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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, supervis

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 |

[illegible]

| 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. | | |
| DrGription of rrGumed 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 R 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 Rrting 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 nd of the R 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”

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

[illegible]

January – March 2019

Unit: Yuan Currency: RMB Type of audit: Unaudited

[illegible]

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 | |

[illegible]

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