

1. IMPORTANT NOTICE

1.1 The Board of Directors ("Board") and the Supervisory Committee ("Supervisory Committee") of the Company, in accordance with the provisions of the 2019 Trust Receipt Regulations of the Government Securities Board, have reviewed the financial statements of the Company for the period from January 1, 2019 to December 31, 2019, and have found them to be true and correct.

1.2 All members of the Board and the Supervisory Committee have reviewed the 2019 Trust Receipt Regulations of the Government Securities Board.

1.3 The Company, in accordance with the provisions of the 2019 Trust Receipt Regulations of the Government Securities Board, has prepared the financial statements for the period from January 1, 2019 to December 31, 2019, and has found them to be true and correct.

1.4 The 2019 Trust Receipt Regulations of the Government Securities Board.

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

2.1 Major financial information

Unit: million RMB

	30 September 2019	31 December 2018	Ratio of change (%)
Total assets	78,569,297,725.65	70,551,361,387.48	11.36
Non-current assets	30,633,746,877.27	27,977,736,427.49	9.49
	Jan - Sept 2019	Jan - Sept 2018	Period-on-period change (%)
Non-current assets	2,328,355,784.17	2,087,826,458.74	11.52
	Jan - Sept 2019	Jan - Sept 2018	Period-on-period change (%)
Operating Revenue	21,227,618,679.11	18,142,384,871.95	17.01
Non-current operating revenue	2,063,704,147.99	2,094,152,353.81	-1.45
Non-current operating revenue	1,722,388,028.34	1,591,668,096.39	8.21
Operating profit margin (%)	7.21	8.00	Decrease 0.79
Basic earnings per share (RMB/share)	0.81	0.83	-2.41
Diluted earnings per share (RMB/share)	0.81	0.83	-2.41

Note: In the first quarter of 2019, the company's operating revenue (including tax), operating profit (before tax), and net profit (after tax) were RMB554.7841 million, RMB163.7726 million, and RMB130.7199 million, respectively, compared with RMB554.7841 million, RMB163.7726 million, and RMB130.7199 million in the first quarter of 2018. The year-on-year increase in operating revenue was 41.88%. The year-on-year increase in operating profit was 1.45%.

The company's operating revenue (including tax) in the first quarter of 2019 was RMB554.7841 million, compared with RMB554.7841 million in the first quarter of 2018. The year-on-year increase in operating revenue was 41.88%. The year-on-year increase in operating profit was 1.45%.

The company's operating revenue (including tax) in the first quarter of 2019 was RMB554.7841 million, compared with RMB554.7841 million in the first quarter of 2018. The year-on-year increase in operating revenue was 41.88%. The year-on-year increase in operating profit was 1.45%.

The company's operating revenue (including tax) in the first quarter of 2019 was RMB554.7841 million, compared with RMB554.7841 million in the first quarter of 2018. The year-on-year increase in operating revenue was 41.88%. The year-on-year increase in operating profit was 1.45%.

(3) Statement of Cash Flow

Unit: million RMB

Statement of Cash Flow				
Items	Jan – Sept 2019	Jan – Sept 2018	Ratio of change	Reasons of changes
Net increase/decrease in cash and cash equivalents	-2,560,243,375.55	-4,338,289,449.60	40.98%	Mainly due to the impact of the SHL CMF on the R&P.
Effect of exchange rate changes	47,762,255.60	-31,014,791.25	254.00%	Mainly due to the R&P.

- 3.2 Analysis of the change in cash and cash equivalents
- The 2016... 2018... RMB10 billion... 2018... RMB5 billion... 2018... RMB300 million... 3.00%.
 - On 19 September 2019, ... RMB100 million... 2%... 12-month... 2%... C...

At the end of the reporting period, the Company held 2,560,000 H Shares, representing 0.10% of the total number of Shares of the Company as at the end of the reporting period. RMB53.54 million (US\$7.8 million) was paid for the purchase of H Shares in the reporting period. 19 Shares were issued in the reporting period.

3. On 27 November 2018, the Company issued 100,000,000 H Shares at a price of RMB53.54 per share, representing 3.76% of the total number of Shares of the Company as at the end of the reporting period. The H Shares were listed on the Shanghai Stock Exchange ("Shanghai Henlius"), a stock exchange in the People's Republic of China, and the H Shares were also listed on the Main Board of the Stock Exchange of Hong Kong ("Hong Kong Stock Exchange").

On 25 September 2019, the Company issued 1,000,000 H Shares at a price of HK\$49.60 per share, representing 0.0037% of the total number of Shares of the Company as at the end of the reporting period. The H Shares were listed on the Main Board of the Stock Exchange of Hong Kong ("Hong Kong Stock Exchange") and the H Shares were also listed on the Main Board of the Stock Exchange of Hong Kong ("Hong Kong Stock Exchange"). The total number of H Shares issued was 64,695,400 H Shares, representing 0.24% of the total number of Shares of the Company as at the end of the reporting period. The total amount of the H Shares issued was HK\$3,208.89 million (US\$499.8 million). The H Shares were issued at a discount of 53.76% to the closing price of the Company's H Shares on the last trading day before the H Shares were issued.

On 17 October 2019, the Company issued 1,000,000 H Shares at a price of HK\$49.60 per share, representing 0.0037% of the total number of Shares of the Company as at the end of the reporting period. The H Shares were listed on the Main Board of the Stock Exchange of Hong Kong ("Hong Kong Stock Exchange") and the H Shares were also listed on the Main Board of the Stock Exchange of Hong Kong ("Hong Kong Stock Exchange"). The total number of H Shares issued was 4,366,400 H Shares, representing 0.016% of the total number of Shares of the Company as at the end of the reporting period. The total amount of the H Shares issued was HK\$210.49 million (US\$31.5 million). The H Shares were issued at a discount of 53.33% to the closing price of the Company's H Shares on the last trading day before the H Shares were issued.

3.3 Financial results for the reporting period

Net profit

3.4 /

Net profit

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

Li Rui : Chen Qiyu

29 October 2019

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet

30 September 2019

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

Unit: RMB Tenthousand

Items	30 September 2019	31 December 2018
Current assets:		
Cash and cash equivalents	10,307,237,302.85	8,546,521,777.04
Financial assets at fair value through profit or loss	1,344,673,568.10	616,123,764.39
Derivatives	258,620,513.78	712,510,581.95
Trade receivables	4,463,034,533.86	3,623,640,740.82
Receivables from related parties	471,597,865.70	—
Prepayments	596,927,301.93	472,144,580.30
Other receivables	577,591,869.92	447,434,579.55
Inventory	9,995,755.01	11,660,016.68
Intangible assets	36,917,475.21	19,731,451.25
Investments in subsidiaries	3,858,842,830.18	3,287,392,199.46
Investments in associates	—	—
Available-for-sale financial assets	1,162,820,637.56	—
Other financial assets	368,970,686.90	295,958,970.62
Total current assets	23,410,317,110.78	18,001,727,194.13
Non-current assets:		
Derivatives	117,956,750.00	67,562,000.00
Long-term equity investments	21,198,447,942.66	21,427,527,810.80
Other non-current financial assets	100,986,503.54	126,313,106.69
Other non-current assets	2,100,733,208.89	2,505,806,955.75
Fixed assets	7,291,387,236.53	7,083,251,505.14
Construction in progress	2,942,095,697.03	2,039,800,319.91
Right-of-use assets	433,996,758.51	—
Intangible assets	7,873,710,459.21	7,151,343,109.87
Deferred tax assets	2,676,735,574.42	2,040,773,501.88
Goodwill	9,187,137,617.57	8,853,913,413.52
Long-term prepayments	114,180,385.70	95,198,631.30
Deferred tax liabilities	242,021,035.79	173,134,814.17
Other non-current liabilities	879,591,445.02	985,009,024.32
Total non-current assets	55,158,980,614.87	52,549,634,193.35
Total	78,569,297,725.65	70,551,361,387.48

Consolidated balance sheet (Continued)

30 September 2019

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	7,440,018,220.78	5,607,192,955.63
Bills payable	266,942,486.20	149,003,072.96
Trade payables	2,233,670,981.77	2,184,280,272.14
Prepaid expenses	562,709,265.76	578,701,499.77
Transfer payables	451,969,450.66	478,905,270.26
Other payables	4,178,903,272.34	3,237,217,890.12
Liabilities for interest	220,768,148.00	187,344,429.18
Dividends payable	139,956,011.68	125,420,505.60
Contract liabilities	388,047,456.85	530,896,724.79
Non-current liabilities	2,206,056,772.37	4,929,603,365.34
Other non-current liabilities	1,599,149,293.47	227,445,337.32
Total non-current liabilities	19,327,467,200.20	17,923,246,388.33
Non-current liabilities:		
Long-term borrowings	8,816,140,333.28	8,630,661,547.43
Bills payable	5,781,204,728.90	4,039,456,986.21
Liabilities	307,212,833.42	—
Long-term payables	252,679,111.96	416,889,805.19
Deferred income	358,341,043.66	363,489,177.57
Deferred liabilities	2,895,818,060.31	2,908,359,008.27
Other non-current liabilities	2,878,227,018.69	2,676,545,098.82
Total non-current liabilities	21,289,623,130.22	19,035,401,623.49
Total liabilities	40,617,090,330.42	36,958,648,011.82
Equity:		
Parent's equity (attributable to the parent)	2,562,898,545.00	2,563,060,895.00
Capital reserve	11,918,086,638.94	10,544,648,359.54
Less: Treasury shares	—	1,711,169.00
Other comprehensive income	-238,833,703.62	-274,779,732.99
Surplus reserve	2,373,685,050.45	2,374,999,312.51
Undistributed profits	14,017,910,346.50	12,771,518,762.43
Total equity attributable to the parent	30,633,746,877.27	27,977,736,427.49
Non-current minority interest	7,318,460,517.96	5,614,976,948.17
Total equity attributable to the parent and non-current minority interest	37,952,207,395.23	33,592,713,375.66
Total liabilities and equity attributable to the parent and non-current minority interest	78,569,297,725.65	70,551,361,387.48

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director, in Charge of Accounting Department:
Chen Zhanyu

Balance Sheet of the Parent Company

30 September 2019

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

Unit: RMB Tenthousand Yuan

Items	30 September 2019	31 December 2018
Current assets:		
Cash and cash equivalents	1,106,498,344.52	850,102,168.54
Financial assets at fair value through profit or loss		
Prepaid expenses		
Other receivables	6,407,634,690.21	6,914,735,852.92
Inventory: Inventory	299,410,098.84	230,691,574.83
Due from related parties	354,609,680.05	307,409,680.05
Intangible assets	—	—
Non-current receivables	2,536,000,000.00	1,625,000,000.00
Other assets	239,000,000.00	158,570,000.00
Total	10,289,133,034.73	9,548,408,021.46
Non-current assets:		
Derivative financial assets	6,011,804,080.60	5,465,151,645.71
Long-term equity investments	23,961,991,164.92	22,999,277,541.00
Other non-current assets	37,689,534.30	37,626,487.24
Other non-current liabilities	147,179,403.98	184,188,803.45
Fixed assets	6,217,807.54	7,158,298.77
Construction in progress	2,305,418.41	2,305,418.41
Intangible assets	1,398,139.68	1,840,272.04
Deferred tax assets		
Goodwill		
Long-term liabilities		
Deferred tax liabilities		
Total	30,168,585,549.43	28,697,548,466.62
Total	40,457,718,584.16	38,245,956,488.08

Balance Sheet of the Parent Company (Continued)

30 September 2019

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	3,825,000,000.00	2,959,000,000.00
Bills payable		
Accounts payable		
Contract liabilities		
Prepaid expenses	94,480,035.63	124,637,901.93
Trade payables	25,239,506.72	43,694,651.68
Other payables	1,715,449,403.09	1,357,247,173.94
Interest payable	213,542,735.45	172,658,261.16
Dividends payable	229,468.00	229,468.00
Non-current liabilities	1,267,088,795.71	3,769,010,861.94
Other non-current liabilities	1,304,675,980.01	5,313,103.87
Total non-current liabilities	8,231,933,721.16	8,258,903,693.36
Non-current liabilities:		
Long-term borrowings	346,740,000.00	66,740,000.00
Bills payable	5,781,204,728.90	4,039,456,986.21
Long-term contract liabilities		
Deferred income	325,000.00	550,000.00
Deferred liabilities	1,151,018,873.79	1,151,018,873.79
Other non-current liabilities		
Total non-current liabilities	7,279,288,602.69	5,257,765,860.00
Total non-current liabilities	15,511,222,323.85	13,516,669,553.36
Equity:		
Parent's equity (attributable to parent)	2,562,898,545.00	2,563,060,895.00
Capital reserve	14,247,927,508.28	14,231,054,756.04
Minority interest	—	1,711,169.00
Other comprehensive income	-327,370,661.53	-279,100,142.24
Surplus reserve	1,247,565,522.50	1,247,565,522.50
Undistributed profit	7,215,475,346.06	6,968,417,072.42
Total equity (attributable to parent)	24,946,496,260.31	24,729,286,934.72
Total equity (attributable to parent)	40,457,718,584.16	38,245,956,488.08

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of Accounting Department:
Chen Zhanyu

Consolidated Income Statement (Continued)

July - September 2019

Items	July - Sept 2019	July - Sept 2018	Jan - Sept 2019	Jan - Sept 2018
I. Operating Income	-9,016,755.16	-122,010,941.32	34,958,479.93	-532,197,468.31
Operating Income				
	7,142,372.12	-173,180,224.69	35,946,029.37	-571,964,925.72
() Operating Income				
	144,152.81	3,756,815.51	-26,694,169.11	-101,521,914.06
1. Cost of Sales	—	—	—	—
2. Selling Expenses	—	—	—	—
3. Cost of Sales	144,152.81	3,756,815.51	-26,694,169.11	-101,521,914.06
4. Cost of Sales	—	—	—	—
() Operating Income				
	6,998,219.31	-176,937,040.20	62,640,198.48	-470,443,011.66
1. Selling Expenses	-27,514,726.87	22,492,035.64	-57,540,529.80	29,149,580.97
2. Distribution Expenses	34,512,946.18	-199,429,075.84	120,180,728.28	-499,592,592.63
Operating Income	-16,159,127.28	51,169,283.37	-987,549.44	39,767,457.41
II. Total Operating Income	626,951,292.40	479,073,767.81	2,490,555,469.23	1,806,839,053.77
Total Operating Income	554,726,673.16	360,501,362.79	2,099,650,177.36	1,522,187,428.09
Total Operating Income	72,224,619.24	118,572,405.02	390,905,291.87	284,651,625.68
III. Earnings				
() Basic Earnings	0.22	0.20	0.81	0.83
() Diluted Earnings	0.22	0.20	0.81	0.83

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Income Statement of the Parent Company

July to September 2019

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

Unit: RMB Tenth Thousand Yuan

Items	July – Sept 2019	July – Sept 2018	Jan – Sept 2019	Jan – Sept 2018
I. Operating Profit	3,815,974.06	—	5,685,313.69	9,433.96
Less: Operating Expenses	—	—	—	—
Transportation	1,138,885.77	—	2,411,699.94	43,754.06
Selling Expenses	—	—	—	—
General and Administrative Expenses	65,458,328.69	72,278,881.00	136,505,943.90	151,588,516.01
Research Expenses	1,400,270.20	—	2,952,245.60	—
Financial Expenses	24,847,472.18	29,794,031.27	105,319,187.87	78,043,266.55
Impairment Losses	143,806,935.92	120,916,769.27	411,681,720.73	331,017,960.01
Income Tax	110,395,009.96	101,566,901.47	300,636,180.35	266,631,390.40
Administrative Expenses	—	—	—	—
Credit Expenses	—	—	—	—
Plus: Operating Income	110,486.49	75,000.00	300,849.09	225,000.00
Income Tax (“-” indicates credit)	438,727,482.59	409,853,353.52	1,342,948,533.13	1,328,284,941.99
Impairment Losses (“-” indicates credit)	430,736,612.25	389,199,792.25	1,250,403,969.29	1,156,577,651.49
Government Subsidies (“-” indicates credit)	—	—	—	—
Government Grants (“-” indicates credit)	-14,794,694.59	66,221,631.43	-36,067,868.78	90,531,856.25
Government Income Tax (“-” indicates credit)	7,349.80	-886.58	7,349.80	-886.58
II. Operating Profit (“-” indicates credit)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
Plus: Non-operating Profit	—	—	—	—
Less: Non-operating Losses	—	—	—	—
III. Total Profit (“-” indicates credit)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
Less: Income Tax	—	—	—	—
IV. Net Profit (“-” indicates credit)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
() Net Profit (“-” indicates credit)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
() Net Profit (“-” indicates credit)	—	—	—	—



Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term debt	8,630,661,547.43	8,630,661,547.43	
Bank borrowings	4,039,456,986.21	4,039,456,986.21	
Interests in subsidiaries	—	—	
Provisions	—	—	
Liabilities	—	325,992,167.00	-325,992,167.00
Long-term debt	416,889,805.19	398,095,841.52	18,793,963.67
Derivatives	363,489,177.57	363,489,177.57	
Derivatives	2,908,359,008.27	2,908,359,008.27	
Other non-current liabilities	2,676,545,098.82	2,676,545,098.82	
Trade receivables	19,035,401,623.49	19,342,599,826.82	-307,198,203.33
Trade payables	36,958,648,011.82	37,348,299,890.45	-389,651,878.63
Equity (or shareholders' interests):			
Preferred shares	2,563,060,895.00	2,563,060,895.00	
Common shares	10,544,648,359.54	10,544,648,359.54	
Reserves	1,711,169.00	1,711,169.00	
Other reserves	-274,779,732.99	-274,779,732.99	
Share premium	2,374,999,312.51	2,374,999,312.51	
Unrealized gains	12,771,518,762.43	12,771,518,762.43	
Trade receivables	27,977,736,427.49	27,977,736,427.49	
Net assets	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	70,551,361,387.48	70,941,013,266.11	-389,651,878.63

Equity (or shareholders' interests):

From 1 January 2019, Group's net assets and liabilities are stated in the MOF.

In accordance with the requirements of the NLS, the Group's net assets and liabilities are stated in the MOF. The Group's net assets and liabilities are stated in the MOF. The Group's net assets and liabilities are stated in the MOF.

Balance Sheet of the Parent Company

Unit of Measure: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and cash equivalents	850,102,168.54	850,102,168.54	
Other receivables	6,914,735,852.92	6,914,735,852.92	
Interim: Interim receivables	230,691,574.83	230,691,574.83	
Due from related parties	307,409,680.05	307,409,680.05	
Non-current receivables	1,625,000,000.00	1,625,000,000.00	
Other receivables	158,570,000.00	158,570,000.00	
Total current assets	9,548,408,021.46	9,548,408,021.46	
Non-current assets:			
Due from related parties	5,465,151,645.71	5,465,151,645.71	
Long-term equity investments	22,999,277,541.00	22,999,277,541.00	
Other non-current assets	37,626,487.24	37,626,487.24	
Other non-current receivables	184,188,803.45	184,188,803.45	
Fixed assets	7,158,298.77	7,158,298.77	
Construction receivables	2,305,418.41	2,305,418.41	
Intangible assets	1,840,272.04	1,840,272.04	
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 borrowings	2,959,000,000.00	2,959,000,000.00	
Accounts payable	124,637,901.93	124,637,901.93	
Trade payables	43,694,651.68	43,694,651.68	
Other payables	1,357,247,173.94	1,357,247,173.94	
Interim: Interim payables	172,658,261.16	172,658,261.16	
Due to related parties	229,468.00	229,468.00	
Non-current payables	3,769,010,861.94	3,769,010,861.94	
Other non-current payables	5,313,103.87	5,313,103.87	
Total current liabilities	8,258,903,693.36	8,258,903,693.36	

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term debt	66,740,000.00	66,740,000.00	
Bank borrowings	4,039,456,986.21	4,039,456,986.21	
Interests: Pre-arranged	—	—	
Pre-arranged	—	—	
Derivatives	550,000.00	550,000.00	
Derivative liabilities	1,151,018,873.79	1,151,018,873.79	
Trade payables	5,257,765,860.00	5,257,765,860.00	
Trade liabilities	13,516,669,553.36	13,516,669,553.36	
Equity (retained earnings):			
Pre-arranged (retained earnings)	2,563,060,895.00	2,563,060,895.00	
Current assets	14,231,054,756.04	14,231,054,756.04	
Loans receivable	1,711,169.00	1,711,169.00	
Other receivables	-279,100,142.24	-279,100,142.24	
Shareholders' equity	1,247,565,522.50	1,247,565,522.50	
Unrealized gains	6,968,417,072.42	6,968,417,072.42	
Trade payables (retained earnings)	24,729,286,934.72	24,729,286,934.72	
Trade liabilities (retained earnings)	38,245,956,488.08	38,245,956,488.08	

4.3 Explanation on retrospective adjustments to previous comparative data for the initial implementation of New Financial Instruments Standards and New Lease Standards

From 1 January 2019, Group implemented New Lease Standards retrospectively from the beginning of the reporting period (MOF).

In accordance with the requirements of the New Lease Standards, the Group has retrospectively adjusted its comparative financial statements for the year ended 31 December 2019. The Group has also retrospectively adjusted its comparative financial statements for the year ended 31 December 2018 to reflect the impact of the New Lease Standards.

4.4 Audited report

Non-current liabilities