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FOSUN PHARMA

复星医药

上海復星醫藥（集團）股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02196)

2019 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The following is the 2019 first quarterly report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) (the “**2019 First Quarterly Report**”) for the three months ended 31 March 2019 (the “**Reporting Period**”). The financial report therein is prepared in accordance with the PRC Accounting Standards for Business Enterprises and has not been audited.

By order of the Board

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Chen Qiyu

Chairman

Shanghai, the People's Republic of China

29 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors of the Company are Mr. Wang Qunbin, Mr. Wang Can, Ms. Mu Haining and Mr. Zhang Xueqing; and the independent non-executive directors of the Company are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.

* *for identification purposes only*

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of the Company and its directors, supervisors and senior management warrant that the 2019 First Quarterly Report of the Group does not contain any false information, misleading statements or material omission and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the contents contained herein.
- 1.2 All directors of the Company attended the Board meeting to review the 2019 First Quarterly Report of the Group.
- 1.3 Chen Qiyu, the person in charge of the Company, Guan Xiaohui, the Chief Financial Officer, and Chen Zhanyu, the Director of the Accounting Department (Accounting Officer) duly declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in the 2019 First Quarterly Report of the Group.
- 1.4 The 2019 First Quarterly Report of the Group has not been audited.

2. MAJOR FINANCIAL INFORMATION AND CHANGES IN SHAREHOLDERS OF THE GROUP

2.1 Major financial information

Unit: Yuan Currency: RMB

	31 March 2019	31 December 2018	Ratio of change (%)
Total assets	72,751,765,477.27	70,551,361,387.48	3.12
Net assets attributable to shareholders of the listed company	28,720,052,336.06	27,977,736,427.49	2.65
	Jan – Mar 2019	Jan – Mar 2018	Period-on-period change (%)
Net cash flow generated from operating activities	408,188,793.29	465,995,275.98	-12.40
	Jan – Mar 2019	Jan – Mar 2018	Period-on-period change (%)
Operating revenue	6,730,014,185.66	5,719,203,063.69	17.67
Net profit attributable to shareholders of the listed company	712,291,660.86	705,783,679.67	0.92
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss	529,562,795.43	526,784,216.07	0.53
Weighted average return on net assets (%)	2.51	2.90	Decreased by 0.39 percentage points
Basic earnings per share (RMB/share)	0.28	0.28	0.00
Diluted earnings per share (RMB/share)	0.28	0.28	0.00

Extraordinary gain or loss items and amounts

Unit: Yuan Currency: RMB

Items	Jan – Mar 2019
Gain or loss on disposal of non-current assets	5,303,873.12
Government grant included in profit or loss for the current period (excluding government grant closely related to the Company's normal operation, and entitled in fixed amounts or quantities on a continuous basis according to national standards)	13,223,787.37
Profit or loss arising from changes in the fair value of holding held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, except effective hedging business related to the Company's normal operations	188,644,626.70
Non-operating income and expenses other than those stated above	-6,519,884.86
Impact on minority interests (after tax)	-2,176,224.81
Effect of income tax	-15,747,312.09
Total	182,728,865.43

2.2 Total number of shareholders, the shareholding status of the Top 10 shareholders and the Top 10 tradable shareholders (or unrestricted shareholders) of the Company at the end of the Reporting Period

Unit: Share

Total number of shareholders					130,972		
The shareholding status of the Top 10 shareholders							
Name of shareholders	Shareholding at the end of the period	Percentage (%)	Number of restricted shares held	Shares pledged or locked up		Capacity	
				Status	Number		
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	938,095,290	36.60	0	None	0	Domestic non-state owned legal entity	
HKSCC NOMINEES LIMITED (Note 1)	551,234,448	21.51	0	Unknown	—	Unknown	
CHINA LIFE INSURANCE COMPANY LIMITED — TRADITIONAL — ORDINARY INSURANCE PRODUCT — 005L — CT001 SHANGHAI*	57,312,932	2.24	52,401,746	None	0	Other	
CHINA SECURITIES FINANCE CORPORATION LIMITED	38,736,157	1.51	0	None	0	Unknown	
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	29,305,934	1.14	0	None	0	Unknown	
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	0.94	0	None	0	State owned legal entity	
TAIKANG LIFE INSURANCE CO., LTD. — DIVIDEND — INDIVIDUAL DIVIDEND — 019L — FH002 SHANGHAI*	15,712,401	0.61	15,692,445	None	0	Other	
CHINA CONSTRUCTION BANK CORPORATION — LOMBARDA CHINA VALUE DISCOVERY EQUITY SECURITIES INVESTMENT FUND*	15,317,490	0.60	0	None	0	Other	
ABU DHABI INVESTMENT AUTHORITY	13,965,367	0.54	0	None	0	Overseas legal entity	
CITIC SECURITIES — CITIC BANK — CITIC SECURITIES SUPERIOR GROWTH EQUITIES COLLECTIVE ASSET MANAGEMENT SCHEME*	13,379,136	0.52	0	None	0	Other	

The shareholding status of the Top 10 unrestricted shareholders			
Name of the shareholders	Number of unrestricted tradable shares held	Type and number of shares	
		Type	Number
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	938,095,290	RMB ordinary shares	938,095,290
HKSCC NOMINEES LIMITED (Note 1)	551,233,948	Overseas listed foreign shares	551,233,948
CHINA SECURITIES FINANCE CORPORATION LIMITED	38,736,157	RMB ordinary shares	38,736,157
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	29,305,934	RMB ordinary shares	29,305,934
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	RMB ordinary shares	24,067,700
CHINA CONSTRUCTION BANK CORPORATION -LOMBARDA CHINA VALUE DISCOVERY EQUITY SECURITIES INVESTMENT FUND*	15,317,490	RMB ordinary shares	15,317,490
ABU DHABI INVESTMENT AUTHORITY	13,965,367	RMB ordinary shares	13,965,367
CITIC SECURITIES — CITIC BANK — CITIC SECURITIES SUPERIOR GROWTH EQUITIES COLLECTIVE ASSET MANAGEMENT SCHEME*	13,379,136	RMB ordinary shares	13,379,136
NATIONAL SOCIAL INSURANCE FUND — 106 PORTFOLIO*	9,580,018	RMB ordinary shares	9,580,018
CHINA LIFE INSURANCE COMPANY LIMITED — DIVIDEND — INDIVIDUAL DIVIDEND — 005L — FH002 SHANGHAI*	8,762,855	RMB ordinary shares	8,762,855
Description of the related relationship or concerted action of the above shareholders	The Company does not know if any related relationship or concerted action exists between the abovementioned shareholders of tradable shares.		
Description of resumed voting rights and shareholdings of preferred shareholders	Not applicable		

Note 1: HKSCC NOMINEES LIMITED, i.e. Hong Kong Securities Clearing Company Nominees Limited, is holding shares on behalf of multiple clients (shares held by it at the end of the Reporting Period includes 30,933,500 H shares held by Shanghai Fosun High Tech (Group) Co., Ltd.* (上海復星高科技(集團)有限公司) through it, representing approximately 1.21% of the total share capital of the Company at the end of the Reporting Period);

Note 2: HONG KONG SECURITIES CLEARING COMPANY LIMITED is the nominee holder of the RMB ordinary shares under Shanghai-Hong Kong Stock Connect.

2.3 Total number of preferred shareholders, the shareholding status of the Top 10 preferred shareholders and the Top 10 unrestricted preferred shareholders of the Company at the end of the Reporting Period

Not applicable

3. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statement items and financial indicators of the Group and the reasons thereof

(1) Balance Sheet

Unit: Yuan Currency: RMB

Balance Sheet				
Items	31 March 2019	31 December 2018	Ratio of change	Reasons of changes
Right-of-use assets	326,489,864.10	—	N/A	Mainly due to the New Lease Standards that the Group began to implement during the Reporting Period, which recognised the value of the rights to use fixed asset of the operating leases to the subject
Other non-current assets	1,568,787,097.14	1,052,571,024.32	49.04%	Mainly due to the increase in prepayments for the purchase of land-use rights and the increase in prepaid equity transfer payments during the Reporting Period
Non-current liabilities due within one year	1,821,300,685.72	4,929,603,365.34	-63.05%	Mainly due to the expiration of the RMB 3 billion corporate bonds with repurchase option (the “16 Fosun Pharma 01”) on 4 March 2019 during the Reporting Period. Except for the repurchase of the RMB5.5 million bonds, the remaining bondholders have chosen to continue the holding of bonds. At the end of the Reporting Period, the aforementioned corporate bonds that remain to be held were transferred from “non-current liabilities due within one year” to bonds payable” for accounting
Other current liabilities	1,235,999,398.53	227,445,337.32	443.43%	Mainly due to the issuance of the RMB 1 billion super short-term financing bonds by the Company during the Reporting Period
Bonds payable	7,028,509,152.86	4,039,456,986.21	74.00%	Mainly due to the expiration of the RMB 3 billion corporate bonds with repurchase option (the “16 Fosun Pharma 01”) on 4 March 2019 during the Reporting Period. Except for the repurchase of the RMB5.5 million bonds, the remaining bondholders have chosen to continue the holding of bonds. At the end of the Reporting Period, the aforementioned corporate bonds that remain to be held were transferred from “non-current liabilities due within one year” to bonds payable” for accounting
Lease liabilities	327,470,906.39	—	N/A	Mainly due to the New Lease Standards that the Group began to implement during the Reporting Period, which recognised the present value of the discounted future lease payments to the subject

(2) Income Statement

Unit: Yuan Currency: RMB

Income Statement				
Items	Jan – Mar 2019	Jan – Mar 2018	Ratio of change	Reasons of changes
Research and development expenses	393,629,740.74	277,495,949.60	41.85%	Mainly due to the increase in research and development investment of innovative biopharmaceutical drugs, biosimilars and small molecular innovative drugs, concentrated investment in consistency evaluation and increase in research and development investment for the innovative incubation platforms during the Reporting Period
Finance costs	258,127,521.35	199,203,618.93	29.58%	Mainly due to factors such as the year-on-year increase in market interest rates and the increase in interest-bearing debts during the Reporting Period
Assets impairment losses	1,222,223.84	714,805.11	70.99%	Mainly due to the provision for inventory depreciation during the Reporting Period
Investment income	328,064,466.57	247,492,469.55	32.56%	Mainly due to the year-on-year growth in operating results of associates such as Sinopharma Industry Investment Co., Ltd* (國藥產業投資有限公司), and the increase of the Group's share in associates' income during the Reporting Period
Gains from disposal of assets	73,218.41	-9,633,146.26	100.76%	Mainly due to the loss from fixed assets disposal during the corresponding period of last year
Non-operation expenditure	9,432,937.57	1,737,340.90	442.95%	Mainly due to factors such as the increase in public welfare donations during the Reporting Period
Other comprehensive income	11,092,063.50	414,039,313.79	-97.32%	Mainly due to the greater difference in translation of foreign currency in the corresponding period of last year, which was caused by the larger decline in the exchange rate of the US dollar

(3) Statement of Cash Flow

Unit: Yuan Currency: RMB

Statement of Cash Flow				
Items	Jan – Mar 2019	Jan – Mar 2018	Ratio of change	Reasons of changes
Net cash flow generated from investing activities	-1,604,835,280.94	-945,171,896.71	-69.79%	Mainly due to the purchases of land-use rights and increase in cash paid for external investment during the Reporting Period
Effects of exchange rate fluctuations on cash and cash equivalents	-76,518,604.67	-41,949,793.66	-82.41%	Mainly due to fluctuations in foreign currency exchange rates during the Reporting Period

(4) Effect of new accounting standards becoming effective during the Reporting Period

From 1 January 2019, the Group implemented the “Accounting Standards for Business Enterprises No. 21 — Leases” (the “**New Lease Standards**”), as revised and issued by the Ministry of Finance of the People’s Republic of China (the “**MOF**”).

Pursuant to the New Lease Standards, for leasing assets under operating leases, the lessee shall first identify the lease. Lease contracts that fall within the definition of a lease shall be accounted for according to the requirements of the New Lease Standards. At initial recognition, a lease liability shall be recognized for the leased assets under operating leases measured at the present value of the remaining lease payments on the commencing date of the lease, and a right-of-use asset shall be recognized at lease liabilities and other costs (such as initial direct expenses and restoration obligations) at the same time. At subsequent measurement, the right-of-use asset shall be depreciated with depreciation expenses recognized, and the interest expenses of the lease liabilities shall be recognized using the effective interest method at the same time. Short-term leases and leases of low-value assets are exempted from the above requirements. Accordingly, the disclosures in financial reports shall be amended simultaneously. There are no material changes in accounting treatments for other lease modes. Based on the aforementioned change of accounting policy and in consideration of the specific circumstances of the Group, the effects of adjustments arising from the aforementioned accounting policy at the balance sheet dates are set out in “4.2 Status in relation to adjustments to the first implementation of financial statements at the beginning of the year for the implementation of New Financial Instruments Standards, New Income Standards and New Lease Standards for the first time”. The implementation of the aforementioned new standards does not have any significant impacts on the Group’s financial position, operating results and cash flow.

3.2 Analysis and explanation of the progress, impact and solution of major events

- (1) The 2016 annual general meeting of the Company considered and approved the resolution in relation to the mandate to issue interbank market debt financing instruments, and agreed to the Company’s issuance and registration of new debt financing instruments amounting to no more than RMB10 billion. The Notices of Acceptance of Registration (Zhong Shi Xie Zhu [2018] No. MTN208 and Zhong Shi Xie Zhu [2018] No. SCP90) were issued by the National Association of Financial Market Institutional Investors on 17 April 2018, pursuant to which, the Company’s registration of medium-term notes and super short-term financing bonds were accepted in registered amounts of RMB5 billion respectively. The maximum registered amount shall take effect within two years from the date of the Notices, and the Company is permitted to issue the medium-term notes and super short-term financing bonds by batch within the term of registration. On 21 January 2019, the Company completed the issuance of the first tranche of super short-term financing bonds of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* in 2019, with an actual issuing amount of RMB1 billion in total and a final coupon rate of 3.73%.

(2) On 22 March 2019, the 2019 first extraordinary general meeting of the Company considered and approved the “Amendment No. 1 to the Amended and Restated Shareholders’ Agreement”, which was signed by Fosun Pharma Industrial Pte. Ltd. (“**Fosun Pharma Industrial**”), Gland Pharma Limited (“**Gland Pharma**”), both subsidiaries of the Company, and the founding shareholders of Gland Pharma (mainly comprising the family of Dr. P. Ravindranath, their controlling companies and the trusts managed by them, the same hereinafter), thereby agreeing to the grant of a new put option from Fosun Pharma Industrial to the founding shareholders of Gland Pharma, enabling the founding shareholders to, upon their request, transfer no more than 3,421,187 shares of Gland Pharma held by them to Fosun Pharma Industrial (or through its designated parties) within the agreed period at a price of no more than USD470 million, subject to the satisfaction of relevant conditions.

3.3 Failure to perform undertakings during the Reporting Period

Not applicable

3.4 Warning on any potential loss in the accumulated net profit for the period from the beginning of the year to the end of the next reporting period or any material changes in the accumulated net profit as compared with the corresponding period of the previous year and the reasons thereof

Not applicable

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Legal Representative: **Chen Qiyu**

29 April 2019

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet 31 March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2019	31 December 2018
Current assets:		
Cash and bank balances	8,238,630,523.47	8,546,521,777.04
Held-for-trading financial assets	543,382,506.15	616,123,764.39
Bills and trade receivable	4,755,137,807.49	4,336,151,322.77
Including: Bills receivable	697,390,360.96	712,510,581.95
Trade receivable	4,057,747,446.53	3,623,640,740.82
Prepayments	547,819,032.58	472,144,580.30
Other receivables	547,087,665.57	447,434,579.55
Including: Interest receivable	11,031,923.73	11,660,016.68
Dividends receivable	19,737,497.96	19,731,451.25
Inventories	3,540,137,489.32	3,287,392,199.46
Other current assets	312,710,300.28	295,958,970.62
Total current assets	18,484,905,324.86	18,001,727,194.13
Non-current assets:		
Long-term equity investments	21,907,211,355.77	21,427,527,810.80
Other equity instrument investments	104,454,519.91	126,313,106.69
Other non-current financial assets	2,678,390,206.45	2,505,806,955.75
Fixed assets	7,120,668,551.62	7,083,251,505.14
Construction in progress	2,193,016,033.70	2,039,800,319.91
Right-of-use asset	326,489,864.10	—
Intangible assets	7,380,481,854.65	7,151,343,109.87
Development expenditures	1,932,082,866.27	2,040,773,501.88
Goodwill	8,779,798,407.91	8,853,913,413.52
Long-term deferred expenditures	87,800,448.18	95,198,631.30
Deferred tax assets	187,678,946.71	173,134,814.17
Other non-current assets	1,568,787,097.14	1,052,571,024.32
Total non-current assets	54,266,860,152.41	52,549,634,193.35
Total assets	72,751,765,477.27	70,551,361,387.48

Consolidated balance sheet (Continued)
31 March 2019

Items	31 March 2019	31 December 2018
Current liabilities:		
Short-term loans	5,843,242,867.57	5,607,192,955.63
Bills and trade payable	2,553,159,238.89	2,333,283,345.10
Wages payable	432,665,662.74	578,701,499.77
Tax payable	475,963,201.24	478,905,270.26
Other payables	3,179,489,168.31	3,237,217,890.12
Including: Interest payable	114,028,336.32	187,344,429.18
Dividends payable	134,638,772.98	125,420,505.60
Contract liabilities	388,480,037.74	530,896,724.79
Non-current liabilities due within one year	1,821,300,685.72	4,929,603,365.34
Other current liabilities	1,235,999,398.53	227,445,337.32
Total current liabilities	15,930,300,260.74	17,923,246,388.33
Non-current liabilities:		
Long-term loans	8,758,054,913.87	8,630,661,547.43
Bonds payable	7,028,509,152.86	4,039,456,986.21
Lease liabilities	327,470,906.39	—
Long-term payables	379,459,553.85	416,889,805.19
Deferred income	378,067,402.87	363,489,177.57
Deferred tax liabilities	2,841,581,365.03	2,908,359,008.27
Other non-current liabilities	2,677,634,632.92	2,676,545,098.82
Total non-current liabilities	22,390,777,927.79	19,035,401,623.49
Total liabilities	38,321,078,188.53	36,958,648,011.82
Equity:		
Share capital	2,563,060,895.00	2,563,060,895.00
Capital reserve	10,577,624,500.84	10,544,648,359.54
Less: treasury shares	1,711,169.00	1,711,169.00
Other comprehensive income	-277,731,626.58	-274,779,732.99
Surplus reserve	2,374,999,312.51	2,374,999,312.51
Unappropriated profits	13,483,810,423.29	12,771,518,762.43
Total equity attributable to the owners of the parent company	28,720,052,336.06	27,977,736,427.49
Non-controlling interests	5,710,634,952.68	5,614,976,948.17
Total equity	34,430,687,288.74	33,592,713,375.66
Total liabilities and equity	72,751,765,477.27	70,551,361,387.48

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Balance Sheet of the Parent Company

31 March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2019	31 December 2018
Current assets:		
Cash and bank balances	912,086,442.39	850,102,168.54
Other receivables	5,807,723,060.09	6,914,735,852.92
Including: Interest receivable	114,847,266.00	230,691,574.83
Dividends receivable	307,409,680.05	307,409,680.05
Non-current assets due within one year	1,645,000,000.00	1,625,000,000.00
Other current assets	205,570,000.00	158,570,000.00
Total current assets	8,570,379,502.48	9,548,408,021.46
Non-current assets:		
Long-term equity investments	23,466,891,798.60	22,999,277,541.00
Other equity instrument investments	36,915,426.02	37,626,487.24
Other non-current financial assets	202,748,208.98	184,188,803.45
Fixed assets	6,704,410.77	7,158,298.77
Construction in progress	2,305,418.41	2,305,418.41
Intangible assets	1,704,190.87	1,840,272.04
Other non-current assets	6,956,084,328.19	5,465,151,645.71
Total non-current assets	30,673,353,781.84	28,697,548,466.62
Total assets	39,243,733,284.32	38,245,956,488.08
Current liabilities:		
Short-term loans	3,124,000,000.00	2,959,000,000.00
Wages payable	101,783,212.66	124,637,901.93
Tax payable	38,157,313.44	43,694,651.68
Other payables	1,151,349,964.29	1,357,247,173.94
Including: Interest payable	97,086,616.97	172,658,261.16
Dividends payable	229,468.00	229,468.00
Non-current liabilities due within one year	392,670,000.00	3,769,010,861.94
Other current liabilities	1,003,764,303.88	5,313,103.87
Total current liabilities	5,811,724,794.27	8,258,903,693.36
Non-current liabilities:		
Long-term loans	266,740,000.00	66,740,000.00
Bonds payable	7,028,509,152.86	4,039,456,986.21
Deferred income	475,000.00	550,000.00
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79
Total non-current liabilities	8,446,743,026.65	5,257,765,860.00
Total liabilities	14,258,467,820.92	13,516,669,553.36
Equity:		
Share capital	2,563,060,895.00	2,563,060,895.00
Capital reserve	14,231,054,756.04	14,231,054,756.04
Less: treasury shares	1,711,169.00	1,711,169.00
Other comprehensive income	-279,645,644.24	-279,100,142.24
Surplus reserve	1,247,565,522.50	1,247,565,522.50
Unappropriated profits	7,224,941,103.10	6,968,417,072.42
Total equity	24,985,265,463.40	24,729,286,934.72
Total liabilities and equity	39,243,733,284.32	38,245,956,488.08

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Consolidated Income Statement

January – March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Mar 2019	Jan – Mar 2018
I. Total operating revenue	6,730,014,185.66	5,719,203,063.69
Including: Operating revenue	6,730,014,185.66	5,719,203,063.69
II. Total operating costs	6,272,754,439.32	5,197,059,588.14
Including: Operating costs	2,751,001,117.33	2,425,323,142.66
Tax and surcharges	58,947,695.15	59,707,400.68
Selling and distribution expenses	2,262,003,333.95	1,796,709,562.86
General and Administrative expenses	543,102,357.96	433,259,151.54
Research and development expenses	393,629,740.74	277,495,949.60
Finance costs	258,127,521.35	199,203,618.93
Including: Interest expenses	271,887,442.33	213,137,758.05
Interest income	41,972,317.30	32,657,738.25
Asset impairment losses	1,222,223.84	714,805.11
Credit impairment losses	4,720,449.00	4,645,956.76
Plus: Other gains	34,713,805.24	33,894,234.91
Investment income (“–” indicating loss)	328,064,466.57	247,492,469.55
Including: Investment income from associates and joint ventures	301,612,698.90	244,388,154.85
Gains from changes in fair value (“–” indicating loss)	170,720,597.64	174,667,099.25
Gains from disposal of assets (“–” indicating loss)	73,218.41	–9,633,146.26
III. Operating profit (“–” indicating loss)	990,831,834.20	968,564,133.00
Plus: Non-operating revenue	2,913,052.71	2,267,794.45
Less: Non-operating expenses	9,432,937.57	1,737,340.90
IV. Total profit (“–” indicating total loss)	984,311,949.34	969,094,586.55
Less: Income tax expenses	133,472,724.24	131,237,070.44
V. Net profit (“–” indicating net loss)	850,839,225.10	837,857,516.11
(i) Classification according to the continuity of operation		
1. Net profit from continuing operation (“–” indicating net loss)	850,839,225.10	837,857,516.11
2. Net profit from discontinued operation (“–” indicating net loss)	—	—
(ii) Classification according to ownership		
1. Net profit attributable to the owners of the parent company (“–” indicating net loss)	712,291,660.86	705,783,679.67
2. Profit or loss attributable to non-controlling interests (“–” indicating net loss)	138,547,564.24	132,073,836.44

Consolidated Income Statement (Continued)
January – March 2019

Items	Jan – Mar 2019	Jan – Mar 2018
VI. Other comprehensive income, net of tax	11,092,063.50	414,039,313.79
Other comprehensive income attributable to the owners of the parent company, net of tax	–2,951,893.59	435,256,255.44
(i) Other comprehensive income not reclassified subsequently to profit or loss	–21,871,836.76	1,137,777.94
1. Changes as a result of remeasurement of net defined benefit plan liability or asset	—	—
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	—
3. Changes in fair value of other equity instrument investments	–21,871,836.76	1,137,777.94
4. Changes in fair value of credit risk	—	—
(ii) Other comprehensive income reclassified subsequently to profit or loss	18,919,943.17	434,118,477.50
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	–12,283,725.05	–3,686,873.25
2. Difference in translation of foreign currency	31,203,668.22	437,805,350.75
Other comprehensive income attributable to non-controlling interests, net of tax	14,043,957.09	–21,216,941.65
VII. Total comprehensive income	861,931,288.60	1,251,896,829.90
Total comprehensive income attributable to the owners of the parent company	709,339,767.27	1,141,039,935.11
Total comprehensive income attributable to non-controlling interests	152,591,521.33	110,856,894.79
VIII. Earnings per share:		
(i) basic earnings per share (yuan/share)	0.28	0.28
(ii) diluted earnings per share (yuan/share)	0.28	0.28

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Income Statement of the Parent Company

January – March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Mar 2019	Jan – Mar 2018
I. Operating revenue	27,358.49	9,433.96
Less: Operating costs	—	—
Tax and surcharges	1,249,335.01	—
Selling and distribution expenses	—	—
General and Administrative expenses	54,994,924.91	62,857,197.63
Research and development expenses	—	—
Finance costs	40,377,031.67	16,219,406.52
Including: Interest expenses	133,445,407.94	99,356,015.10
Interest income	81,965,626.10	86,751,251.99
Asset impairment losses	—	—
Credit impairment losses	—	—
Plus: Other gains	75,000.00	75,000.00
Investment income (“–” indicating loss)	338,090,386.96	248,412,968.80
Including: Investment income from associates and joint ventures	338,090,386.96	245,874,266.28
Gains from changes in fair value (“–” indicating loss)	14,952,576.82	15,879,341.86
Gains from disposal of property (“–” indicating loss)	—	—
II. Operating profit (“–” indicating loss)	256,524,030.68	185,300,140.47
Plus: Non-operating revenue	—	—
Less: Non-operating expenses	—	—
III. Total profit (“–” indicating total loss)	256,524,030.68	185,300,140.47
Less: Income tax expenses	—	—
IV. Net profit (“–” indicating net loss)		
(i) Net profit from continuing operation (“–” indicating net loss)	256,524,030.68	185,300,140.47
(ii) Net profit from discontinued operation (“–” indicating net loss)	—	—
V. Other comprehensive income, net of tax	-545,502.00	-4,217,291.72
(i) Other comprehensive income not reclassified subsequently to profit or loss	-711,061.24	-3,250,187.75
1. Changes as a result of remeasurement of net defined benefit plan liability or asset	—	—
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	—
3. Changes in fair value of other equity instrument investments	-711,061.24	-3,250,187.75
4. Changes in fair value of credit risk	—	—
(ii) Other comprehensive income reclassified subsequently to profit or loss	165,559.24	-967,103.97
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	165,559.24	-967,103.97
VI. Total comprehensive income	255,978,528.68	181,082,848.75
VII. Earnings per share:		
(i) basic earnings per share (yuan/share)	N/A	N/A
(ii) diluted earnings per share (yuan/share)	N/A	N/A

Legal Representative:

Chen Qiyu

Chief Financial Officer:

Guan Xiaohui

Director of the Accounting Department:

Chen Zhanyu

Consolidated Statement of Cash Flow

January – March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Mar 2019	Jan – Mar 2018
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	6,677,322,764.10	6,581,033,464.86
Refund of taxes and levies	37,042,691.26	31,515,640.13
Other cash received relating to operating activities	160,916,355.01	217,880,620.12
Sub-total of cash inflow generated from operating activities	6,875,281,810.37	6,830,429,725.11
Cash paid for purchasing goods and receiving services	2,601,547,266.16	2,843,353,476.32
Cash paid to and on behalf of employees	1,215,734,936.88	1,003,774,539.19
Cash paid for all types of taxes	657,649,909.92	714,580,458.00
Other cash paid relating to operating activities	1,992,160,904.12	1,802,725,975.62
Sub-total of cash outflow generated from operating activities	6,467,093,017.08	6,364,434,449.13
Net cash flow generated from operating activities	408,188,793.29	465,995,275.98
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	111,810,739.54	4,505,596.65
Cash received from returns on investments	3,266,147.10	29,909,911.30
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	967,744.29	2,767,885.78
Net cash received from disposal of subsidiaries and other operating segments	—	—
Other cash received relating to investing activities	173,515,365.40	187,172,023.00
Sub-total of cash inflow generated from investing activities	289,559,996.33	224,355,416.73
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,243,794,631.29	651,093,369.03
Cash paid for investments	211,779,533.27	167,495,944.37
Net cash paid for acquisition of subsidiaries and other operating segments	61,081,534.21	292,625,000.00
Other cash paid relating to investing activities	377,739,578.50	58,313,000.04
Sub-total of cash outflow generated from investing activities	1,894,395,277.27	1,169,527,313.44
Net cash flow generated from investing activities	-1,604,835,280.94	-945,171,896.71
III. Cash flow generated from financing activities:		
Cash received from capital contribution	960,000.00	960,772,162.04
Including: cash received by subsidiaries from investments of non-controlling interests	960,000.00	960,772,162.04
Cash received from borrowings	4,171,857,348.29	3,733,285,133.90
Cash received from issuing bonds	—	—
Other cash received relating to financing activities	14,930,964.53	206,055,287.21
Sub-total of cash inflow generated from financing activities	4,187,748,312.82	4,900,112,583.15
Cash paid for debts settlement	2,693,829,219.70	2,140,834,636.57
Cash paid for the distribution of dividends, profits or interest	419,279,093.57	340,845,063.08
Including: dividends and profits paid by subsidiaries to non-controlling interests	42,786,626.42	138,496,905.80
Other cash paid relating to financing activities	280,427,585.54	1,319,156,984.93
Sub-total of cash outflow generated from financing activities	3,393,535,898.81	3,800,836,684.58
Net cash flow generated from financing activities	794,212,414.01	1,099,275,898.57
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-76,518,604.67	-41,949,793.66
V. Net increase of cash and cash equivalents	-478,952,678.31	578,149,484.18
Plus: Opening balance of cash and cash equivalents	7,175,005,107.37	6,350,319,352.85
VI. Closing balance of cash and cash equivalents	6,696,052,429.06	6,928,468,837.03

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Statement of Cash Flow of the Parent Company

January – March 2019

Prepared by: Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Mar 2019	Jan – Mar 2018
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	540,000.00	—
Refund of taxes and levies	—	—
Other cash received relating to operating activities	55,224,072.19	8,196,368.95
Sub-total of cash inflow generated from operating activities	55,764,072.19	8,196,368.95
Cash paid for purchasing goods and receiving services	—	—
Cash paid to and on behalf of employees	73,777,558.02	91,434,595.58
Cash paid for all types of taxes	13,432,460.55	15,349,322.67
Other cash paid relating to operating activities	7,430,093.52	111,762,266.52
Sub-total of cash outflow generated from operating activities	94,640,112.09	218,546,184.77
Net cash flow generated from operating activities	-38,876,039.90	-210,349,815.82
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	—	200,000,000.00
Cash received from returns on investments	—	11,503,283.30
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Net cash received from disposal of subsidiaries and other operating segments	—	—
Other cash received relating to investing activities	—	—
Sub-total of cash inflow generated from investing activities	—	211,503,283.30
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	7,250.00	429,126.00
Cash paid for investments	78,935,821.97	70,657,600.00
Net cash paid for acquisition of subsidiaries and other operating segments	—	—
Other cash paid relating to investing activities	—	—
Sub-total of cash outflow generated from investing activities	78,943,071.97	71,086,726.00
Net cash flow generated from investing activities	-78,943,071.97	140,416,557.30
III. Cash flow generated from financing activities:		
Cash received from capital contribution	—	—
Cash received from borrowings	3,183,875,000.00	3,270,000,000.00
Other cash received relating to financing activities	2,823,722,194.18	1,312,219,246.59
Sub-total of cash inflow generated from financing activities	6,007,597,194.18	4,582,219,246.59
Cash paid for debts settlement	2,200,391,655.50	1,712,935,250.00
Cash paid for the distribution of dividends, profits or interest	207,350,419.41	204,060,368.46
Other cash paid relating to financing activities	3,369,829,579.18	2,459,407,011.00
Sub-total of cash outflow generated from financing activities	5,777,571,654.09	4,376,402,629.46
Net cash flow generated from financing activities	230,025,540.09	205,816,617.13
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-222,154.37	-1,604,014.51
V. Net increase of cash and cash equivalents	111,984,273.85	134,279,344.10
Plus: Opening balance of cash and cash equivalents	455,240,544.03	254,541,196.34
VI. Closing balance of cash and cash equivalents	567,224,817.88	388,820,540.44

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

4.2 Status in relation to adjustments to the first implementation of financial statements at the beginning of the year for the implementation of New Financial Instruments Standards, New Income Standards and New Lease Standards for the first time

Consolidated balance sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	8,546,521,777.04	8,546,521,777.04	
Held-for-trading financial assets	616,123,764.39	616,123,764.39	
Bills and trade receivable	4,336,151,322.77	4,336,151,322.77	
Including: Bills receivable	712,510,581.95	712,510,581.95	
Trade receivable	3,623,640,740.82	3,623,640,740.82	
Prepayments	472,144,580.30	472,144,580.30	
Other receivables	447,434,579.55	447,434,579.55	
Including: Interest receivable	11,660,016.68	11,660,016.68	
Dividends receivable	19,731,451.25	19,731,451.25	
Inventories	3,287,392,199.46	3,287,392,199.46	
Other current assets	295,958,970.62	295,958,970.62	
Total current assets	18,001,727,194.13	18,001,727,194.13	
Non-current assets:			
Long-term equity investments	21,427,527,810.80	21,427,527,810.80	
Other equity instrument investments	126,313,106.69	126,313,106.69	
Other non-current financial assets	2,505,806,955.75	2,505,806,955.75	
Fixed assets	7,083,251,505.14	7,083,251,505.14	
Construction in progress	2,039,800,319.91	2,039,800,319.91	
Right-of-use asset	—	371,322,076.11	371,322,076.11
Intangible assets	7,151,343,109.87	7,151,343,109.87	
Development expenditures	2,040,773,501.88	2,040,773,501.88	
Goodwill	8,853,913,413.52	8,853,913,413.52	
Long-term deferred expenditures	95,198,631.30	95,198,631.30	
Deferred tax assets	173,134,814.17	173,134,814.17	
Other non-current assets	1,052,571,024.32	1,052,571,024.32	
Total non-current assets	52,549,634,193.35	52,920,956,269.46	371,322,076.11
Total assets	70,551,361,387.48	70,922,683,463.59	371,322,076.11
Current liabilities:			
Short-term loans	5,607,192,955.63	5,607,192,955.63	
Bills and trade payable	2,333,283,345.10	2,333,283,345.10	
Wages payable	578,701,499.77	578,701,499.77	
Tax payable	478,905,270.26	478,905,270.26	
Other payables	3,237,217,890.12	3,237,217,890.12	
Including: Interest payable	187,344,429.18	187,344,429.18	
Dividends payable	125,420,505.60	125,420,505.60	
Contract liabilities	530,896,724.79	530,896,724.79	
Non-current liabilities due within one year	4,929,603,365.34	4,929,603,365.34	
Other current liabilities	227,445,337.32	227,445,337.32	
Total current liabilities	17,923,246,388.33	17,923,246,388.33	

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term loans	8,630,661,547.43	8,630,661,547.43	
Bonds payable	4,039,456,986.21	4,039,456,986.21	
Including: Preferred shares	—	—	
Perpetual bonds	—	—	
Lease liabilities	—	371,322,076.11	371,322,076.11
Long-term payables	416,889,805.19	416,889,805.19	
Deferred income	363,489,177.57	363,489,177.57	
Deferred tax liabilities	2,908,359,008.27	2,908,359,008.27	
Other non-current liabilities	2,676,545,098.82	2,676,545,098.82	
Total non-current liabilities	19,035,401,623.49	19,406,723,699.60	371,322,076.11
Total liabilities	36,958,648,011.82	37,329,970,087.93	371,322,076.11
Equity (or shareholders' interests):			
Paid-in capital (or share capital)	2,563,060,895.00	2,563,060,895.00	
Capital reserve	10,544,648,359.54	10,544,648,359.54	
Less: treasury shares	1,711,169.00	1,711,169.00	
Other comprehensive income	-274,779,732.99	-274,779,732.99	
Surplus reserve	2,374,999,312.51	2,374,999,312.51	
Unappropriated profits	12,771,518,762.43	12,771,518,762.43	
Total equity attributable to the owners of the Parent company	27,977,736,427.49	27,977,736,427.49	
Non-controlling interests	5,614,976,948.17	5,614,976,948.17	
Total Equity (or shareholders' interests)	33,592,713,375.66	33,592,713,375.66	
Total liabilities and equity (or shareholders' interests)	70,551,361,387.48	70,922,683,463.59	371,322,076.11

Explanation on each adjustments:

From 1 January 2019, the Group implemented the New Lease Standards as revised and issued by the MOF.

In accordance with the convergence requirements of the New Lease Standards, the accounting statements of the Group shall be disclosed according to the requirements of the New Lease Standards starting from the 2019 First Quarterly Report. The implementation of the aforementioned new standards does not have significant impacts on the Group's financial position, operating results and cash flow.

Balance Sheet of the Parent Company

Unite: Yuan Currency: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	850,102,168.54	850,102,168.54	
Other receivables	6,914,735,852.92	6,914,735,852.92	
Including: Interest receivable	230,691,574.83	230,691,574.83	
Dividends receivable	307,409,680.05	307,409,680.05	
Non-current assets due within one year	1,625,000,000.00	1,625,000,000.00	
Other current assets	158,570,000.00	158,570,000.00	
Total current assets	9,548,408,021.46	9,548,408,021.46	
Non-current assets:			
Long-term equity investments	22,999,277,541.00	22,999,277,541.00	
Other equity instrument investments	37,626,487.24	37,626,487.24	
Other non-current financial assets	184,188,803.45	184,188,803.45	
Fixed assets	7,158,298.77	7,158,298.77	
Construction in progress	2,305,418.41	2,305,418.41	
Intangible assets	1,840,272.04	1,840,272.04	
Other non-current assets	5,465,151,645.71	5,465,151,645.71	
Total non-current assets	28,697,548,466.62	28,697,548,466.62	
Total assets	38,245,956,488.08	38,245,956,488.08	
Current liabilities:			
Short-term loans	2,959,000,000.00	2,959,000,000.00	
Wages payable	124,637,901.93	124,637,901.93	
Tax payable	43,694,651.68	43,694,651.68	
Other payables	1,357,247,173.94	1,357,247,173.94	
Including: Interest payable	172,658,261.16	172,658,261.16	
Dividends payable	229,468.00	229,468.00	
Non-current liabilities due within one year	3,769,010,861.94	3,769,010,861.94	
Other current liabilities	5,313,103.87	5,313,103.87	
Total current liabilities	8,258,903,693.36	8,258,903,693.36	
Non-current liabilities:			
Long-term loans	66,740,000.00	66,740,000.00	
Bonds payable	4,039,456,986.21	4,039,456,986.21	
Including: Preferred shares	—	—	
Perpetual bonds	—	—	
Deferred income	550,000.00	550,000.00	
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79	
Total non-current liabilities	5,257,765,860.00	5,257,765,860.00	
Total liabilities	13,516,669,553.36	13,516,669,553.36	
Equity (or shareholders' interests):			
Paid-in capital (or share capital)	2,563,060,895.00	2,563,060,895.00	
Capital reserve	14,231,054,756.04	14,231,054,756.04	
Less: treasury shares	1,711,169.00	1,711,169.00	
Other comprehensive income	-279,100,142.24	-279,100,142.24	
Surplus reserve	1,247,565,522.50	1,247,565,522.50	
Unappropriated profits	6,968,417,072.42	6,968,417,072.42	
Total Equity (or shareholders' interests)	24,729,286,934.72	24,729,286,934.72	
Total liabilities and equity (or shareholders' interests)	38,245,956,488.08	38,245,956,488.08	

4.3 Explanation on retrospective adjustments of previously comparative data for implementation of new Financial Instruments Standards and New Lease Standards for the first time

From 1 January 2019, the Group implemented the New Lease Standards as revised and issued by the MOF.

In accordance with the convergence requirements of the New Lease Standards, the accounting statements of the Group shall be disclosed according to the requirements of the New Lease Standards starting from the 2019 First Quarterly Report. The implementation of the aforementioned new standards does not have significant impacts on the Group's financial position, operating results and cash flow.

4.4 Audited report

Not applicable