meeting is organized periodically. The alarm bells sound for an extended length of time and drivers' eligibility is strictly reviewed to ensure driving safety. Routes are perfected to provide employees with more convenience. The Medical Diagnostics Division along with its branch labor force committee and Yaoyou Pharmaceutical participated in the Ankang Cup safety competition. They further enhanced safety awareness among their employees, safety management, and safety measures through the competition to ensure safe production.

The labor union of Huaiyin Medical entered into the "Corporate Labor Safety and Health Collective Contract" with the employer. The contract specifies the labor safety and health responsibilities that the employer should undertake, including providing employees with working conditions, production equipment, facilities and production tools that meet national standards; strictly implementing the "three simultaneous" requirements; conducting labor safety and health education and training for its employees and promising that it will provide necessary budget and time; providing "tertiary education" and training post system and special certified post system; pro-actively embarking on occupational hazard prevention and periodical examination efforts, with

at least one physical examination a year and arranging adequate care, etc.; implementing "accident concern and occupational hazard monitoring", stipulating the emergency relief proposal system for accidents, adopting opinions and suggestions provided by the union, pro-actively restructuring and restoring the union; specifically stipulating that the union should send representatives to take part in the stipulation and amendment of labor, safety, and health articles and systems and that major issues should be brought forth in the Congress of Workers for discussion and deliberation; and establishing the investigation and management mechanism for industrial injuries and accidents to effectively protect the legal rights of employees.

Blood Transfusion Technology provides labor safety and health education and training, has introduced and promoted new techniques, new processes, adopts reliable labor protection equipment and measures, and provides employees to start a new post with required training before they report to a new post, and periodically holds section or division safety promotion and education campaigns to enhance employees' awareness of self protection. The union participates in health and safety inspections on behalf of the employees. In cases of safety production accidents, the union participates in the review and investigation of the accidents. The union is entitled to participate in employer-employee health and safety committee.

Summary of safe production industrial injuries among individual producing member enterprises of FOSUNPHARMA in 2013

Name of enterprise	Total number of employees	Total working hours (hour)	Industrial injury events	Industrial injury deaths	Serious industrial injuries	Moderate industrial injuries	Mild industrial injuries	Industrial injury rate (IR)
Wanbang Biopharmaceuticals	640	1,336,320	4	1	0	3	0	0.60
Wanbang Jinqiao	145	302,760	0	0	0	0	0	0.00
Chemo Wanbang Biopharma	147	306,936	0	0	0	0	0	0.00
Zhaohui Pharmaceutical	283	590,904	1	0	0	0	1	0.34
Wanbang Folon	189	394,632	3	0	0	0	3	1.52
Sainuokang	68	141,984	0	0	0	0	0	0.00
Shine Star	1,956	4,084,128	34	0	0	6	28	1.66
Moluodan	613	1,279,944	0	0	0	0	0	0.00
Aohong	490	1,023,120	0	0	0	0	0	0.00
Guilin Pharmaceutical	920	1,920,960	5	0	0	0	5	0.52
Dongting Pharmaceutical	764	1,595,232	4	0	0	1	3	0.50
Hongqi Pharmaceutical	376	785,088	3	0	0	2	1	0.76
Aleph Biomedical	334	697,392	7	0	0	7	0	2.01
Yaoyou Pharmaceutical	953	1,989,864	2	0	0	0	2	0.20
Carelife Pharmaceutical	312	651,456	5	0	0	0	5	1.54
Kaixing Pharmaceutical	81	169,128	0	0	0	0	0	0.00
Hexin Pharmaceutical	78	162,864	0	0	0	0	0	0.00
Chongqing Pharmaceutical Research Institute	277	578,376	0	0	0	0	1	0.00
Kangle Pharmaceutical	147	306,936	7	0	0	2	5	4.56
Huaiyin Medical	650	1,357,200	10	0	0	10	0	1.51
Blood Transfusion Technology	164	342,432	0	0	0	0	0	0.00
Chindex International	231	482,328	0	0	0	0	0	0.00
Alma Lasers	145	302,760	0	0	0	0	0	0.00
Baoshan Site of Medical Diagnostics Division	408	851,904	0	0	0	0	0	0.00
Yaneng Bioscience	237	494,856	0	0	0	0	0	0.00
Golden Elephant Pharmacy	625	1,305,000	0	0	0	0	0	0.00
FOSUNPHARMA	924	1,929,312	0	0	0	0	0	0.00
Jimin Cancer Hospital	260	542,880	0	0	0	0	0	0.00
Chancheng Hospital	1,234	2,576,592	13	0	0	13	0	1.05
Guangji Hospital	455	950,040	0	0	0	0	0	0.00
Zhongwu Hospital	569	1,188,072	0	0	0	0	0	0.00
FOSUNPHARMA total:	14,675	30,641,400	98	1	0	44	54	0.64

Injury rate (IR) = (all events/all working hours) * 200,000 hours

One of the deaths occurred during a traffic accident on the way home after work.

EHS Education

FOSUNPHARMA highly values EHS education and organized professional EHS training for EHS managers in its five major segments (pharmaceutical industry, medical service, medical device, medical diagnostic and pharmacy business) on August 30, 2013. The training covered relatively complete descriptions of the EHS management purpose and objectives of the EHS Management Department at FOSUNPHARMA, the importance of EHS, the importance of EHS to the pharmaceutical industry, characteristics of and risk management in the pharmaceutical industry, high-risk processes and production of drug substances, the onion model of risk management for the pharmaceutical industry, the pyramid model of risk control, process safety management, process safety accidents, occupational health and safety, environmental protection and resources management, corporate social responsibilities, safety protection, EHS risk management solutions, EHS spontaneous check tools, etc. It was the first comprehensive training prior to the enforcement of EHS spontaneous inspections for holding member enterprises of FOSUNPHARMA and greatly enhanced the professional attainments of EHS managers at holding member enterprises of FOSUNPHARMA by helping form preliminary ideas of systematized EHS

and process safety management and specifying how EHS spontaneous inspections are performed and the requirements. During the training, FOSUNPHARMA shared and exchanged with its member enterprises on EHS management experiences. The training helped boost the mutual understanding and communication among EHS practitioners at individual enterprises, realize joint growth in EHS management among individual enterprises, and enhance and develop the EHS management level at FOSUNPHARMA.

Individual holding member enterprises of FOSUNPHARMA provide their employees with EHS education and combine external training with internal training to cover all aspects including environmental protection, occupational health, safe production, and safety protection. With assistance of all kinds of EHS education or training, EHS awareness and ideas have taken shape in the heart of the employees. Energy-saving and emission reduction, effective protection, elimination of risk or concerns during the production process have become a spontaneous practice among the employees.

EHS Training at Subordinate Enterprises of FOSUNPHARMA in 2013

Name of enterprise	Title of training project	Contents
Huaiyin Medical	Safety knowledge education and training	Safety knowledge education and training were provided at individual production workshops and to new employees from time to time in 2013. The training covered applicable laws and regulations on safe production, general situation of safe production at the unit, special hazardous sections and safety information upon access to the plant, mechanical and electrical knowledge, industrial health, and fire prevention and explosion prevention knowledge.
Blood Transfusion Technology	Safe production, requirements upon entry to and exit from clean zones	Training was provided on safe production and requirements upon entry to and exit from clean zones to production operators in 2013. The training usually took place inside the company and was done through oral presentations, written tests, and hands-on operations, etc. The training was held once a month and lasted for an hour each time. Special operators were sent to attend external training.
Golden Elephant Pharmacy	Training on EHS spontaneous inspections	The pharmacy participated in the training on EHS spontaneous inspections held by the group on August 30, 2013.
FOSUNPHARMA	Safety training, firefighting manager training, pre-service education and training, safe fire prevention education and training	The company arranged seven shop managers to attend safety training for persons in charge of production and operation units and get certified. The company arranged two managers to attend Class 4 firefighting manager training and get certified and full-time (part-time) firefighting manager training and get certified. The company arranged 32 new employees to take part in the pre-service education and training. The company arranged 77 shop managers to attend safe fire prevention education and training.
Jimin Cancer Hospital	EHS training	The internal EHS training takes place twice a year at the hospital.
Guangji Hospital	"Disinfection and Sterility Effect and Environmental Health Testing", "Nosocomial Infection Knowledge for Cleaners", "Medical Waste and Sewage Treatment Knowledge", "Occupational Exposure and Protection"	Disinfection quality control staff was arranged to attend the training entitled Disinfection and Sterility Effect and Environmental Health Testing in April 2013. Cleaners were arranged to attend the training entitled Nosocomial Infection Knowledge for Cleaners in July 2013. Workers at temporary storage and in charge of sewage treatment were arranged to attend the training entitled Medical Waste and Sewage Treatment Knowledge in March 2013. Two training sessions were held on firefighting knowledge, including firefighting drills, were held in September 2013. All medical staff throughout the hospital attended the training entitled Occupational Exposure and Protection in October 2013.
Medical Diagnostics Division	Pre-service safety training and certification	The Medical Diagnostics Division arranged the chairmen, general managers, production and logistics supervisors, warehousing staff, and hazardous objects managers of Long March Medical Science, Fosun Med-Tech, and Biofosun Biotech, a total of 20 people, to attend a variety of pre-service safety training and certification events held by the Safety Oversight Board in the Baoshan District of Shanghai City. All of them suspended participation in the production process in order to devote themselves to the learning and pass related professional tests over a period of three days.

A portrait of Philip Brewah, a man with short dark hair, wearing a white button-down shirt and a blue lanyard with a badge. He is looking slightly to the right with a thoughtful expression. The background is a warm, textured orange-brown.

Sharing.

Philip Brewah
Ministry of Health Official, Republic of Sierra Leone

The incidence of malaria is up to 40% in the Republic of Sierra Leone. Malaria spreads very quickly. There can be cases anywhere. The seminar training covered wonderful contents. After I return to my country, I will be able to apply the knowledge I have acquired on the prevention and treatment of malaria at work and share it with my colleagues. I also hope that similar seminars can be held in the Republic of Sierra Leone to help disseminate knowledge on the prevention of malaria, to teach health care professionals how to use anti-malaria drugs and how to confirm malaria cases through technical means, for example.



Employees

FOSUNPHARMA cares about the sustainable development of talent. Since its establishment, FOSUNPHARMA has been holding the talent perspective of "attracting people with development, mobilizing people with a career, cultivating people with work, and rating people by their performance." Right now, the entrepreneurship-based team has been at the core of FOSUNPHARMA's development. While the company is developing rapidly, it provides more outstanding talent with room for growth by activating the talent reserve program, reinforcing talent hierarchy, and offering its employees the value of discovery and a platform for them to enhance themselves.

Sustainable Development of Talent

The sustainable development of talent is an important step in the accomplishment of a company's goals. Adhering to external introduction and internal development, FOSUNPHARMA not only proactively attracts outstanding talent from outside the company but also reinforces its internal development and enhancement. In order to create a team of talent that reflects the company's corporate culture, FOSUNPHARMA accordingly constructs a talent highland based on entrepreneurship.

The company values the introduction and development of talent in the localities of individual member enterprises. In the introduction, development, and enhancement of talent, men, women, minorities, and disabled employees are entitled to equal rights.

Introduction of Talent

FOSUNPHARMA promotes "attracting people with development."

As the industrial chain of FOSUNPHARMA constantly perfects and extends

itself, the scale of the company is fortified accordingly as well to attract more and more local and overseas talent to join the team.

From the perspective of industrial chain development, two additional hospitals were included into the FOSUNPHARMA system in 2013. Among them, Chancheng Hospital is a holding hospital.

When taken from an international perspective, on the other hand, besides the office in the United States, the company set up two additional offices in Israel and Europe in 2013 and international employees in the locations were hired to offer talent security that helps with internationalization. Meanwhile, FOSUNPHARMA also focuses on the development of middle-age to younger talent as these people are known for their powerful learning capability, have related working experience, and recognize FOSUNPHARMA's values and development modes to accordingly become the cornerstone for sustainable corporate developments.

Optimized structure

FOSUNPHARMA has a total of 16,791 employees in all areas with presence combined as of December 31, 2013, a growth of 17.0% from 2012.

More than 85% of FOSUNPHARMA's employees were 20 to 50 years old in 2013.

Structure of Human Resources at FOSUNPHARMA

Unit: person

Year	Total	Gender	
		Male	Female
2013	16,791	8,246	8,545
2012	14,357	7,222	7,135
2011	13,192	6,794	6,398
2010	11,484	5,975	5,509
2009	9,611	5,088	4,523

Educational Background of Employees at FOSUNPHARMA

Unit: person

Year	Doctorate	Master	Bachelor	Junior college	Technical secondary school and lower
2013	80	637	3,794	4,368	7,912
2012	50	472	2,931	3,364	7,540
2011	48	441	2,778	2,910	7,015
2010	42	327	2,038	2,342	6,735
2009	27	262	1,626	1,859	5,837

Functional structure at FOSUNPHARMA

Unit: person

Year	Management	Production	Distribution	Technical research and development	Finance and audit	Administration and logistics	Health care professional
2013	635	6,468	3,927	1,570	436	1,552	2203
2012	512	6,272	3,829	1,545	349	1,177	673
2011	661	5,049	3,088	1,923	379	1,555	511
2010	493	4,684	3,217	1,667	284	1,139	—
2009	340	4,239	2,687	1,275	241	829	—

Age Structure at FOSUNPHARMA

Unit: person

Year	16~20 years old	20~30 years old	30~40 years old	40~50 years old	50~55 years old	55~60 years old	Over 60 years old
2013	488	5,885	5,354	3,044	1,097	715	208
2012	141	4,963	4,448	3,392	793	521	99
2011	513	4,506	3,854	3,000	765	467	87
2010	389	3,949	3,285	2,728	688	397	48
2009	376	3,550	2,883	1,717	715	322	48

Statistics of Female, Disabled, and Minority workers at FOSUNPHARMA

Unit: person

	Total number of employees	Men	Women	Disabled	Minority
Person(s)	16,791	8,246	8,545	64	386
Ratio to total	100%	49.11%	50.89%	0.38%	2.39%

As far as education is concerned, FOSUNPHARMA mainly focused on the introduction of talent with advanced education in 2013. There were up to 80 employees holding a doctorate degree, a growth of 60% from the preceding year. Those holding master's degrees surged by 34.96%. Bachelor's degrees increased by 29.44%. Employees holding a bachelor's or a higher degree accounted for 26.87%.

Internal referrals

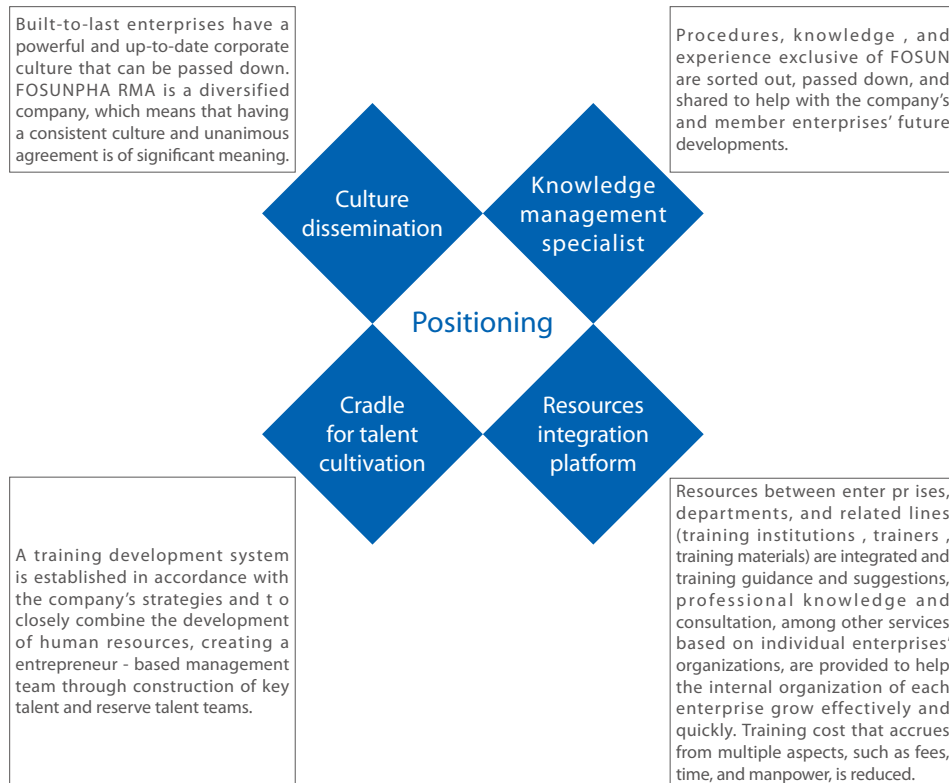
FOSUNPHARMA encourages its existing employees to proactively refer external talent (the Elite Project) in order to help the company established a more diversified talent database and create a first-rate team.

Cultivation of Talent

FOSUNPHARMA cares about "cultivating people with work."

In order for the company to develop over the long term, it requires the joint effort and devotion from employees at all levels. The company offers an open platform and diversified occupational options that enable its vast employee base to make the best of their talent, fully exercise their talent, and demonstrate their capabilities.

Training and development positioning

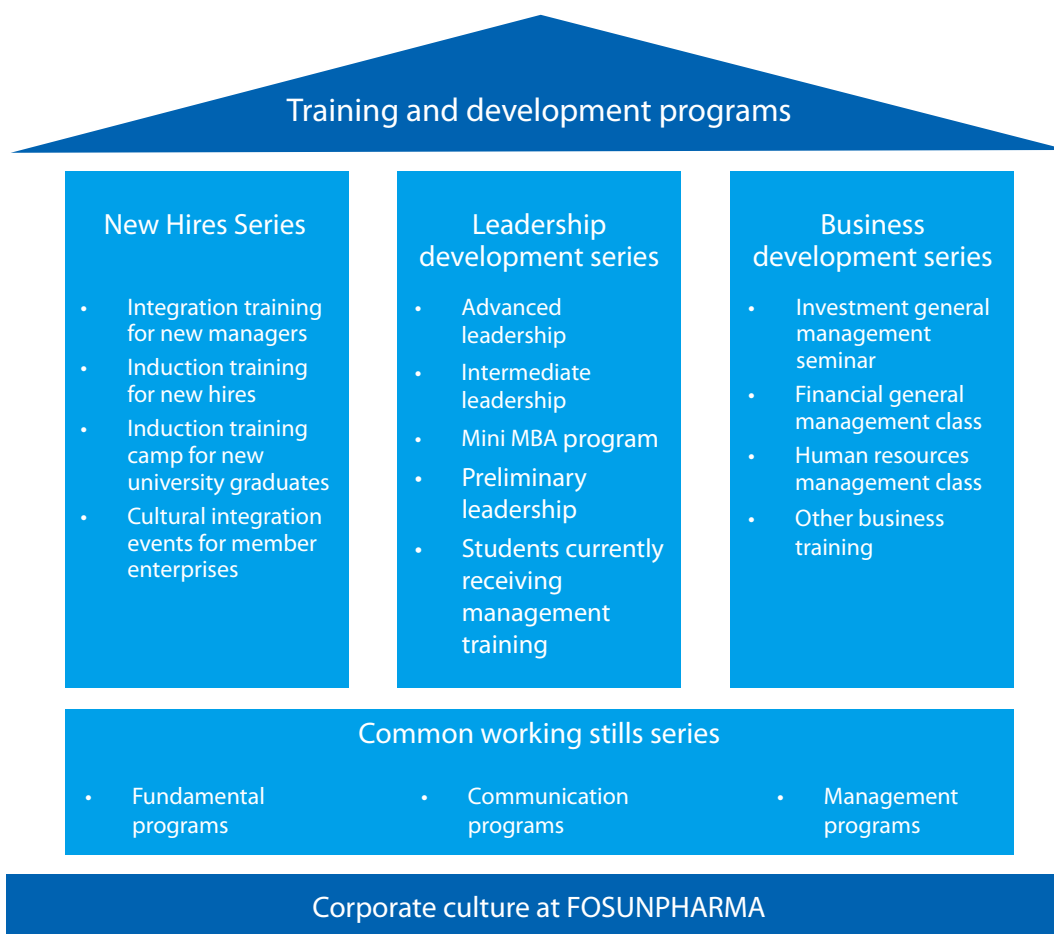


Training and Development

FOSUNPHARMA picked up its pace of internationalization in 2013. It was a key year for the company to reinforce its Internet train of thought. FOSUNPHARMA's training and development throughout the year were closely following its operational strategies. The company established its talent development strategies with specific key talent groups and sorted out and defined its talent criteria (based on cultural values and business demand). Through the "Strategy: One Group, One Standard" helped with hierarchical classification, two types of groups became the focus of attention to the company in terms of talent cultivation and development. These two groups are high-performing leaders and potential talent. High-performing leaders are not only experts, but also masters of a specific field. They can accomplish outstanding business performance independently with their own team. High-performing potential talent, on the other hand, refers to the fresh troops within the company that are young, passionate, willing, and capable. They are the momentum for the continuous development of the company. We tailored a series of learning and development systems specifically for these two groups in 2013 in order to further expedite talent growth, implementation, and promotion. Besides prioritized attention and development of key talent, we planned and deployed training and development as a whole throughout 2013. We eventually formulated the FOSUNPHARMA training and development system based on the corporate culture, centering the training of common skills at work, and supported by the three major series ("New Hires Series", "Leadership Development Series", and "Business Development Series"). Our corporate culture is meant to enable all employees feel the aura of FOSUNPHARMA as a family.

In terms of the common skills at work, the series is meant to promote all employees' professional accomplishments and capabilities. Our New Hires Series targets new employees by helping them quickly integrate themselves into the FOSUNPHARMA family. The leadership development series focuses on preliminary, intermediate, and advanced managers by expediting the development of leadership and reinforcing talent reserve. The business development series focuses on populations holding key positions in all functions and is meant to develop systematic advancement-based professional talent. While designing various training programs, FOSUNPHARMA constantly looks up to itself in complying with the "70-20-10" rule. Besides routine in-class training, the rule places more emphasis on how students learn during the process. The learning process is project-based. In addition, each training session serves as a wonderful opportunity for students to learn from others. We help students create such a platform and mechanism that contributes to the said learning aura, facilitates the communication and exchange among students, and enables students to share and pass down what they have learned and acquired from the training sessions with other members throughout the corporation. Meanwhile, we constantly internalize and practice what we have learned at work to truly realize seamless integration of our training and development work with the company's talent strategies. We empower employees through what we do so that more and more high-performing talent can come to the fore.

Training and development programs



Major training indicators at FOSUNPHARMA in 2013

Training indicator		Unit	2011	2012	2013
*1 Overall training expenditure in 2013		\$10,000	762.1	813	931
*2 Training of high-ranking managers (vice general managers and above)	Number of high-ranking managers	person(s)	114	118	154
	*3 Total training person-hour(s)	Person-hour	3,419	4,610	5,844
Training of the other employees (including new university graduates)	Total number of employees excluding top-ranking managers	person(s)	7,694	8,971	14,050
	*3 Total training person-hour(s)	Person-hour	192,685.3	405,405.7	543,757.73
In which, the training of new university graduates	Number of new university graduates hired this year (including those having already left the company)	person(s)	291	317	434
	Number of new university graduates hired in the first half of the year (including those having already left the company)	person(s)	298	291	317
	University graduate-oriented total training person-hour(s)	Person-hour	20,084.7	23,392.3	44,080

*1 Internal and external training targeting enterprises and others, including sending employees to attend various types of external training or internal training organized for employees with an external lecturer or a trainer from inside the enterprise.

*2 High-ranking managers are those holding the position of vice general manager throughout the enterprise (including vice president) and a higher-ranking position.

*3 Person-hour is product of the number of participants in the training multiplied by the overall training hours.

Note: Alma Lasers is not included in the above training data.

Primary Contents of Training at FOSUNPHARMA in 2013

Category	Title of Training Project	Contents
New Hires Series	Military training for new university graduates	It helps enhance the physical performance and awareness of mutual assistance among new employees in order to better adapt themselves to the organizational culture and working life.
	Training for new university graduates on culture and occupational attainments	It helps new employees to be equipped with fundamental working skills and occupational attainments.
	Care program for students currently receiving management training	FOSUNPHARMA comprehensively promotes and implements the care program for new university graduates in order to understand how they are doing within respective enterprises and to locate problems as soon as possible as it helps with effective intervention to accordingly reduce losses, such as a decrease in the number of employees.
	Program to help integrate into the new corporate culture	It facilitates the cultural integration between FOSUNPHARMA and the management of new enterprises that join the alliance and boosts the bridging process within a hundred days. The implementation includes contents such as the integration of corporate culture and bridging of three major tasks (strategy, performance, and budget).
Leadership Development Series	FOSUNPHARMA fundamental leadership	The fundamental leadership program is important in that it is held by the FOSUN Pharmaceutical Group to meet the company's developmental and strategic demand and targets FOSUNPHARMA high-performing potential talent to facilitate the latter's learning and development. Besides the program itself, the 70-20-10 learning rule is applied to reflect the learning characteristics of adults. Besides 10% in-class training, there is the development of abilities during implementation that accounts for 70% and learning through feedback from other people that accounts for 20%.
Business Development Series	FOSUNPHARMA's Mini MBA program	This is a two-year comprehensive learning program that is made possible through collaboration with an outside training institution and is meant to enrich middle-to-lower-ranking managers at the head office of FOSUNPHARMA and its member enterprises in terms of their professional knowledge, working skills, and leadership attainments.
	FOSUNPHARMA financial general management class	This is a two-year professional training program that is made possible through collaboration with the national accounting institute and targets staff of the financial general management level at the head office of FOSUNPHARMA and its member enterprises.
	FOSUNPHARMA investment general management class	This is a program targeting investors and aiming to increase their capabilities as a whole. Contents of the program include financial report, interpretation of estimated investment values, negotiation and communication, and investment case studies, etc.
Corporate culture and employer brand	"Activating the future" FOSUNPHARMA's campus tour	This is a series of academic-corporate interactive events targeting various advanced education institutions throughout China held for the first time through collaboration between the academia and the industry.
	FOSUNPHARMA Future Entrepreneur Training Camp	A summer camp was organized in July jointly by three subordinate enterprises in three different places, with participation from more than 100 students from over ten advanced education institutions.
	Corporate culture training	A team of internal lecturers on corporate culture was formed to communicate the company's culture.
Talent Development	Talent inventory	The annual promotion plan, elimination plan, and adjustment plan are defined and a development plan is established for key talent by performing evaluations and analyses on the quantity and quality of talent in accordance with the company's strategies and business demand.

Case: Development of middle-ranking managers on a large scale "Mini MBA" class discussing the developmental strategies of Wanbang Biopharmaceuticals



Between August 15 and 18, 2013, members of FOSUNPHARMA's Mini MBA class, under the guidance of the leader of Wanbang Biopharmaceuticals, a member enterprise, did an advanced analysis of the developmental strategies of Wanbang Biopharmaceuticals, discussed issues facing the enterprise's development and survival, and introduced solutions at the end of their discussions. Chairman Wu Yi-Fang, President Wu Shi-Bin, and Vice President Li Bo of Wanbang Biopharmaceuticals appeared to guide the discussions. Student Li Mei, who is a permanent vice general manager at Shanghai Xingtai Medical Technology indicated with regard to how Wanbang should build on its strategic capabilities that the enterprise should adopt a talent structure featuring business expansion and project managers as it will help realize the goal of introducing new products. Yu Tong-Le, General Manager of the Second Investment Department of FOSUNPHARMA, on the other hand, suggested that a underlying framework that meets the company's development idea and integrates the company's culture should be located from among local employees and training and that employees should receive training and rotate their jobs at Wanbang when it came to the integration issue at Wanbang Folon. Meanwhile, the employee career planning system should be established in order to gradually form a favorable management echelon.

This program marked the fifth intensive learning session of the Mini MBA class. The Mini MBA class is a comprehensive leadership development program for middle-ranking managers at FOSUNPHARMA. It is held to reflect the needs of corporate future development strategies and talent cultivation and is a large comprehensive talent cultivation project targeting middle-ranking managers and business experts at enterprises.

Case: 2013 Training projects at Wanbang Biopharmaceuticals and Yaoyou Pharmaceutical

Wanbang Biopharmaceuticals and Yaoyou Pharmaceutical have established a perfect training system that covers EHS, production quality, new GMP, the New Hires Series, talent development, the promotion management series, the business development series, and corporate culture and employer brand, among others.

Table of internal training projects at Wanbang Biopharmaceuticals

Category	Title of Training Project	Contents
New Hires Series	Military training for new university graduates	It helps enhance the physical performance and awareness of mutual assistance among new employees so that they can better adapt themselves to the military-like group culture of the company.
	Induction training	It helps new employees understand the basic status, regulations and systems of the enterprise, covers training on basic working skills and occupational attainments, and helps employees quickly adapt to the job requirements for them.
New members series	Program to help integrate into the new corporate culture	It facilitates the integration of culture of Wanbang Biopharmaceuticals and the management of new enterprises joining the alliance. The implementation includes contents such as the integration of corporate culture and bridging of three major tasks (strategy, performance, and budget).
Middle-to-high level series	Common management ability program for middle-to-high-ranking managers	Training programs on common management capabilities targeting middle-to-higher-ranking managers are held periodically to meet the needs of the company in developing strategies. Training topics are finalized on the basis of 360 degree feedback, management highlights of the company, strategies, and culture each quarter. The training programs are conducted by means of experience sharing, discussions, and lectures.
T24, New Managers Series	DDI	The fundamental leadership program is held once a year by the FOSUNPHARMA training center for outstanding T24 and new managers.
	Open class for common management abilities	This external program is provided to outstanding T24 and new backbones in order to enhance their common abilities throughout the system. Employees can choose courses on their own and then their department will select among the employees to attend the learning sessions with subsidies from the company.
	Group learning	Outstanding people are screened to take part in various training classes organized by FOSUNPHARMA each year, such as the HR manager training class and the Mini MBA class.
	Theme learning	Theme training programs are organized on a yearly basis to enhance their mental level according to the characteristics of T24 and new managers. Learning for related staff is organized through forums on topics such as knowledge of psychological health and the workplace.
Production Quality Training	New GMP and cGMP training	The training focuses on the learning, documentation, and test on new GMP documents for production quality organizations.
	Operating procedures	SOPs and equipment maintenance documents and procedures are developed for individual positions.
ESH	Tertiary safety education	Employees should receive training on knowledge of tertiary safety documents, required technical knowledge and skills, and safety protection in accordance with applicable EHS system documents at the company, workshop (department), and shift levels, respectively.
Talent Development	Talent inventory	The annual promotion plan, elimination plan, and adjustment plan are defined and a development plan is established for key talent by performing evaluations and analyses on the quantity and quality of talent in accordance with the company's strategies and business demand.

Table of training projects at Yaoyou Pharmaceutical

Category	Title of Training Project	Contents
New Hires Series	Military training for new university graduates	The extensive military training helps refine will, break through oneself, and fortify implementation and group awareness.
	Training for new university graduates/ interns on culture and occupational achievement	1. It helps with a comprehensive and advanced understanding of Yaoyou Pharmaceutical, have professional knowledge of the pharmaceutical industry, and nurture the sense of mission and honor in pharmacy practitioners by learning corporate culture, strategic planning, and related management system. 2. It helps develop occupational train of thought and basic skills among employees and facilitate transformation in the roles students play in order to adapt to the corporate demand in the midst of rapid development.
	Pre-service training for new university students/interns	It helps with the acquisition of required skills for the specific position and quick devotion to related tasks once qualified through the training.
Business Development Series	China-Europe International Business School EMBA	High-ranking managers at Yaoyou Pharmaceutical are selected to attend the two-year EMBA program at China Europe International Business School.
	International Pharmaceutical Engineering Management, Peking University	Middle-ranking managers and core backbones in the business section of Yaoyou Pharmaceutical are selected to attend the two-and-half-year master's program on international pharmaceutical engineering management offered at Peking University.
	Master in Project Management, Chongqing University	Middle-ranking managers in the production section of Yaoyou Pharmaceutical are selected to attend the three-year master's program on project management at Chongqing University.
	Drug Research, Development and Evaluation Seminar, Research and Development	Related employees in the research and development section are sent to attend the drug research, development, and evaluation seminar held by the Center for Drug Evaluation to meet their training needs and help enhance their business skills.
	United States Pharmacopoeia Training Class	Related employees in production QC are sent to attend the specific training on quality test and analysis held by the United States Pharmacopoeial Convention to meet their training needs and help enhance their business skills.
Corporate culture and employer brand	Boshuo Summer Camp	The Boshuo Summer Camp was held in July, with participation from more than 60 students from over ten advanced education institutions. These students were able to get close to Yaoyou Pharmaceutical and understand its culture, which helped establish the corporate brand.

Case: FOSUNPHARMA Fundamental Leadership Project



The fundamental leadership program is important in that it is held by the FOSUN Pharmaceutical Group to meet the company's developmental and strategic demands. The program targets FOSUNPHARMA high-performing potential talent to facilitate the latter's learning and development. It is meant to enhance leadership in employees and accomplish career success as soon as possible. The comprehensive project began in July 2013, ended in October of the same year, and consisted of a total of three programs. The programs covered highlights of leadership, self awareness and getting to know the team, employee counseling, project management, effective communication, expressing skills, and trouble shooting, etc.

Learning Feedback

In our team project entitled "FOSUNPHARMA Generic Drug Development Strategies and Path-setting", we introduced strategic directions and some solutions that we will continue to implement despite the completion of the training. Meanwhile, during the cultivation process, I learned a lot, including how to collect and analyze research and development data relevant to my work and cross-departmental learning while accomplishing the project. I developed the calculation method for staff size together with Lu Bo and learned financial knowledge from Yang Fei and Zhang Jun, for example, as part of this project.

——Project Manager Chen Ran, Project Management Department of the Institute

I am not really an extroverted person. In the group project, however, I was in charge of the "Research and Development: Internal Control

Management Handbook" together with Kong Deli. We had to summarize what we had accomplished. I accomplished many goals that would have been beyond my imagination in the past.

——Senior Internal Control Manager Tao Xun, Department of Finance

I still remember that General Manager Wang said on the first day during the opening ceremony for the Fundamental Leadership Class that it is also very important for a group of high-performing potential talent like this to learn from one another while they gather to receive training. Therefore, I expected myself to learn from others at all times throughout this cultivation project. I thought about it and put it into action. I wanted to maximize what I would get from project.

——Audit General Director Ku Yan-Wen, Department of Audit

Employee Development

Performance management

FOSUNPHARMA emphasizes "rating people by their performance." The design, implementation, and utilization of results obtained from FOSUNPHARMA's performance management system have been surrounding the overall evaluation of employees' performance comprehensively and objectively and are meant to improve the matching degree among employees' quality, capability, performance, and functional requirements and facilitate constant perfection in terms of joint sustainable development between employees and the corporation. With regard to its member enterprises, FOSUNPHARMA rates management teams at respective enterprises to ensure effective relay of important performance indicators and advancement and consolidation of the performance culture. In hospital management, for example, the superintendent responsibility system under the leadership of the Board of Directors is adopted. Each year, the Board of Directors reviews and activates amendment of mid-term to long-term strategic plans of the hospital,

deliberates on the annual operation and development goals for the hospital, and confirms the superintendent performance rating proposal. Financial results are not the only goal among performance rating indicators. Attention is placed more on patient and employee satisfaction, medical quality and safety, medical characteristics, service process flows, talent cultivation, employee development, etc. For medical liability accidents, the one-vote down system is adopted. Efforts are made to ensure that operation of the hospital is not meant to pursue short-term interest. Instead, it is focused on long-term, sustainable, and benign developments that answer to the social and community charity nature of the hospital.

Department-based normal distribution is enforced on the performance results of employees at FOSUNPHARMA. With reference to the 360-Degree Feedback system, it is meant to tailor personalized enhancement and improvement solutions for each of the employees in order to help the latter enhance their specific performance and capabilities.

FOSUNPHARMA Promotion Rate

Category	2009	2010	2011	2012	2013
Total	21.30%	24.31%	24.10%	20.60%	19.12%

Note: Promotion/mean at the start and end of term

Table of staff change at FOSUNPHARMA

Unit: person

Head office of FOSUN Pharmaceutical Group	2012	2013
Total number of persons-in charge and vice general managers throughout departments at the company	40	49
In which, new hires comprise	2	7
In which, new promotions comprise	4	9
Total number of supervisors and general managers throughout the company	160	159
In which, new hires comprise	23	37
In which, new promotions comprise	33	30

Table of staff outflow change at FOSUN Pharmaceutical Group

Year	2009	2010	2011	2012	2013
Outflow rate	14.22%	12.82%	14.50%	18.90%	17.57%
Loss rate	12.96%	10.54%	13.31%	17.21%	14.76%

Note: The outflow rate = The total number of employees leaving the company*2/(totals at the start + end of term). The loss rate = The number of employees spontaneously leaving the company*2/(totals at the start + end of term)

During the reporting period, the growth in the company's business led to the increase in the total number of sales teams and that in the turnover rate of sales representatives. This is why the overall outflow rate and loss rate increased.

Job rotation-based promotion

In response to the rapid growth of the company and to develop and deliver key talent within the scope of operation at FOSUNPHARMA qualitatively and quantitatively, the company enables graduates that enter the field for the first time, students currently receiving management training, professionals, supervisors, and people in different functions, among others, to rotate across functions and disciplines such as investment, research and development, and production following the FOSUNPHARMA's talent supply chain plan. The hope is to let employees enhance their own capabilities during job rotation to accordingly contribute to the formation of key internal teams consisting of talent and entrepreneurs symbolic of FOSUN.

The company not only cares about the retention of core talent crucial to the long-term operation and development of the company but also asserts adequate employee turnover to keep talent vigor in favor of healthy corporate developments. The overall turnover rate at the head office and subordinate enterprises of FOSUNPHARMA combined was 14.76% in 2013.

Employee Incentives

FOSUNPHARMA values "mobilizing people with a career".

The company has established an incentive system to share development accomplishments with all employees so that employees can feel a sense

of success while working for the company and be willing to devote themselves, helping the company grow over the long term.

Long-term incentives

Among the listed companies of FOSUNPHARMA, the restricted stock incentive solution was officially introduced in 2013. The inspirational nature of this solution is fully demonstrated in both top management involvement and recognition on the capital market. The various incentive solutions contribute to the preliminary formation of the framework of a long-term incentive system at FOSUNPHARMA based on the properties in the company's business development, including the "Long-term Incentive Solution for Management at 'EVA'-based Member Enterprises", "Restricted Stock Incentive Solution", "Incentive Solution for Strategic Investment Items", and "Incentive Solution for Pre-IPO Investment Items." Constantly perfected, the long-term incentive system of FOSUNPHARMA realizes the strategic support and innovation in terms of business development. Since it was established in 2007, the said system has been practiced by the management over the years. The current compensation system of FOSUNPHARMA effectively supports management and operation strategies and comprehensively covers the company and individual member enterprises to successfully facilitate the fulfillment of long-term performance goals by the company and its member enterprises. It has also helped inspire and retain talent management goals.



"Cultivating oneself, putting family in order, creating business, and helping the world" is the corporate spirit of FOSUNPHARMA. FOSUNPHARMA always connects personal advancement (cultivating oneself), favorable management of the surrounding social relationships and environment (family relations), and corporate success (creating business) with return to society and making contributions to the entire nation (helping the world). People at FOSUNPHARMA follow and recognize a value system that pegs personal accomplishments to making contributions to society and working for a better nation from beginning to end.

Employee Benefits

The head office and member enterprises have set up for own anti-discrimination and anti-child labor protection system, adopt corresponding measures in response to discrimination acts that occur. We do not hire employees with discriminatory acts. Gender or national differences do not exist in their hiring and employment-related HR systems. There were no incidents of child labor.

FOSUNPHARMA promotes fair competition and disapproves of discrimination. Its 2013 employee structure consisted of 51.16% female employees, 0.38% disabled employees, and 2.38% minorities.

Labor Union

All the member enterprises of FOSUNPHARMA are equipped with labor unions. All employees are members of labor unions and are protected by the agreement on group negotiations.

FOSUNPHARMA held the second session of the second workers representative assembly on May 15, 2013. The assembly was mainly held to review the responsibilities of the FOSUNPHARMA's Labor Union in 2012. During the assembly, the substantial of the "Group Labor Contract", "Group Agreement on Special Rights of Female Workers", and the "Agreement

on Collective Wage Negotiation" that representatives of the Labor Union entered into with the company in 2012 and proposals submitted by workers' representatives were introduced as well. The "FOSUNPHARMA Workers' Supervisors Act" was approved during the assembly by a show of hands. Workers' supervisors were elected in a democratic way. Employees' representatives have presence in the management of the Board of Supervisors with regard to company governance.

In 2013, when FOSUNPHARMA was faced with rapid and new development trends, the FOSUNPHARMA Labor Union further strengthened its own constructions and fully exercised the bridging and pivotal functions as Labor Union to comprehensively improve the overall level of its responsibilities that closely surround the FOSUNPHARMA's development strategies featuring research and development innovation and international expansion together with the company's working centers for production, operation, management, and service. With the creation of a role-model family of workers as the carrier, it closely focuses on employees' rights, corporate management, protection of labor safety, diversification of employees' sideline cultural life, promotion of corporate cultural constructions, and precise fulfillment of the various functions of the Labor Union. It acts to be the pioneer, promoter, and practitioner of FOSUN culture. The Labor Union fully exercises its function in the construction of a "FOSUN family" and "harmonious FOSUN" and the promotion of FOSUN corporate culture.

Employee Activities

FOSUNPHARMA's Labor Union proactively organizes and coordinates among individual departments and individual member enterprises and joins efforts in the organization of various events that help invigorate employees' cultural life and jointly promote corporate cultural constructions.

In 2013, the FOSUNPHARMA's Labor Union organized birthday parties, employee physical examinations, employee photography, Tai Chi, and sports clubs, among other recreational and sports activities. A total of 127 rounds of various kinds of clubs were organized at FOSUNPHARMA throughout the year, with participation from a headcount of more than 1,003 people. In July 2013, the union organized a care visit to first-line workers under a high temperature and gave them supplies to help prevent against sun strokes and reduce temperature. The visit covered more than ten units. Over 909 sets of the supplies were given away. The value totaled RMB 52,012.6. A total of 28 people were visited. They received a total of RMB 24,089.5 worth of all kinds of consolation money.

Corporate Cultural Events at FOSUNPHARMA

Voluntary participation in charity events	<p>-In April 2013, the FOSUNPHARMA's Labor Union mobilized volunteers to take part in the charity event titled "A Runaway Egg" to show its support of the FOSUN Community Charity Fund. The three teams of volunteers from the FOSUN Group and FOSUNPHARMA combined raised more than RMB 100,000.</p> <p>-On June 2, 2013, FOSUNPHARMA held the "Future FOSUN-Jiaotong Dream Come True Campaign". Volunteers were mobilized to spend time with orphans and disabled children at the Shanghai Welfare Center for Children and visited the campus of Jiaotong University.</p> <p>-In October 2013, the FOSUN Community Charity Foundation organized the health consultation event.</p> <p>-In December 2013, FOSUNPHARMA participated in the "International Volunteer Day" event held by the Office of the Spiritual Civilization Development Steering Commission in the Putuo District by providing free health consultations and measurement of blood pressure, among other services. Nearly 100 residents and tourists in the surrounding areas received the services. Volunteers answered their questions about health care, health preservation, and blood pressure, among others.</p> <p>-Golden Elephant Pharmacy, an enterprise under FOSUNPHARMA took part in organizing district and street block charity donations and donated RMB 2,035. It also proactively took part in the help project enforced by the government and established a long-term sponsorship relationship with two poor families in the community. It has sponsored these families nearly RMB 10,000 for the past seven years.</p> <p>-On October 19, 2013, more than ten technical backbones at Guangji Hospital offered free clinic to residents in the Wangyue Road neighborhood that benefited a total of 106 people. Over 40 bottles of drugs worth more than RMB 560 were dispensed free of charge and more than 500 copies of promotional materials were given out.</p>
Blood donation	<p>-On August 15, 2013, more than 50 people donated their blood at Jimin Cancer Hospital. The blood donated totaled 7500 ml. On August 6, 2013, all employees throughout Guangji Hospital donated their blood free of charge to relax the imminent clinical blood shortage. A total of 64 employees donated their blood that totaled 19.2 liters. A headcount of up to 114 people in total throughout FOSUNPHARMA donated blood.</p>
Arts group	<p>-The Labor Union organizes employees to take part in the FOSUNPHARMA arts group performance each year. The arts group also interacts with its counterparts at member enterprises such as Wanbang, Yaoyou Pharmaceutical, Guilin Pharmaceutical, and Zhongwu Hospital. The arts group of Wanbang Biopharmaceuticals was invited to perform at FOSUNPHARMA during the annual assembly in 2013.</p>
Recreational and sports activities	<p>-On the Women's Day, that is, March 8, 2013, the FOSUNPHARMA's Labor Union organized the "I love sports and I love life" celebration. The event included Taiji, yoga, female health preservation workshop and blood sugar detection, silk scarf wearing workshop, and flower arrangement workshop. More than 150 female employees of member enterprises in Shanghai participated in the events. Chongqing Pharmaceutical Research Institute organized the March 8 sports event and gave out holiday gift money to female workers.</p> <p>-In 2013, FOSUNPHARMA's Labor Union organized 127 rounds of the employee photography, Taiji, and sports clubs with participation from a headcount of more than 1,003 people.</p> <p>-In March 2013, Chongqing Pharmaceutical Research Institute held the third joint sports competition with addition of badminton (3 on 3) and group table tennis.</p> <p>-On May 26, 2013, FOSUNPHARMA's Labor Union held the June 1 Children's Day event entitled "Children Taiji versus Heaven and Earth". Children of FOSUNPHARMA's employees performed Taiji that was full of charm.</p> <p>-On May 18, 2013, FOSUNPHARMA's Labor Union organized employees to take part in the group badminton competition held by private enterprises in Putuo District and won the championship.</p> <p>-In October 2013, FOSUNPHARMA's Labor Union mobilized employees to take part in the "Kaiwo Cup" Sinopharm Badminton Competition and won the championship in both men's and group divisions.</p> <p>-In 2013, FOSUNPHARMA Diagnostics organized the third cooking competition entitled "Health Diet: Great Taste at the Tip of the Tongue" and the extracurricular class for interested young volunteers entitled "Hand in Hand for Joint Growth" and the second Chinese spring festival marathon jointly with branch labor unions.</p> <p>-In April 2013, the youth league branch of Chongqing Pharmaceutical Research Institute, a member enterprise of FOSUNPHARMA mobilized a total of 48 employees to run in Chongqing International Marathon's mini marathon.</p> <p>-Jimin Cancer Hospital, a member enterprise of FOSUNPHARMA held the "May 12 Nurses' Day" performance, group spring tour, speech, Chinese chess, pokers, and table tennis contests, etc.</p> <p>-Wanbang Biopharmaceuticals established a club for unmarried employees as a venue for social networking, meeting friends, and establishing connections. It held multiple events together with the Xugong Construction Machinery Group and www.86516.com in 2013.</p>
Healthy tours for employees	<p>-FOSUNPHARMA's Labor Union holds tours for the employees on a year basis. The event was innovated in 2013 to encourage cross-departmental collaboration, which would help boost communication among employees working for different departments and was well received by the employees.</p> <p>-FOSUNPHARMA's Labor Union organized a tour to Taicang Jicang Lake and visits to the Xing Bao Old-age Health Estate during Mid-autumn Festival.</p> <p>-In August 2013, Chongqing Pharmaceutical Research Institute, a member enterprise of FOSUNPHARMA organized a tour when work was called off due to heat.</p> <p>-FOSUNPHARMA Diagnostics organized the "New Challenge New Breakthrough" ancient trail hiking tour to Huizhou and Hangzhou jointly with branch labor unions.</p> <p>-For Me Pharmacy organized a day-trip to Gulf National Forest Park for retired employees and a tour to Zhangjiajie for 25 employees that would retire in 2013 and those retiring in 2014.</p>

Case: FOSUNPHARMA's Labor Union protects employees' rights by constructing a harmonious labor relationship

On May 15, 2013, FOSUNPHARMA held the second session of the second workers representative assembly. Vice Director Chen Xian-Hong of the Technology Union in Putuo District, Vice Secretary Bo Huan and Deng Lan of Party Committee at FOSUNPHARMA and Senior Vice President Li Chun of FOSUNPHARMA were invited to take part in the assembly.

The assembly was held in order to further the construction of a harmonious labor relationship at FOSUNPHARMA, facilitate the creation of a normal corporate democratic management system, perfect the governance structure at the company, protect the legal rights of workers, and promote healthy developments of the corporation. The assembly was mainly held to review the responsibilities, which were unanimously adopted, of the FOSUNPHARMA's Labor Union in 2012. During the assembly, the substantial of the "Group Labor Contract", "Group Agreement on Special Rights of Female Workers", and the "Agreement on Collective Wage Negotiation" that representatives of the Labor Union entered into with the company in 2012 and proposals submitted by workers' representatives were introduced as well.

The FOSUNPHARMA Workers' Supervisors Act was approved by a show of hands and workers' supervisors were elected in a democratic way during the assembly. Senior Vice President Zhou Wen-Yue was elected the new workers' supervisor by a handsome majority.

Case Study: Yaoyou Pharmaceutical organizes the "Ankang Cup" knowledge contest to help enhance safety awareness



Yaoyou Pharmaceutical's Labor Union jointly held the 2013 "Ankang Cup" Knowledge Contest with the company's EHS Department. Five teams representing Yaoyou Pharmaceutical participated in the contest. The contest consisted of five parts, namely questions that had to be answered by individuals, groups, interactive questions from the audience, quick response questions, and risk questions.

Case Study: FOSUNPHARMA wins the championship in the inspiring "FOSUN Cup" Badminton Competition 2013

On May 18, 2013, the "2013 Shanghai City Civilian Physical Education Major League (Putuo District) - FOSUN Cup Group Badminton Contest for Private Enterprises in Putuo District" that was jointly organized by the Association of Industry and Commerce in Putuo District and the Physical Education and Sports Bureau in Putuo District and supported by the FOSUN Group took place in the local stadium. Seventy-four badminton teams representing private enterprises competed against each other.





Society

We expect ourselves to constantly fulfill our commitment as a corporate citizen and serve society with sincerity. Since FOSUNPHARMA was established, it has been creating wealth for society and providing employment opportunities to live up to the motto of "teaching one to fish", supporting education, aiding African countries in the fight against malaria, helping sick orphans, and proactively undertaking its duties as a corporate citizen at the same time.

Social Contribution per Share

The social contribution per share of the Group was 2.09* in 2013.

The overall demonstration of the contributions that a corporation has made to all stakeholders in society, social contribution per share is significantly important in terms of a corporation undertaking its social responsibilities. Shanghai Stock Exchange released the "Notice on Enhanced Undertaking of Social Responsibilities for Listed Companies and Release of the 'Guidelines to Environmental Information Disclosure of Listed Companies at Shanghai Stock Exchange'" on May 14, 2008 to encourage respective listed companies to disclose social contribution per share in their annual social responsibility report and accordingly help society and the general public with a comprehensive understanding of the real value that the company has created for its shareholders, employees, customers, creditors, communities, and the overall society.

Corporate Citizen Commitment

Anti-corruption management

To embark on honest administration constructions, protect normalized and orderly management in the company, and boost awareness and spontaneous compliance with local laws and regulations and the various requirements and systems of the company, honest fulfillment of duties, and honest practice, FOSUNPHARMA prepared documents on the implementation of the "Honest Practice and Management Requirements for Employees of the Fosun Pharmaceutical Group" and promulgated the annex entitled "Letter of Undertaking for Honest Employee Practice" to the Management Requirements. The documents specify that employees of FOSUNPHARMA may not take advantage of their duties and work to seek illegitimate interest and undermine corporate interest.

The development of honest administration has been highly emphasized by the company's leaders. In 2013, to reinforce the ideological education on the anti-corruption initiative and enhance the awareness of anti-corruption and honesty promotion and spontaneous resistance to corrupt ideas, FOSUNPHARMA held extensive activities to communicate and educate about anti-corruption and honesty at three levels, namely the higher management, party members and leaders, and new hires.

In April 2013, FOSUNPHARMA held the activity to communicate and educate on anti-corruption and honesty promotion for its higher management at the Fosun Commercial Building. Chairman Chen Qi-Yu demanded that the higher management of the company honestly fulfill their duties and missions. The higher management watched anti-corruption and honesty-promoting clips jointly produced by the Organization Department of CPC Shanghai Committee, the Shanghai People's Procuratorate, and the Disciplinary Committee of Chinese Communist Party.

In May 2013, the first party branch of FOSUNPHARMA and the first party branch of SinoPharm Holding jointly formed a delegation of party members to visit the anti-corruption and honesty-promoting logos exhibition at Shanghai People's Procuratorate. A majority of party members and leaders expressed their desire to maintain the good image of the party and that they would lead by example in the anti-corruption and honesty-promoting campaign to fulfill their obligations as party members and leaders.

Between April and December of 2013, the Honest Administration Supervision Department of FOSUNPHARMA held an educational forum on anti-corruption, honesty promotion, and honest practice for its new hires. New hires were asked to abide by national laws and respective requirements and systems in the company and realize honesty and compliance with disciplines and laws while carrying out their respective duties.

FOSUNPHARMA set up portals to the Disciplinary Committee and its Honest Administration Supervision Department on the company's OA network where the phone number, fax number, and email account required for reporting noncompliance are available. Meanwhile, three columns, namely news on anti-corruption and honesty promotion, case analysis, and related national policies, laws and regulations are added. All are meant to boost people's knowledge of the anti-corruption and honesty-promoting regulatory system. A total of 13 papers on varied topics were released throughout the year.

Starting in September 2013, the "honest administration watch" column was added to the internal publication of FOSUNPHARMA, "FOSUNPHARMA News", to advocate the policies and directives adopted by the Party and the Government in the anti-corruption and honesty-promoting campaign, introduce successful examples in other countries, analyze anti-corruption and honesty-promoting cases and anti-corruption and honesty-promoting tasks embarked on by FOSUNPHARMA, etc.

Honest Administration Supervision Department

To fortify the immunity of the corporation, guide employees through honest practice, further enhance the management level of the company during honest administration construction, prevent employees from violating laws and rules with the power they have, eradicate corruption at the source, and create a corporate culture and environment featuring honest practice for the company's management, FOSUNPHARMA established the Honest Administration Supervision Department. The Department is responsible primarily for building anti-corruption and honesty-promoting systems, building honest administration supervisory systems, communicating and educating on anti-corruption and honesty promotion, inspecting honest administration, and establishing honest administration supervising organizations.

In 2013, under the leadership of the company's Board of Directors, the Honest Administration Supervision Department quickly established a normalized system for the discipline and prevention of corruption following the principle of "addressing both the signs and the root cause, applying comprehensive governance, taking care of both discipline and prevention, and emphasizing prevention." The emphasis was particularly placed on the prevention of corruption at the source.

In the beginning of 2013, FOSUNPHARMA established the organizational framework consisting of the Disciplinary Committee and the Honest Administration Supervision Department, known for "two plates under one mechanism". In March 2013, the Honest Administration Supervision Department of FOSUNPHARMA participated in the "FOSUN Family Joint Meeting on Disciplinary Inspection and Honest Administration Supervision" held for the whole Fosun Group, where it reinforced business correspondence and communication between the company and the group and individual industrial segments, embarked on joint honest administration constructions, and advanced honest administration at FOSUNPHARMA.

To govern the tasks and action taken by the Honest Administration Supervision Department and enhance its quality of work, the Articles of Association (Draft) were established for the Department to define its positioning, responsibilities and duties, working standards, business flowcharts, and operating procedures, laying a good foundation for the quality of work carried out by the Honest Administration Supervision Department.

Making inspection rounds are an important task in the supervision of honest administration at the company. While communication and education were reinforced on anti-corruption and honesty promotion, the scale of anti-corruption inspection rounds were further expanded to exercise an intimidating effect in the prevention against corruption and accordingly protect a healthy organization effectively.

In 2013, the Honest Administration Supervision Department embarked on related inspection rounds that could help disclose management issues to accordingly govern corporate operations and protect subsequent continuous healthy developments of the corporation.

FOSUNPHARMA has never stopped looking for outstanding counterparts in the industry to look up to and learn from while perfecting itself in the realization of honest administration. In May 2013, the Honest Administration Supervision Department of FOSUNPHARMA and other advanced corporations in the industry started to exchange with one another on their experiences in honest administration. By introducing respective experiences and acquisitions in the anti-corruption and honesty promoting campaign, the parties learned from each other's pros and cons to seek joint improvements. The Department was also enrolled in the disciplinary inspection leaders' workshop for the "two new organizations" held by the Shanghai Social Affairs Committee. The systematic theoretical learning and case analyses greatly helped improve their level. Participating corporations also got the opportunity to share experiences with one another. It helped form an exchange platform among corporations.

*Note 1: Social contribution per share = earnings per share + (tax revenue, employee cost, interest expenditure, devotion to community charity)/total share capital at the end of term

Formula: Social contribution per share = earnings per share + prices increment per share

Prices increment per share = (tax paid for revenue within the year + wages paid to employees + loan interest paid to creditors + external donations of the company - other social costs as a result of environmental pollution, etc.) ÷ shares

Community Charity

FOSUNPHARMA has been proactively participating in community charity events along with its members to demonstrate their love for the neediest people in society. In 2013, the Fosun Pharmaceutical Group donated more than RMB 4.24 million in total to society.

Increased devotion to community charity charities to continue perfecting the "FUTURESUN" community charity system

As an important part of its sustainable development strategy, FOSUNPHARMA has been participating in and organizing a large number of community charity events in fields such as education and research, environmental protection, health care and social needs, and culture since it went public in 1998. FOSUNPHARMA has now formed a perfect community charity system, the "FUTURESUN" community charity program. The hope is to fulfill its corporate social responsibilities and return to society by supporting education, sponsoring scientific research, providing health care services to communities, helping sick orphans, making donations to help the poor, and providing assistance in disasters, etc. The community charity system of FOSUNPHARMA is named "FUTURESUN". The FUTURESUN community charity education program is meant to help the company fulfill its social responsibilities by supporting education, sponsoring scientific research, providing health care services to communities, making donations to help the poor, and providing assistance in disasters, etc. The first FUTURESUN community charity elementary school of FOSUNPHARMA was completed and became operative on September 13, 2013. Fuling FUTURESUN Elementary School was built with joint donations from FOSUNPHARMA and Lingrui Pharmaceutical Co., Ltd. It is also the first hope elementary school project under the FOSUNPHARMA "FUTURESUN" community charity program to be officially built and commissioned. On its opening day, FOSUNPHARMA and Lingrui Pharmaceutical Co., Ltd. donated 100 sets of school supplies to the Fuling FUTURESUN Elementary School, respectively. On November 28, 2013, FOSUNPHARMA was on the winning list for its construction projects under the "FUTURESUN" community charity system in the 2012 to 2013 Sustainability in China Summit & Award Ceremony. Other winners also included 12 world famous enterprises such as BMW Brilliance Automotive Ltd., General Electric Company, Coca Cola, and Johnson & Johnson.

Supporting Education

FOSUNPHARMA started to offer scholarship at medical schools throughout China in 2010 in order to cultivate more talent for the medical industry. The scholarship is meant to create a better schooling environment for students, encourage them to remain passionate about their studies, and

promote education in the medical industry of China in order to nurture and find talent for the industry.

On November 27, 2013, the official signing ceremony of the scholarship and teaching grant collaborative project between the FOSUN Public Interest Fund of FOSUNPHARMA and the China Pharmaceutical University was held at the China Pharmaceutical University. To support advanced pharmaceutical education and reinforce the collaboration between the academia and the industry, the FOSUN Community Charity Fund of FOSUNPHARMA would donate RMB 100,000 a year and RMB 300,000 in total over a period of three years from 2014 to 2016 to the "FOSUNPHARMA-FOSUN Community Charity Fund-China Pharmaceutical University Scholarship and Teaching Grant" set up at the China Pharmaceutical University. It is meant to encourage outstanding teachers, excellent league leaders, and academically outstanding graduate students at China Pharmaceutical University that devote themselves to the domestic medical industry and are scientific research and innovation-oriented. Starting in 2006, when the FOSUNPHARMA scholarship and teaching grant was established at the School of Life Sciences, Fudan University, FOSUNPHARMA has been supporting the school in terms of teaching, scientific research, and talent team constructions, etc. In 2013, FOSUNPHARMA donated RMB 260,000 to the School of Life Sciences, Fudan University as an incentive for outstanding students from poor families and young teachers having accomplished innovative results in scientific research in order to help the teachers and students have further accomplishments in scientific research.

FOSUNPHARMA scholarship is also available at Shenyang Pharmaceutical University, Huazhong University of Science and Technology, and the West China School of Medicine, Sichuan University. FOSUNPHARMA donated RMB 20,000 to be the scholarship to each of the universities in 2013.

In the past more than six years, FOSUNPHARMA sponsored over 300 outstanding teachers, students, and scientific researchers at advanced educational institutions and scientific research institutes through its community charity education program. The sponsorship has so far helped 80 students and 69 teachers at the School of Life Sciences, Fudan University. Among the sponsored teachers, three received the China National Funds for Distinguished Young Scientists; two were rated to be Ministry of Education Changjiang distinguished professors; one was rated to be a national master teacher; one was rated to be a master teacher at Fudan University; five were talented people introduced into Fudan University; and 15 had been promoted to a higher level within five years. All of them had impressive accomplishments in both scientific research and teaching.

On November 10, 2013, the sixth "Tan Jiazhen Life Science Award" presentation ceremony was held at the China University of Technology. FOSUNPHARMA is in full support of the Tan Jiazhen Life Science Award and specifically sponsors the "Tan Jiazhen Life Science Award - Industrialization".

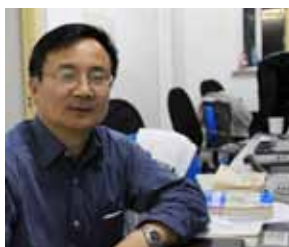
Listen to what they say: Community charity collaboration projects



Zhang Fu-Zhen
Vice Secretary of Communist Party
at China Pharmaceutical University

"The university partnered with FOSUNPHARMA through the FOSUN Community Charity Fund for the first time this year to support advanced education in pharmacy in China by offering scholarship and teaching grant. It is meant to give the incentive to teachers who are working hard to innovate in their academic field and take their teaching job seriously by nurturing outstanding students generation after generation

to become qualified constructors and successors in China. The fund also seeks to develop comprehensive qualities and the ability to innovate in contemporary graduate students and university students so that they can become high-quality and high-level composite pharmaceutical talent. The FOSUN Community Charity Fund - FOSUNPHARMA Scholarship and Teaching Grant offers material support to our outstanding teachers and students in education, teaching, scientific research, and innovation. We believe that teachers and students who have received the scholarship and grant will be able to carry forward the cause in the future, keep track of contemporary trends, and explore contemporary developmental needs to make major contributions to the development of the pharmaceutical industry in China and the life and health of the people.



Ma Hong
Dean, School of Life Sciences, Fudan
University

"The FOSUNPHARMA Scholarship and Teaching Grant" has been ongoing for seven years in a row at the School of Life Sciences, Fudan University. It has helped encourage outstanding young teachers and students and promoted the advancement of teaching and scientific research at the School of Life Sciences, Fudan University. Life sciences are a field of the maximum development potential in

the future. In light of this, it is a top priority to nurture outstanding talent in this regard. Following its rapid developments and fulfillment of certain goals, FOSUNPHARMA decided to return to society by offering scholarships and teaching grants. It shows the FOSUN culture and spirit of FOSUNPHARMA and makes one see how FOSUN people contribute and repay society and their schools. It is our hope that we can keep the collaborative relationship with FOSUNPHARMA in the long term in order to make joint contributions to the development of talent in the field of life sciences in China.

FOSUN Community Charity Fund

On November 30, 2012, the FOSUN Public Interest Fund jointly initiated and established by the FOSUN Group, FOSUNPHARMA, and Forte Group was officially announced to be activated in Beijing. "FOSUN Community Charity Fund" is a non-publicly raised fund. The initial value of fund was RMB 10,000,000. The fund is meant to help disadvantaged populations in society, aid in natural disasters, provide medical assistance, support the poor and the disabled, sponsor cultural and educational enterprises, and sponsor young people wishing to start a business for the sake of community charity.

Earthquake Rescue



At 8:02 on the morning of April 20, 2013, an earthquake of magnitude 7.0 (on the Richter scale) broke out in Ya'an City, Lushan County. FOSUNPHARMA immediately mobilized related departments to embark on rescue and aid operations. The "FOSUN Community Charity Fund" collected the first batch of relief supplies worth RMB 2,000,000, including 252 boxes of drugs worth RMB 500,000, and sent them to the disaster-hit areas immediately. Subsequent rescue operations also began orderly under the assistance of the FOSUN Public Interest Fund in earthquake-hit Ya'an. On April 21, Hexin Pharmaceutical, a subsidiary of Yaoyou Pharmaceutical, a member enterprise of FOSUNPHARMA donated 12,000 bottles, that is, 20 units of Cefminox Sodium for Injection, worth more than RMB 320,000 in total. For Me Pharmacy followed suit and supplied medicinal products worth nearly RMB 400,000, including Yunnan Baiyao (farinaceous), Benzalkonium Bromide, masks, and absorbent gauze, supplies that were urgently needed in disaster-hit zones. The medicinal products were promptly sent to the disaster-hit zones on the morning of April 22. On April 21, Beijing United Family Hospital under FOSUNPHARMA formed an emergency medical team consisting of specialists in emergency medicine, internal medicine, surgery, pediatrics, OBGYN, rehabilitation medicine, and psychology, including eight doctors and four nurses. They set off on the morning of April 22 to meet up with representatives of Han Hong Love Charity Foundation and doctors from Beijing Xuanwu Hospital. Together they left for Chengdu, Sichuan Province to provide medical aid needed in Lushan County.

"FOSUN Love to Children Rehabilitation Program"

The "FOSUN Love to Children Rehabilitation Program" continued in 2013. The United Foundation used the nearly RMB 120,000 donated by FOSUNPHARMA to help three poor children with congenital heart disease receive heart surgery. The three children recovered well after surgery and were discharged from the hospital.

The United Foundation is a charity under the United Family Health care Group. The donations from FOSUNPHARMA to the United Foundation will be used in the various surgical procedures that children at collaborative orphanages in Beijing and Shanghai receive in order to provide these children with quality medical services so that they can ultimately be adopted and resume their family life and grow healthily.



Fu Bo-Xue
Operation Manager, United Foundation

The United Foundation appreciates the generous donations from FOSUNPHARMA which not only enable abandoned children to resume family warmth but also help poverty-ridden families survive difficulties in life. These children are able to live a peaceful and blessed life.

Case: Activating the Future - 2013 FOSUNPHARMA's "Future Entrepreneur Training Camp"



The Future Entrepreneur Training Camp of FOSUNPHARMA was officially activated in April 2013 and was officially completed at the end of August 2013. The event lasted for five months.

A total of 27 people took part in the Future Entrepreneur Training Camp. These were students selected among more than 800 applicants throughout the nation. They had to go through the resume screening, group interview, and psychological test before a decision was made. These participants came from Shanghai, Shenyang, Nanjing, Chengdu, and Wuhan and were students of Fudan University, Shanghai Jiao Tong University, Nanjing University, China Pharmaceutical University, Shenyang Pharmaceutical University, Sichuan University, and Huazhong University of Science and Technology.

This year's event featured two highlights: First, the event was promoted on the campuses of target colleges and universities; the promotion was meant also to maximize the awareness and influence of the Future Entrepreneur Training Camp series of events. Second, summer practical training was added. A total of 11 students went to different places around the nation this year to begin summer practical training that lasted for a month.



Tang Dong-Mei, Participant in FOSUNPHARMA's Future Entrepreneur Training Camp and student of Sichuan University

"Group life and friends are the best reward from this summer camp. The summer camp was filled with happiness and challenges. There were even more movements and appreciation. I deeply felt the cultural essence of FOSUNPHARMA is cultivating oneself, putting family in order, creating business, and helping the world. I will be a dandelion that helps bring about the good of FOSUNPHARMA to more people."



Chen Ti-Jia, Participant in FOSUNPHARMA's Future Entrepreneur Training Camp and student of Sichuan University

This is my first time coming to Shanghai, thanks to the "Future Entrepreneur Training Camp" at FOSUNPHARMA. This opportunity enabled me to have an understanding of FOSUN in advance and develop a bond with FOSUN. Through this summer camp, I also got to observe my abilities and attainments in all aspects at once. It helps me enhance my recruiting efficiency during campus recruitments and at job fairs held on campus and the post match degree.



Ge Xiao-Fan, Participant in FOSUNPHARMA's Future Entrepreneur Training Camp and student of China Pharmaceutical University

This summer camp enabled me to experience the heart-felt human care and corporate spirit at FOSUNPHARMA. Before the internship began, I got to have a full understanding of what is required of me during the practical training. HR and the instructor led us through the establishment of internship objectives. I learned from them the importance of confirming in advance, devoting oneself during the process, and making assessment of my accomplishments afterward. Another reward from the experience is the encouragement and cheers I got from friends, coworkers, and leaders.

Case Study: The "A Runaway Egg" Volunteer Event

Organized and mobilized by the FOSUNPHARMA team of volunteers, 16 coworkers in total from the FOSUN Group and FOSUNPHARMA took part in a private community charity event called "A Runaway Egg" on April 20, 2013. Ten members from FOSUNPHARMA formed two runaway teams.

"A Runaway Egg" is a platform-based community charity fund-raising event. It was organized by the Shanghai United Foundation, a community charity foundation in Shanghai and was meant to raise money for several private charity projects that benefit children. Participants had to walk through a distance of 50 kilometers and make a bet with their relatives and friends before the runaway began in order to raise the money.

FOSUNPHARMA and its team of volunteers mobilized everyone to take part in the event again this year to continue pass down their love and positive energy. More than RMB 100,000 was raised in total. This current runaway event attracted a greater number of participants and viewers. Many employees have indicated that they will proactively take part in meaningful events such as this one and donate money to pass their love to everyone in need.



Feedback from Participants in the Running Event

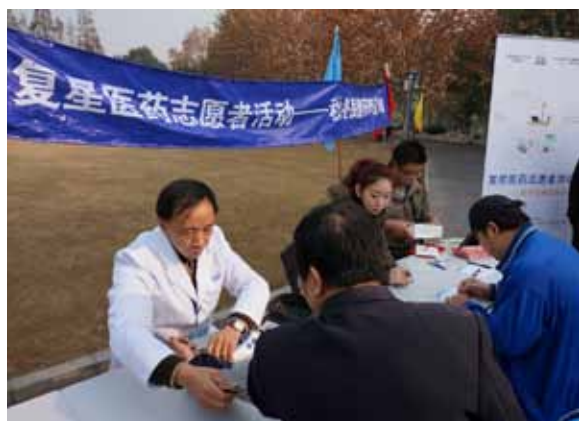
Yu Tong-Le: I would like to thank colleagues and friends that show their support for me and our team by donating money. I believe in the power of belief and that each small kind act will eventually benefit poverty-ridden kids and help them feel the warmth in society.

Xu Jing-Dong: I have never thought about how it would be like running recklessly within 12 hours a day. When I pass the 40 km mark with my painful legs, I heard cheers from members on my team who I had never met before. They made me believe that I could win if I hung on. In fact, we are growing and becoming strong through the process of constantly challenging

oneself. While we were participating in the event, we realized: Life is not just about results because they are points in life. Life is about the process where we get even more. Insistence will bring us to success. Your and my participation will make charity work easier!

Xie Si-Yun: I feel that the "A Runaway Egg" was a very meaningful event. I had always believed that I could hang on through the end. Although I had to lie in bed for the whole day after that, it did not affect my passion to take part in the event again in the future.

Case: Passionately working for people and pass down the love of FOSUNPHARMA voluntarily ——FOSUNPHARMA's volunteers proactively participated in the "International Volunteer Day" event.



December 5, 2013 marked the 28th International Volunteer Day. To further promote the voluntary spirit featuring "sacrifice, friendship, mutual assistance, and progress", FOSUNPHARMA's volunteers proactively took part in the large voluntary public service event that took place at the Xue Lei-Fang Theme Park in the Putuo District.

On the morning of December 5, the team of volunteers at FOSUNPHARMA mobilized 11 volunteers, including two pharmacists and nine volunteers. Together they offered fall and winter health care consultations with pharmacists at Chang Feng Park. The event attracted attention from visitors inside the park. They came to have their pulses and blood pressures taken. The large number of visitors asking fall and winter health care questions never stopped. FOSUNPHARMA also helped visitors apply for For Me Pharmacy membership cards free of charge and gave away drug collection boxes. They attracted visitors' interest even more. The event lasted for the whole morning. Nearly 100 neighbors and visitors in total came to consult the pharmacists. Our volunteers answered hot spot questions about health care, health preservation, and blood pressure asked by neighbors. The event was well received by everyone and

all parties in society. More than 600 volunteers representing respective bureaus and civilized units at the street, township, and municipality level proactively participated in the event. A headcount of around 3,000 people, visitors to Chang Feng Park and neighbors combined, participated in the event.

Community Service

On August 2, 2013, the FOSUN Community Charity Fund and FOSUNPHARMA-For Me Pharmacy jointly organized the "Summer Love and Summer Health Care Consultation Event". They visited three communities in Shanghai to provide residents with free health consultations. Nearly 30 people, including professional pharmacists from For Me Pharmacy, and the team of volunteers within the FOSUNPHARMA system, took part in the event by providing services. Meanwhile, 78 shops of For Me Pharmacy in Shanghai provided free health testing and consultations that lasted for a week, from August 2 to August 8. Statistics show that a headcount of nearly 180 neighbors were received during this community event. Most of them were 50 to 70 years old. People spoke highly about this event.

Throughout 2013, Wanbang Biopharmaceuticals collaborated with more than a hundred drug stores in Shenyang, Shijiazhuang, Tianjin, Xuzhou (six counties in total), Suqian, Lianyung, Nanjing, Bangbu, Jinan, Zaozhuan, and Tengzhou in its "Diabetic Patient Care" campaign. Patient classrooms, counters, and shops were available at large drug stores or community hospitals to provide more than 6,000 members with one-on-one services. Among them were 1,200 super VIPs, who received services four times a month, and more than 2,000 VIPs, who received services at least once a month. A headcount of more than 40,000 patients received services throughout the year. Materials such as blood sugar test papers and patient education handbooks, totaling more than RMB 200,000 were given away free of charge.

Retail drug stores under FOSUNPHARMA proactively work with communities by providing services such as pharmacist consultations on various chronic diseases and seasonal diseases, organization of drug kits at home, community workshops, etc. They helped hypertension patients measure blood pressure and blood sugar level and offered related advice.

There are counters available at individual retail drug stores of FOSUNPHARMA to provide drug-related consultations, health consultations, disease preventions, and health preservation services in communities from time to time. In addition, there are services such as delivery of stewed medicine, biopsies, medicine and tea serving, blood pressure measurement, registration of supplies that in shortage, and convenient mail-in services. In non-drugs, there are exclusive health convenience stores at existing shops with an extensive supply of health foods, convenience foods, medical instruments, and health preserving supplements.

Related membership systems are available at individual retail drug stores under FOSUNPHARMA. There is the membership day when members are entitled to a 12% discount for everything they buy. Members are also entitled to points accumulation and exchange points for commodities. Product and health information is released through the membership short-message platform. In order to provide the vast customer base with better quality, highly efficient, and rapid services, customer satisfaction survey is available at individual retail drug stores of FOSUNPHARMA. It helps reinforce customer satisfaction. Customer satisfaction scorecards will also be produced to exercise the reminding function.

In 2013, individual shops of For Me Pharmacy often held diversified activities that are convenient and to the benefit of people. They organized health workshops meant to promote health knowledge among residents through 22 demonstrative shops and three diabetes management centers under the community health education project in Shanghai. By transforming shops and setting up pharmacist service desks, people are provided with ordinary health examinations, such as free medication consultations and measurement of blood pressure. Medication records

are established. All are meant to provide community residents with health services. Eleven transformed shops entered into 25 service agreements on having pharmacists visiting homes in communities with community residents and started door-to-door services. With contract pharmacists visiting homes to help them organize drug kits, it increases the effective utilization rates of drug supplies at home and eradicates misuse of expired drugs. Education was provided on how to tell authentic medicinal herbs and decoction pieces from false ones in order to protect medication safety of the vast citizens. Health promoting materials were distributed to enhance public awareness of self health care. Various events and promotions are organized to increase the general public's awareness of safe medication and constantly fulfill the ever-increasing health consumption demand from the citizens. Shops such as Xikang, Minkang, Golden Elephant, Nujiang, and Wuning were mobilized to hold 14 rounds of community health workshops in 2013. These workshops were received well among community residents. More than 310 people took part in the workshops.

On September 20, 2013, to better facilitate purchase of home care services for the elderly, a policy promoted by the government, the home care and nursing medical services office was officially established at Jimin Cancer Hospital. The office, with assistance from the medical technical team at Anhui Jimin Cancer Hospital, is primarily in charge of providing door-to-door services and secondarily day-care ones, a new home care model for the elderly. Health care professionals provide characteristic services covering the six aspects, medical care, nursing, rehabilitation, health care, nutrition, and psychology. The home care and nursing medical services office at Jimin Cancer Hospital offers services such as health care, emergency rescue, and mental support to under-covered elderly aged 70 and above, empty nesters (people without children) aged 70 and above, and old people aged 90 and above in Yaohai District, Hefei City.

Guangji Hospital has been undertaking the daily management and operation tasks at the Wangluyue Community Health Service Center since 2007 when it entered into a contract with the government. Taking the responsibility of managing and operating municipal community health service centers is a new assignment for private health care facilities wishing to take part in the new reform of the medicinal and health system and undertake social responsibilities. The Wanluyue Community Health Service Center serves a target population of 33,125 people. Besides the overhead appropriated following the purchase of public health services pattern and combining business audits, other funding sources are available to the health service center only when the latter provides basic medical services. Under the management by Guangji Hospital, the Wanluyue Community Health Service Center not only uses all of government appropriations highly efficiently in protecting the health of patients but also enables residents within the jurisdiction to enjoy the preferred national policies on public health services. It has also contributed to higher than 98% resident satisfaction with community health services. In light of the good service quality and operation performance, the local health competent authority entered into a collaboration agreement with Guangji Hospital in 2013 in order for the latter to continue managing and operating the center.

The OBGYN Department of Zhongwu Hospital offers programs for pregnant people at the last week of each month that help spread gestation knowledge and related matters to be paid attention to. Zhongwu Hospital organized six free clinics in total, participated in government agency meetings ten times, provided physical examinations to advanced educational institutions once, and provided conscription physical examinations once throughout 2013.

Case Study: Voices on the Summer Love and Summer Health Care Consultation Event

On August 2, 2013, the FOSUN Public Interest Fund and FOSUNPHARMA-For Me Pharmacy jointly organized the "Summer Love and Summer Health Care Consultation Event". They visited three communities in Shanghai to provide residents with free health consultations.



International residents in Xindu

"Health consultation and testing targeting multiple diseases in summer is a very good idea because we seldom pay attention to them. After the consultation and testing, I know what I should pay attention to in the future."



Huang Xu-Jun, Volunteer, Brand and Public Communication Department at FOSUNPHARMA

"I am glad that I was able to take part in this event organized by the company, to do something for the community, and to put our intention to do something for society as a member of the FOSUN family into action."



Wu Zhi-Liang, Secretary-General of FOSUN Community Charity Fund

"FOSUN Community Charity Fund and FOSUNPHARMA have been highly emphasizing corporate social responsibilities and their obligations as corporate citizens for a long time. Our professional pharmacists offer professional health consultations and provide you with free daily musts in summer. I hope it helps you improve your health."

Briefing on donations made by FOSUNPHARMA and member enterprises (including individual employees) in 2013

Name of enterprise	Timing	Project	Recipient	Amount (RMB 10,000) (including donation depreciation)	Brief description and purpose
FOSUNPHARMA	2013	Scholarship and Teaching Grant at Fudan University	Fudan University	26.00	The donation totaled RMB 1,300,000, spread out in five years (the scholarship for 2013 was actually paid in January 2014).
	2013	FOSUNPHARMA -FOSUN Community Charity Fund scholarship and teaching grant to China Pharmaceutical University	China Pharmaceutical University	10.00	The donation totaled RMB 300,000, with RMB 100,000 donated each year for three consecutive years between 2014 and 2016.
	2013	Scholarships to Shenyang Pharmaceutical University, Huazhong University of Science and Technology, and the West China School of Medicine, Sichuan University	Shenyang Pharmaceutical University, Huazhong University of Science and Technology, and the West China School of Medicine, Sichuan University	6.00	FOSUNPHARMA donated scholarships to Shenyang Pharmaceutical University, Huazhong University of Science and Technology, and the West China School of Medicine, Sichuan University on a yearly basis. The donation was RMB 20,000 to each of the universities a year.
	2013	Tan Jiazhen Life Science Award	Shanghai Bio Industry Association	50.00	The donation totaled RMB 3,000,000. Sponsorship at the value of RMB 500,000 was provided each year and used specifically to support the Tan Jiazhen Life Science Award - Industrialization.
	2013.4	A Runaway Egg	Shanghai United Foundation	6.60	The fund raised was used to improve the nutritional status of children in poverty-hit areas, the reading ability of children in the countryside, children with autism, and attainments of children of farmers and laborers.
Wanbang Biopharmaceuticals	2013.1	Donation	Linxi County Union	0.19	The donation was used in Linxi County Union to help poor workers.
	2013.4	Donation	China Foundation for Children and Adolescents	0.3	In April 2013, an earthquake of magnitude 7.0 (on the Richter Scale) broke out in Ya'an City, Lushan County. The company quickly began the donation campaign. Under the great support and complete cooperation from all employees, the company was immediately able to send the aftermath donations to the China Foundation for Children and Adolescents.
	2013.11	Wanbang Scholarship	Xuzhou Medical College	2.00	Wanbang Biopharmaceuticals jointly created Wanbang Scholarship with Xuzhou Medical College in 2008. The scholarship at the value of RMB 20,000 a year has been used to help students with outstanding academic performance in Xuzhou Medical College. A total of RMB 120,000 has been donated to date.
	2013	Wanbang Diabetic Patient Care campaign	-	30.00	Throughout 2013, Wanbang Biopharmaceuticals collaborated with more than a hundred drug stores in Xuzhou in its "Diabetic Patient Care" campaign. Patient classrooms, counters, and shops were available at large drug stores or community hospitals to provide more than 6,000 members with one-on-one services. Among them were 1,200 super VIPs, who received services four times a month, and more than 2,000 VIPs, who received services at least once a month. A total of more than 40,000 patients received services throughout the year. Materials such as blood sugar test papers and patient education handbooks were given away free of charge.
Yaoyou Pharmaceutical	2013.4.15	Helping the poor	Red Cross in Huitang County	20.00	The donation was used in the "division of labor" campaign of the Sichuan Province Department of Public Health to help community charity projects and counterpart support in helping the poor, the elderly, the disabled, and schooling, and those requiring medical care.
	2013.04.23	Donation	Ya'an City Department of Public Health, drug administration	64.27	This donation was used to help those in need of help in the earthquake-hit zones in Ya'an City, Lushan County.

Name of enterprise	Timing	Project	Recipient	Amount (RMB 10,000) (including donation depreciation)	Brief description and purpose
Yaoyou Pharmaceutical	April, June, and August, 2013	Primary health care business	Primary Health Care Foundation	14.76	The fund was primarily used to sponsor and develop primary health care businesses in poverty-ridden agricultural areas.
	2013.8	Hepatobiliary Surgery Symposium	Shanghai Wu Mengchao Medical Science Foundation	15.00	The donation was primarily used to support academic research of hepatobiliary surgery.
	2013.12.18	Charity event	Quande Village Campus of Taiyuan Central Elementary School in Linjiang Township, Chongqing City	0.15	To provide elementary schools in the mountains with physical education supplies.
Shine Star	2013.10.1	Financial aid	Gongan County First High School	35.00	The Shine Star company in Hubei offered Gonggan County First High School with financial aid to help students from poor families and with outstanding academic performance.
	2013.12	Helping the poor	Gongan County Yanggongti Community	0.60	The donation was used to help difficult families during the pre-Chinese New Year visit to the community.
Moluodan	2013	Warmth in Cold Winter for the China Dream	(To be provided)	3.00	The municipal Party committee organized the "Warmth in Cold Winter for the China Dream" campaign to help children in need.
	2013.6.7	Donation	(To be provided)	2.00	On June 6, 2013, Moluodan donated five computers to Shidongbao Elementary School in Handan County to help enrich computerized classroom construction at the school.
	2013.12	Great Love Goes Silent and Love is Speechless.	Liang Kuang-Sheng	2.56	The wife of Liang Kuang-Sheng, a worker in difficulty, became a vegetable because of an accident that led to the impairment of her cerebral cortex. The union initiated the "Great Love Goes Silent and Love is Speechless" campaign to raise fund for the poor couple.
	February and September, 2013	Condolence	Retired officials or workers in difficulty	1.00	Retired officials and workers in difficulty were paid visits to during the Chinese New Year vacation and major holidays such as the Mid-autumn Festival.
For Me Pharmacy	April 21 and 22, 2013	Donation	Ya'an City Lushan County	88.00	Eight major types of drugs such as Yunnan Baiyao (farinaceous), hydrogen peroxide disinfectant, Benzalkonium Bromide, and antibiotics were donated.
Golden Elephant Pharmacy	2013.5	Donation	China Environmental Protection Foundation	15.00	Substantial action was taken to call upon enterprises with a sense of social responsibility and people in society in order for the latter to care about, pay attention to, and care for the environment at the capital. Green transportation and reduced emissions are promoted to return the blue sky to the capital.
	2013.12	Donation	Beijing West Town Charity Association	5.00	The donation was primarily used in community charity projects and counterpart support to help the poor, the elderly, the disabled, and schooling, and those requiring medical care. It was meant to help poverty-ridden disaster-hit zones rebuild and resume a normal life.
Jimin Cancer Hospital	2013.4	Donation	Anhui Red Cross	7.36	The celebrations for the relocation of the New General Medical Building originally scheduled for May 4, 2013 were canceled. The RMB 50,000 to be used in the celebrations was donated to the earthquake-hit areas in Ya'an. Meanwhile, each employee was encouraged to donate RMB 2.36 for fellow Chinese in the disaster-hit areas in order to help them rebuild their homes.
	2013.6	"Sending Juxing Elementary School Students Heart-warming Gifts on June 1" theme event	Anhui Province Market News	1.10	To care for children that remain at their positions, the hospital answered to the "Sending Juxing Elementary School Students Heart-warming Gifts on June 1" jointly initiated by Market News and Sina Anhui by encouraging employees to donate children's reading materials, clothes, toys, and school supplies. It helped support the children in life and schooling.

Name of enterprise	Timing	Project	Recipient	Amount (RMB 10,000) (including donation depreciation)	Brief description and purpose
Guangji Hospital	2013	Love to the Disabled Performance Event	Yueyang City Association of the Disabled	0.08	Donations were made to associations of the disabled in Xiangyang City, Louqu and Yueyang County.
	2013	Donation	Yueyang City Mutual Help Charity Foundation for Major Diseases	2.00	The donation was made to the Yueyang City Mutual Help Charity Foundation for Major Diseases to care for disadvantaged populations in society.
	2013	Donation	Yueyang City tube crew road repairing	1.70	The donation was used to support poor villages, repair roads, and help build an image of the hospital devoted to community charity.
	2013	Donation	Huang Yang	0.1	The donation was used to help Huang Yang, a paralysis patient nicknamed "Nose Tip Girl".
	2013	Donation	Yueyang City Department of Public Health	1.3	The donation was used to support disaster-hit Ya'an and contributions from health care professionals to populations affected by the disaster.
Chancheng Hospital	2013	Donation	Yangshan County Xiaojiang Health Institute	0.4	Therapeutic instruments and ECG machines were donated.
	2013.4	Free surgery to patients with cataract	Disabled People Union in Chancheng District	168	Free surgeries were provided to patients with cataract to help them regain visual acuity in five areas of Fuoshan City. The offer continued throughout the year.
	2013	Donation	Shiwan streets in Chancheng District	0.6	Free clinics and health education were provided to residents in Shiwan, Chanyu District, Fuoshan City. Free bone density testing was performed and calcium supplements were distributed.
Huaiyin Medical	2013.3	Donation	Pan Yong	1.87	Pan Yong, a member working for the company, was diagnosed with liver cancer in March 2013, which created a huge financial difficulty for his family. To help lessen the burden on his shoulder, the company initiated the donation campaign in May so that he could stay assured and focus on fighting against the disease.

Aid to Africa in the Fight against Malaria

Foreign aid projects 10

Foreign aid value RMB

8,363,919

FOSUNPHARMA is known for the country's first innovative drug, artesnamum, which was independently researched and developed. With this product, the company proactively cooperates with the Chinese government in aiding African countries in the fight against malaria. Since 2006, it has undertaken more than a hundred aid projects to Africa under the Ministry of Commerce of the People's Republic of China, benefiting more than 30 countries.

FOSUNPHARMA enforced 10 foreign aid projects in 2013 and provided under the projects included ARSUAMOON, ARTESUN, and ARTESUN-PLUS. Beneficiaries included Angola, The Republic of Guinea, The Republic of Liberia, Madagascar, Mali, Mauritania, Sierra Leone, Senegal, and Tanzania. The value totaled RMB 8,363,919.

In 2013, FOSUNPHARMA undertook two external human resources training projects, namely the Seminar for Malaria Prevention and Control Officials from Asian and African Countries and the Seminar on Drug Quality Management in Developing Countries.

Other free support campaigns	The company proactively cooperated in the World Health Organization's (WHO's) project on preventive chemical therapies against seasonal malaria in African areas with a high prevalence rate (SMC). Children under the age of five were the target population. The new product SPAQ-CO was developed and marketed. Collaborating with MMV, the company promoted the SMC project in African areas with a high prevalence rate of seasonal malaria.
	The company sponsored Thailand Mahidol Oxford Tropical Medicine Research Unit in the clinical trial of "delayed hemolysis after treatment of severe malaria" in order to explore more reasonable treatment solutions with reduced post-treatment adverse reactions and enhanced safety.
	The company sponsored and participated in the World Malaria Day celebrations on April 25 in African countries such as Côte d'Ivoire, Ghana, and Uganda.
	The company worked with the National Malaria Prevention and Control Committee of Burkina Faso in the local promotion of new malaria prevention and control policies and the training of health care professionals.

Rewards and Recognitions

FOSUNPHARMA Honored as the "Most Innovative Pharmaceutical Enterprise in China"

On June 20, 2013, the Southern Medicine Economic Research Institute of the China Food and Drug Administration selected Top 10 Most Innovative Pharmaceutical Enterprise in China; FOSUNPHARMA earned sixth place.

"The Most Innovative
Pharmaceutical Enterprise in
China"

FOSUNPHARMA Elected One of the CCTV Financial 50 Index Sample Shares

In August 2013, FOSUNPHARMA was elected one of sample shares in the social responsibility dimension for the "CCTV Financial 50 index (399550)" and one of the sample shares for the "CCTV financial responsibility 50 index (399555)." As is announced, only FOSUNPHARMA (600196) and two other enterprises were new to the CCTV Financial 50 index (399550) this year. FOSUNPHARMA was best of the best in the responsibility dimension.

One of the sample shares
for CCTV Financial 50 index

FOSUNPHARMA was honored with the 2013 Golden Bee Corporate Social Responsibility Report - Growth-oriented Enterprise Award

On December 3, 2013, in the 2013 Golden Bee Corporate Social Responsibility Report assessment, FOSUNPHARMA won the Growth-oriented Enterprise Award. Only three enterprises received this award.

"Golden Bee - Growth-
oriented Enterprise"

FOSUNPHARMA's FUTURESUN public community charity was on the sustainable development projects list

On November 28, 2013, The Economic Observer held the 2012-2013 Sustainability in China Summit & Award Ceremony in Beijing. FOSUNPHARMA was on the FUTURESUN community charity construction projects list.

Top 50 Best Listed
Companies of the Year

FOSUNPHARMA is One of the Top 50 Listed Companies of the Year

In May 2013, FOSUNPHARMA was elected one of the Top 50 listed companies of the year by Investor Journal. To our understanding, the period covered in this rating was the past three years. The industrial criteria were even stricter this year. Except for banking, companies in the other industries had to be one of the Top 3.

FOSUNPHARMA is One of the Top 10 Most Promising Pharmaceutical Companies

On September 3, 2013, results for the fifth screening of 2013's Top 20 Most Competitive Listed Pharmaceutical companies and Top 10 Most Promising Pharmaceutical Companies were released. FOSUNPHARMA was one of the Top 10 Most Promising Pharmaceutical Companies. FOSUNPHARMA won the same title for three consecutive years in 2009, 2010, and 2011. This was the fourth time that the company was honored with the award.

Most Promising Listed Medicinal
Company Top 10

FOSUNPHARMA Wins the Best Corporate Public Image Award

On October 16, 2013, FOSUNPHARMA was honored with the Best Corporate Public Image Award in the Beautiful China 2013 Green Ceremony with its proactive action to fulfill its corporate social responsibilities and outstanding social responsibility report that is second to none in the industry.

FOSUNPHARMA Honored with the Top 100 Comprehensive Industrial Enterprises Title

On November 12, 2013, FOSUNPHARMA was honored with the Top 100 Comprehensive Industrial Enterprises title in the annual summit for the chemical pharmaceutical industry in China.

FOSUNPHARMA's Rating in the Top 100 Pharmaceutical Companies' List Increases

On June 14, 2013, the Southern Medicine Economic Research Institute of the China Food and Drug Administration and Medicine Economic News jointly released the "2012 Top 100 Companies in the Pharmaceutical Industry of China" list. FOSUNPHARMA was No. 17, improved from No. 19 in the preceding year.

FOSUNPHARMA Leads the Top 100 Companies of the Ministry of Industry and Information Technology

On July 17, 2013, the Ministry of Industry and Information Technology released the 2012 Top 100 Companies in the Medicinal Industry of China. With the main operation and sales income of 2012 of pharmaceutical companies throughout China as the index for the comprehensive rating, FOSUNPHARMA's pharmaceutical business ranked 25th.

FOSUNPHARMA Wins the Most Promising Listed Company Award in the Golden Bauhinia Awards

On November 28, 2013, the 2013 Golden Bauhinia Award Ceremony was held in Hong Kong. In the ceremony, nine awards in total, including the "Most Influential Listed Company", the "Listed Company with Most Brand Value Leadership", the "Most Promising Listed Value", and the "Listed Company with the Greatest Sense of Social Responsibility" awards were given away. FOSUNPHARMA won the Most Promising Listed Company award.

FOSUNPHARMA Honored with the Ninth Golden Round Table Outstanding Board of Directors Award

On May 11, 2013, FOSUNPHARMA won the Ninth Golden Round Table Outstanding Board of Directors Award with its strictly compliant governance structure, robust and favorable business performance, and continuous shareholders' return on investment in the Ninth Golden Round Table Forum and the Golden Round Table Award ceremony for boards of directors of listed companies in China.

FOSUNPHARMA Wins the Best Investor Relationship Award

On December 18, 2013, the screening results for the 2013 Most Valuable Listed in China were officially disclosed. FOSUNPHARMA won the Best Investor Relationship Award. The screening criteria included "timely, complete, and precise disclosure of information" in order for one company to be picked as the candidates for the best investor relationship award, absence of punishments by the supervisor authority in the past three years, sufficient management and investor exchange, a perfect information

disclosure system, and related people complying with laws and fulfilling their responsibilities.

FOSUNPHARMA Earns "Six Consecutive Wins" as Shanghai Civilized Unit

In July 2013, Shanghai Municipal People's Government announced the 2011 - 2012 (16th) "Shanghai Civilized Unit" list. FOSUNPHARMA was on the list—again! This was the sixth time that FOSUNPHARMA won the title since it was rated a Shanghai Civilized Unit in 2003. This marks the sixth consecutive win.

FOSUNPHARMA is One of 2012 Top Private Technology-oriented Enterprises in Shanghai

On September 5, 2013, the list of winners was announced in the "2012 Top Private Technology-oriented Enterprises in Shanghai City" Award Ceremony. FOSUNPHARMA stood out among more than 20,000 private technology-oriented enterprises and became one of the best on the Top 100 list. It was also selected to be the candidate for the Comprehensive Top 100, Taxpaying Top 100, Research and Development Top 100, and Growth Top 100 awards.

Chen Qi-Yu, Chairman of FOSUNPHARMA, Elected Vice Chairman of Shanghai Young Entrepreneurs' Association

On September 28, 2013, the seventh congress of the Shanghai Young Entrepreneurs' Association was held in Shanghai. During the meeting, participants voted on candidates for the Chairman, Executive Chairman, Standing Vice Chairman, and Vice Chairman of the seventh Shanghai Young Entrepreneurs' Association. Mr. Chen Qi-Yu, Chairman of FOSUNPHARMA was elected Vice Chairman of the seventh Shanghai Young Entrepreneurs' Association.

Chen Qi-Yu, Chairman of FOSUNPHARMA, Wins the First "Sustainable and Innovative Leadership" Award

On December 3, 2013, the 2013 China Innovation Summit and Sustainability and Innovation Survey among Listed Companies in China Award Ceremony was held. FOSUNPHARMA won two honors in this rating. Chen Qi-Yu, Chairman of FOSUNPHARMA won the 2013 Sustainable and Innovative Leadership Award with its outstanding performance in corporate innovation. FOSUNPHARMA won the 2013 Best Innovation Practice Award with its outstanding performance in different dimensions such as business operation mode, distribution, technology, products, organizations and culture.



Acknowledgments.

Musa Sillah Kanu
Ministry of Health Official, Republic of Sierra Leone

China has sponsored my country with many anti-malaria drugs, such as arteannuin, amodiaquine, and artemether injections, etc. Patients can get them for free. Medical teams from China have also helped my country timely in curbing malaria. We really appreciate it.

Performance Indicators

Primary accounting data and financial indicators in Annual Reports

Item	2009	2010	2011	2012	2013
Net asset value per share that belongs to shareholders in listed companies (RMB/share)	5.23	4.42	5.13	6.05	6.84
Basic earnings per share (RMB/share)	1.35	0.46	0.61	0.80	0.90
Basic earnings per share after non-recurring profits and losses are deducted (RMB/share)	0.20	0.20	0.30	0.44	0.46
Net asset yield based on weighted average after non-recurring profits and losses are deducted (%)	7.18	4.99	6.32	8.24	6.22

Comparison of economic indicators throughout FOSUNPHARMA

Unit: RMB 10,000

Item	2009	2010	2011	2012	2013
Business income	387,226	455,542	648,554	734,078	999,641
Investment return	321,914	118,179	168,539	186,598	214,062
Business profit	321,203	114,045	158,051	203,599	281,883
Plus: Off-business income	6,115	6,948	17,197	9,725	10,436
Minus: Off-business expenditure	852	798	2,581	1,020	1,692
In which, disposal loss on non-current liability	336	24	-	282	1,045
Total profit	326,467	120,195	172,666	212,304	290,627
Minus: income tax value	70,040	20,161	34,182	28,376	50,632
Net profits	256,427	100,034	138,484	183,927	239,995
Net profits that belong to shareholders of the parent company	249,820	86,365	116,561	156,392	202,706
Profits and losses for minority shareholders	6,607	13,669	21,924	27,536	37,289
Tax liability	39,400	43,131	68,500	78,900	105,080
Donations	No statistics	263	311	333	424

Social Indicators

Social indicators at FOSUNPHARMA

Item	2009	2010	2011	2012	2013
Social Contribution per Share	No statistics	No statistics	No statistics	No statistics	2.90
Total number of employees (person[s])	9,611	11,484	13,192	14,357	16,791
Total number of male employees (person[s])	5,088	5,975	6,794	7,222	8,246
Total number of female employees (person[s])	4,523	5,509	6,398	7,135	8,545
Labor contract conclusion rate (%)	100	100	100	100	100
Cash paid to or paid for workers	45,255	57,564	65,682	76,594	124,593
Union coverage rate (%)	100	100	100	100	100
Employment rate of people with disabilities (%)	No statistics	No statistics	0.51%	0.52%	0.38%
Total investment in employee training (RMB 10,000)	No statistics	No statistics	762.1	813	931
Total training person-hour(s)	No statistics	No statistics	196,104.3	410,015.7	549,601.73
Employee outflow rate (%)	14.22%	12.82%	14.50%	18.90%	17.57%
Ratio of female employees returning to work and job positions retained till after the completion of the maternity leave (%)	No statistics	No statistics	No statistics	No statistics	100%

Research and development indicators at FOSUNPHARMA

Unit: Item

Item	2009	2010	2011	2012	2013
Under investigation items	101	111	118	107	119
Approvals for clinical trials of new drugs obtained	4	4	5	4	10
Number of batches of successfully researched and developed drugs produced	6	14	10	6	9
Items under clinical trials	14	5	3	3	8
Research and development staff (person[s])	No statistics	No statistics	559	766	779

Terminologies

Term	Definition
GAPA	Short for Corrective Action & Preventive Action.
cGMP	Short for Current Good Manufacture Practices, which means that validation is required throughout the process, from production to logistics. They are leading international standards in the production and management of drugs.
GMP	Short for Good Manufacturing Practice, which is a spontaneous management system with a particular emphasis on product quality and health safety during the production process.
GB/T24001-2004	Environmental management system requirements with guidance for use.
GB/T28001-2001	Occupation health and safety management system requirements.
GSP	Short for Good Supplying Practice, which is a management system that guarantees compliance of drugs with quality standards and is established for planned procurement, procurement acceptance, storage, sale, and after-sale services while drugs are being circulated.
SFDA	State Food and Drug Administration.
SOP	Standard Operation Procedure.
PEFC	Pan European Forest Certification.
EHC	Environmental Health Criteria.
CFDA	China Food and Drug Administration.
CRO	Contract Research Organization.
FDA	Food and Drug Administration (US).
ISPE	International Society for Pharmacoepidemiology.
Target	When certain radiotherapies are adopted in the medical setting, radiation will come from different directions to focus on the lesion. The lesion is the so-called target.
Flight check	A field inspection is conducted quickly without notifying the enterprise in advance.
Empty capsule	Consisting of the cap and the body portions of capsule covers made of gelatins plus excipients, the capsule is used primarily in carrying solid drugs.
Chromium	Its chemical formula is Cr. It is one of the trace elements required in the human body and plays a crucial role in keeping people healthy.
Clean production	Comprehensive preventive environmental protection strategies should continue to be applied to the production process and the products in order to minimize risk for mankind and the environment.

Term	Definition
Venous thrombosis	The veins develop acute yet non-suppurative inflammation, followed by formation of thrombosis under slow blood flows, highly coagulating blood, and impaired endangium.
Malaria	An insect-borne infectious disease caused by malaria parasites as a result of mosquito bites.
Adverse drug reactions	Harmful reactions that occur under normal dosage and usage of a qualified drug and are irrelevant to the indication.
Critical value	When a critical value appears in certain test or certain type of laboratory result, it means that the patient is likely to be on the life-threatening borderline. The clinician needs to get test messages in time and quickly provides the patient with effective interventions or treatments as it might help save the patient's life. Otherwise, serious results might occur and the best rescue time might be lost accordingly.
Product names such as artesunatum and so on	See P35 of the report.
OA network	Applying the Internet/Intranet technology and the idea of work flow, people inside a business can conveniently and quickly share information and work synergistically in a highly effective way. The complex and less efficient manned office work approach in the past is transformed to realize rapid and all-around information collection and information management. It offers the scientific basis in corporate management and decision-making.
BI	Short for Business Intelligence, it is the existing data in the enterprise that is transformed to knowledge to help the enterprise make a smart business operation decision. Data in the Business Intelligence system come from other business systems of the enterprise.
Compliance audit	The audit is performed in order to disclose and punish illegal acts and violations of the unit being audited and urge the latter to comply with national laws, regulations, policies, directives, and the internal control system in its economic activities.
Organic solvent	A solvent is a kind of liquid that can dissolve gases, solids, and liquids and be evenly mixed with them. Alcohol, gasoline, chloroform, and acetone are frequently used organic solvents.
Pyrogen test	With the pyrogen test (rabbit test), the test product at a certain dose will be injected into the vein of a rabbit. Then, the rabbit will be observed for a temperature increase in order to determine if the pyrogen content of the test product meets the requirement.
Endotoxin determination	Endotoxin is a compound of lipopoly saccharides (LPS) and proteins that exists on the cell wall of gram-positive bacteria. When a cell dies or autolyzes, endotoxin is released. When large amounts of endotoxin enter the blood stream, it triggers the febrile reaction. This is the "pyrogen reaction." Endotoxin is closely related to multiple infectious diseases. Disease progression often is associated with increased endotoxin content. Disease remission is also associated with reduced endotoxin content. Rapid blood testing (within one hour) of the content of endotoxin in the blood and organs can therefore serve as reference in the prognosis of clinically relevant diseases.
Cross selling	It is a new marketing approach featuring discovery of multiple needs of customers through CRM and sale of multiple related services or products in order to satisfy needs. This marketing approach helps discover multiple needs of customers and satisfy the needs accordingly. The product market is developed horizontally, that is, marketing staff proactively sell other additional products or services to existing customers and market after they have fulfilled their duties at work.
Total training person-hour(s)\	Person-hour(s) is the product of the number of people attending training multiplied by the total training hours.
Social Contribution per Share	It is the prices increment per share created by the company for society after the value created by the company for other stakeholders such as the tax revenue created for the government, wages/salaries paid to employees, loan interest paid to creditors such as banks, and external donations from the company throughout the year is subtracted by other social costs for the company as a result of environmental pollution, for example, in addition to the earnings per share created for shareholders. Social contribution per share = earnings per share + (tax revenue, employee cost, interest expenditure, devotion to community charity)/total share capital at the end of term. Formula: Social contribution per share = earnings per share + prices increment per share. Prices increment per share = (tax paid for revenue within the year + wages paid to employees + loan interest paid to creditors + external donations of the company - other social costs as a result of environmental pollution, etc.) ÷ shares.

Feedback Form

Dear Readers,

Thank you for spending time reading through this report! This is the sixth year that the FOSUNPHARMA Social Responsibility Report is released to public. We would appreciate it if you can provide use with your precious comments and opinions on this report. It will help us continue to improve quality of the report.

You may provide your feedback and suggestions in one of the following ways:

Postal mail: Please send it to the Brand and Public Communication Department (the recipient) at No. 2 Fuxing East Road, Shanghai City

Postal code: 200010

Fax: +86 21 23138052

Telephone: +86 21 23138125

Email: sunl@fosunpharma.com

Website: www.fosunpharma.com

Contact person: Sun Li

"Shanghai FOSUNPHARMA 2013 Corporate Social Responsibility Report" Feedback Form

Name: _____
Employer: _____
Responsibility: _____
Telephone: _____
Email: _____

☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No

Feedback and Opinions Survey:

- 1 Have you received the information you need to know from this report?
- 2 Do you think that the report has fully reflected the economic responsibilities expected of Shanghai FOSUNPHARMA?
- 3 Do you think that the report has fully reflected the environment, health, and safety responsibilities expected of Shanghai FOSUNPHARMA?
- 4 Do you think that the report has fully reflected the social responsibilities expected of Shanghai FOSUNPHARMA?
- 5 Do you think that the report has fully reflected the product and service responsibilities expected of Shanghai FOSUNPHARMA?

Feedback from different parties on the "2012 FOSUNPHARMA Social Responsibility Report"

Zhang Hao-Er, Senior Analyst and President of Ranking CSR Ratings (RKS)

Comment: The 2012 Social Responsibility Report of FOSUNPHARMA is rated AA by RKS and its rating outlook is stable. The company continues to demonstrate consistent high standards in its social responsibility information disclosed. The report is unprecedented among listed A Share companies in dimensions such as the integrity, content, technical support, and industrial attribute. It is our belief that the release of the Corporate Social Responsibility Guidelines of the latest version in 2014 will bring about new highlights.

FOSUNPHARMA: We appreciate the recognition from RKS of our 2012 Social Responsibility Report. This year's report reveals a lot of information on the original basis that helps stakeholders have a deep understanding of how FOSUNPHARMA strives to fulfill its social responsibilities.

Dai Yi-Po, Vice General Manager at GoldenBee (Beijing) Management Consulting Co., Ltd.

Comment: Compared to other medicinal and health-related enterprises, FOSUNPHARMA deals with a wide scope of business and hence has an even greater and far-reaching influence on the general public, patients in particular, and many stakeholders. Therefore, the report must focus on analysis of these impacts. In other words, substantial issues must be identified more clearly and what concerns stakeholders must be understood in order to "translate" operation and management inside the company into how the company

manages these impacts effectively and accordingly minimize unfavorable impacts and benefit all stakeholders.

FOSUNPHARMA: We are trying to accomplish the said goal through our 2013 Social Responsibility Report. It is our hope that each years' social responsibility report serves as an effective way to communicate with stakeholders.

Shanghai Quality System Audit Center

Advice: The United Family Hospital has become the largest, most known, and most internationalized top choice brand of international high-end medicine in China. It is hoped that disclosure can also be focused on hospitals under FOSUNPHARMA that serve the general public. This will help balance responsibility performance.

FOSUNPHARMA: FOSUNPHARMA looks at medical service as one of the business fields to be focused on in the company's development in the future. United Family Hospital is the top-choice brand for high-end people. Besides United Family, FOSUNPHARMA also invests in Anhui Jimin Cancer Hospital, Yueyang Guangji Hospital, Suqian Zhongwu Hospital, and Chancheng Hospital. Through these hospitals, FOSUNPHARMA enters the specialized and general medicine market to accordingly provide citizens with quality medical services. The 2013 Social Responsibility Report of FOSUNPHARMA will disclose more details on the medical service segment.

Third-party Comments

Comments on the 2013 Annual Corporate Social Responsibility of Shanghai FOSUNPHARMA

Medicine is a relatively unique industry that exercises a very important effect on the protection and promotion of people's health, improving quality of life, and advancing economic developments and progress in society. As such, social responsibility of the medicinal industry particularly attracts people's attention. Under this background, we are pleased to see that FOSUNPHARMA closely keeps track of its industrial uniqueness by proactively exploring how to integrate social responsibilities into its corporate operation and management and reshaping corporate management concepts, objectives, subjects, and methods and its determination and courage to becoming one of the enterprises with the most social responsibilities and sustainable development potential throughout China and even the world.

The 2013 Social Responsibility of FOSUNPHARMA fully demonstrates and describes the said determination and courage and is outstanding particularly in the following aspects:

The report shows FOSUNPHARMA is integrating its social responsibilities into corporate strategic management. FOSUNPHARMA uses fulfillment of social responsibilities as an important means to enhancing responsible competitiveness and promoting sustainable developments. It has a social responsibility leadership group with its president as the group leader to gradually promote the construction of corporate social responsibility systems for health, safety, environment, and quality. The company also has a perfect and normalized social responsibility inspection and evaluation mechanism that reviews the company's development strategies, management models, and business procedures from the perspective of corporate social responsibility. Responsibilities of all stakeholders are included in its management system. The company also proactively explores effective integration of social responsibilities and business operation.

The report demonstrates how FOSUNPHARMA integrates its social responsibilities into its products and services and its values. FOSUNPHARMA integrates the expectations and demand from all stakeholders into each of its business segments, namely drug research and development, production and manufacturing, and marketing. By creating a more responsible value chain, it is proactively exploring new channels and new ways to create value for society. FOSUNPHARMA insists on the "4+1" research and development model and spearheads in creating the "FOSUNPHARMA industry-academia-research alliance" in order to combine research and development resources in society and expedite introduction of new products meeting social demand to the market. It constantly improves its technology and production techniques and procedures, extends the lifespan of medicinal products, and brings down costs in order to provide people with safer, more convenient, and more effective drugs and services. It emphasizes the protection of biodiversity and establishes a sound animal laboratory management system to fully guarantee animal benefits. It also proactively undertakes its responsibilities as corporate citizen by providing job opportunities, supporting education business, aiding Africa in the fight against malaria, and helping sick orphans, among others, to sincerely do something in return for society.

The report releases the strong willingness of the company to communicate with stakeholders. FOSUNPHARMA values the effectiveness of communication with stakeholders and hence has started to release social responsibility reports since 2008. It proactively promotes compilation of social responsibility reports among its member enterprises and discloses social contribution per share in this report for enhanced operation transparency. Efforts have been made to focus on key performance data in the report. Data on individual responsibility fulfillment indicators over a year of five years were disclosed to make it the most convenient for readers to obtain related information while at the same time to signify the company's management outcome. In addition, a large number of interest-related testimonials and comments are introduced in the report to demonstrate fulfillment of individual responsibilities from the perspective of stakeholders.

There are new development trends for 2014 social responsibility reports. The requirements about report compilation transparency and communication with stakeholders are higher. It is our hope that FOSUNPHARMA can proactively take new challenges in the compilation of reports, combine report compilation with other tasks such as corporate risk assessment and communication with stakeholders following the strategic train of thought. We also hope to organically combine report compilation with the management process so that reports will better reflect corporate responsibility fulfillment performance and gain approval from stakeholders to a greater extent.

Director, Office of the National Corporate Management Modernization and Innovation Review Committee

Cheng Duo-Sheng



Global Report Initiation (GRI) Organization Target Index

No.	Contents	Page
Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g. CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	7
1.2	Description of key impacts, risks and opportunities	14-27
Organization Profile		
2.1	Name of the organization	Cover, 10-11
2.2	Primary brands, products and/or services	11, 30-35
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	10-11, 30-35
2.4	Location of organizations HQs	Back cover
2.5	Number of countries where the organization operates in, and names of countries with either major operations or specifically relevant to the sustainability issues covered in the report	10-11, 17
2.6	Nature of ownership and legal form	18-26
2.7	Markets served (including region segments, sectors, and types of customers/beneficiaries)	17, 30-35
2.8	Scale of the reporting organization	17, 30-34
2.9	Significant changes during the reporting period regarding size, structure, or ownership	18-26
2.10	Awards received in the reporting period	8-9, 92
Report Parameters		
3.1	Reporting period of information provided (such as fiscal year/calendar year)	5
3.2	Date of most recent previous report (if any)	5
3.3	Reporting cycle (annual, biennial, etc.)	5
3.4	Contact point for questions regarding the report or its contents	5, 106
3.5	Process for defining report contents	5
3.6	Boundary of the report (e.g. nation, department, affiliated institution, rental facilities, joint venture, supplier)	5, 11, 16, 46
3.7	State any specific limitations on the scope of boundary of the report	5
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	5
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the index and other information in the report	5, 65, 75

No.	Contents	Page
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, of business, measurement methods)	36, 94-95
3.11	Significant changes from previous reporting periods in je scope, boundary, or measurement methods applied in this report	5, 35, 94-95
3.12	Table identifying the location of the Standard Disclosure in the report	25-26, 36, 40-41 45-46, 52-65, 70-75 89-90, 94-95
3.13	Policies and current practice with regard to seeking external assurance for the report. If they are not indicated in the assurance report annexed to the sustainability report, the organization will be required to explain the scope and basis of any external assurance provided as well as the relationship between reporting organization and assurance provider	102-103

Governance, Commitment and Stakeholder Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	18-26
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (If yes, please indicate his function in the organizational management and the reason for such arrangement).	18-26
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	18-26
4.4	Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body.	18-26
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organizations performance (including social and environmental performance)	68-78
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	18-26
4.7	Process for determining the composition of the highest governance body and its committee members	14-26
4.8	Internally developed statements of mission of values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	14-26
4.9	Procedures of the highest governance body for overseeing the organizations identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	10-11, 14-26
4.10	Process for evaluating the highest governance organizations own performance, particularly with respect to economic, environmental and social performance	18-26
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	18-21
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	14-26, 40-46 50-65
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	24-25, 62
4.14	List of stakeholder groups engaged by the organization	22-26
4.15	Basis for identification and selection of stakeholders with whom to engage	22-26
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	22-26

Global Report Initiation (GRI) Organization Target Index

No.	Contents	Page
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	22-26, 92, 104 106-107

Economy

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	30-36, 94-95
EC2	Financial influence, risks and opportunities for the organizations activities due to climate change	50-66
EC3	Coverage of the organizations defined benefit plan obligations	36, 70-79
EC4	Significant financial assistance received from government	Nondisclosure
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	36, 95
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	46
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	70-79
EC8	Development and impact of infrastructure investment and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement	70-90
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	30-36

Environment

EN1	Material weight or volume	50-66
EN2	Percentage of materials used that are recycled input materials	55-57
EN3	Direct energy consumption by primary energy source	51-56
EN4	Indirect energy consumption by primary energy	51-60
EN5	Energy saved due to conservation and efficiency improvements	52-54, 61
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	50-66
EN7	Initiatives to reduce indirect energy consumption and effect of the plan	50-66
EN8	Total water consumption by sources	51-52, 56-57
EN9	Water sources significantly affected by withdrawal of water	51-52, 56-57
EN10	Percentage and total volume of water recycled and reused	51-52, 56-57
EN11	Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	N/A

No.	Contents	Page
EN13	Habitats protected or restored	N/A
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	50-62
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	N/A
EN16	Total direct and indirect greenhouse gas emissions by weight	57-61
EN17	Other relevant indirect greenhouse gas emissions by weight	57-61
EN18	Initiatives to reduce greenhouse gas emissions and achievement	50-66
EN19	Emissions of ozone-depleting substances by weight	N/A
EN20	NO, SO, and other significant air emission by type and quality	60
EN21	Total water discharge by quality and discharging destination	51-58
EN22	Total weight of waste by type and disposal method	57-59
EN23	Total number and volume of significant spills	Not involved
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally	N/A
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organizations discharges of water and runoff	N/A
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	50-66
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	52-53
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	50-51
EN29	Significant environmental impacts of transporting products and other goods and material used for the organizations operations, and transporting member of the workforce	50-66
EN30	Total environmental protection expenditures and investments by type	50-51

Labor Practices and Decent Work

LA1	Total workforce by employment type, employment contract, and region	70-71
LA2	Total number and rate of employee turnover by age group, gender, and region	75
LA3	Benefits provided to full-time employees(not provided to temporary or part-time employees), by major business location	70-79
LA4	Percentage of employees covered by collective bargaining agreements	70-71

Global Report Initiation (GRI) Organization Target Index

No.	Contents	Page
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	19-26, 70-71
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise occupational health and safety programs	19-26, 50, 61-64
LA7	Rate of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender	50, 63-64
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	19-26, 50, 66
LA9	Health and safety topics covered in formal agreements with Labor	19-26, 50, 66
LA10	Average hours of training per year per employee by employee category	66, 72-75
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	69-75
LA12	Percentage of employees receiving regular performance and career development reviews, by employee gender	61-75
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other index of diversity	70-71, 95
LA14	Ratio of basic salary of men to women by employee category and operating regions	36
LA15	Percentage of employees that return to work and retain work after the maternity/paternity leave, by employee gender	N/A

Human Rights

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Not involved
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	46
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	N/A
HR4	Total number of cases of discrimination and corrective actions taken	71, 95
HR5	Operations and primary suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	N/A
HR6	Operations and primary suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	71, 77
HR7	Operations and primary suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	74-77
HR8	Percentage of security talents trained in the organizations policies or procedures concerning human rights that are relevant to operations	N/A
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	N/A

No.	Contents	Page
HR10	Percentage and total number of operations that receive human rights screening and/or impact evaluation	N/A
HR11	Number of appeals concerning human rights that are solved through formal grievance mechanism	22-26

Society

SO1	Percentage of operations that implemented engagement, impact evaluation and development plan of local communities	16-26, 82-90
SO2	Percentage and total number of business units analyzed for risks related to corruption	82
SO3	Percentage of employees trained in organizations anti-corruption policies and procedures	82
SO4	Actions taken in response to corruption case	16-26, 82
SO5	Public policy positions and participation in public policy development and lobbying	14-15
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	89-90
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	19-26, 70-71
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	40-46
SO9	Operations that have significant potential impact or real negative impact on local communities	30-35, 50-66
SO10	Preventive and elimination measures implemented at operations that have significant potential impact or real negative impact on local communities	30-35, 50-66

Product Liability

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	40-46
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Not involved after the statistics
PR3	Types of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	30-35, 40-46
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not involved after the statistics
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	22-26, 40-46
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	22-24, 40-46, 89-90
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing promotions, including advertising, promotion, and sponsorship by type of outcomes	Not involved after the statistics
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not involved after the statistics
PR9	Penal sum value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	Not involved after the statistics



ASSURANCE STATEMENT

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. SHANGHAI BRANCH'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2013

NATURE AND SCOPE OF THE ASSURANCE

SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch was commissioned by Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereafter as "FOSUNPHARMA") to conduct an independent assurance of the 2013 Corporate Social Responsibility Report (2013 CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, including the text and data in accompanying tables, contained in the Chinese version of the 2013 CSR Report. Assurance data and information are verified at FOSUNPHARMA's Headquarters in Shanghai, Wanbang Biopharmaceuticals in Jiangsu Province and Fosun Long March in Shanghai. Data and Information of other companies were not included in this assurance process.

The information in the 2013 CSR Report of FOSUNPHARMA and its presentation are the responsibility of the directors and the management of FOSUNPHARMA. SGS has not been involved in the preparation of any of the material included in the 2013 CSR Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all FOSUNPHARMA's stakeholders.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity; and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3.1 2011).

The assurance comprised a combination of pre-assurance research, interviews with the management and employees, documentation and record review.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world's leading inspection, verification, testing and certification company. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world, providing the services includes the certification of management systems and services; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from FOSUNPHARMA, being free from bias and conflicts of interest with FOSUNPHARMA, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with CSR Lead Assuror, SAI Registered SA 8000 Lead Auditor, ISO 26000 Lead Assuror, CCAA Registered ISO 14001 Lead Auditor and OHSAS 18001 Auditor, GRI Registered Trainee in Sustainability Reporting, and Pharmaceutical GMP Lead Auditor.

ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within 2013 CSR Report verified is accurate, reliable and provides a fair and balanced representation of FOSUNPHARMA's sustainability activities in 2013. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders.

In our opinion, FOSUNPHARMA has chosen an appropriate level of assurance for this stage in their reporting.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2011) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Stakeholder Inclusiveness

FOSUNPHARMA has a policy for considering stakeholder interests and has engaged a wide range of stakeholder groups through different mechanisms and established platforms for mutual learning and feedbacks from them. SGS recommend that FOSUNPHARMA should continue implementing processes and allocating appropriate resources in order to analyze feedback from stakeholders and effectively balance potentially competing stakeholder needs.

Materiality

FOSUNPHARMA has made a significant improvement in the methodology for the identification of materiality aspects to its business and stakeholders, and has extended at its affiliated companies. SGS expect to see further progress in continue evaluating this methodology and setting specific KPIs of industries at its affiliated companies to align to the new GRI G4.

Responsiveness

FOSUNPHARMA has put in place an effective system with dedicated departments responsible for engaging and responding through which it can respond to materiality issues from stakeholders. In particular, customers are given a wide range of channels through which they can provide feedback on the company and its product and services. SGS suggest that FOSUNPHARMA provide more disclosure of positive and negative cases, showing how stakeholders' concerns are responded to and managed through these channels.

Signed:

For and on behalf of SGS-CSTC Standards Technical Services Co., Ltd. Shanghai Branch



Ben Tsang
Director, China and Hong Kong
Systems and Services Certification
21 March, 2014

B-11/F, No.900, Yishan Road, Xuhui District, Shanghai, China

WWW.SGSGROUP.COM.CN

Forward-looking Statement

This Corporate Social Responsibility Report includes a statement for the future. The statement uses expressions such as "believe", "assume", and "expect", or similar terms. Various known or unknown risks, uncertainties, and other factors might lead to significant differences between the substantial results, financial condition, assets, development, or performance of the company in the future and those indicated implicitly or explicitly in the aforementioned forward-looking statement. Such factors include, without limitation:

- A sluggish cycle for the industry we do business in;
- Increased overhead or reduced profitability as a result of new laws and regulations or amendments to existing laws and regulations;
- Price increase of raw materials, particularly when it is impossible for us to transfer the cost to customers;
- Reduced or loss of product patent protection;
- Debts, particularly when they have to do with environmental laws and regulations or are caused by product liability lawsuits;
- International currency exchange rate fluctuations and changes to the overall economic environment;
- Other factors indicated in this social responsibility report;
- We would like to ask anonymous authors for certain illustrations and data quoted in this report to get in contact with us so that we can send out author's remuneration.

These factors include details mentioned in the public reports submitted to the Shanghai Stock Exchange, China Securities Regulatory Commission, and their branch institutions. In light of these uncertainties, we would like to remind readers of not overly relying on the forward-looking statement. Our company is not obligated to renew the forward-looking statement or adapt it to future events or developments.



WeChat Official Platform of
FOSUNPHARMA

持 续 创 新 共 享 健 康
Innovation for Good Health

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Address: No. 2 Fuxing East Road, Shanghai City

Telephone: +86 21 23138000 Postal code: 200010

Fax: +86 21 23138052 Website: www.fosunpharma.com

■ Designed by Brand & Public Relations Department of Fosun Pharmaceutical (Group) Co., Ltd.

