

Innovation
for good
health



incorporated in the People's Republic of China with limited liability)
Stock Code: 02196

INTERIM REPORT 2014



Our Vision

Our vision is to be the leading provider of...
...in the industry.

Our Mission

Our mission is to provide...
...to our customers.

Six months ended 30 June
 2014 2013
 RMB million (US\$ million)

	2014 RMB million	2013 (US\$ million)
Operating results		
Revenue	5,502	4,474
Gross profit	2,316	1,959
Operating expenses	517	469
Operating profit	1,338	1,451
Other income	1,002	1,053
Profitability		
Gross profit margin	42.09%	43.79%
Operating profit margin	9.40%	10.48%
Operating profit margin excluding other income	20.67%	26.87%
Earnings per share attributable to ordinary owners of the parent (US\$)		
Earnings per share attributable to ordinary owners of the parent	0.44	0.47
Earnings per share attributable to ordinary owners of the parent	0.44	0.47
Assets		
Total assets	30,991	29,418
Equity	15,373	15,275
Current assets	13,492	11,811
Current liabilities	3,653	3,067
Debt	43.54%	40.15%
Of which: Pharmaceutical manufacturing and R&D segment		
Revenue	3,360	3,035
Gross profit	1,649	1,546
Operating expenses	480	526
Operating profit	485	451

Management

Discussion and Analysis

FINANCIAL REVIEW

During the year, the Group's operating profit increased by 22.98% to RMB5,502 million (2013: RMB4,476 million).

During the year, the Group's revenue increased by 10.71% to RMB51,338 million (2013: RMB46,402 million).

During the year, the Group's gross profit increased by 8.59% to RMB18,485 million (2013: RMB17,060 million).

During the year, the Group's selling and distribution expenses increased by 7.67% to RMB3,360 million (2013: RMB3,124 million).

REVENUE

During the year, the Group's revenue increased by 10.71% to RMB51,338 million (2013: RMB46,402 million). The increase was mainly due to (1) the increase in sales of pharmaceutical products and (2) the increase in sales of medical devices.

During the year, the Group's gross profit increased by 8.59% to RMB18,485 million (2013: RMB17,060 million). The increase was mainly due to the increase in sales of pharmaceutical products and the decrease in selling and distribution expenses.

COST OF SALES

During the year, the Group's cost of sales increased by 26.74% to RMB33,187 million (2013: RMB26,114 million).

GROSS PROFIT

During the year, the Group's gross profit increased by 8.59% to RMB18,485 million (2013: RMB17,060 million). The increase was mainly due to the increase in sales of pharmaceutical products and the decrease in selling and distribution expenses.

SELLING AND DISTRIBUTION EXPENSES

During the year, the Group's selling and distribution expenses increased by 7.67% to RMB3,360 million (2013: RMB3,124 million). The increase was mainly due to the increase in sales of pharmaceutical products.

R&D EXPENSES AND R&D EXPENDITURE

During the year, the Group's R&D expenses increased by 54.56% to RMB2,254 million (2013: RMB1,461 million). The increase was mainly due to the increase in R&D expenditure on pharmaceutical products.

During the year, the Group's R&D expenditure increased by 5.40% to RMB297 million (2013: RMB282 million).

SHARE OF PROFITS OR LOSSES OF ASSOCIATES

During the period ended 30 June 2014, the Group's share of profits or losses of associates was HK\$498 million (2013: HK\$392 million), representing 27.04% (2013: 26.87%) of the Group's profit for the period.

PROFIT FOR THE PERIOD

During the period ended 30 June 2014, the Group's profit for the period was HK\$1,137 million (2013: HK\$1,202 million), representing 5.41% (2013: 20.67%) of the Group's profit for the period.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT

During the period ended 30 June 2014, the Group's profit for the period attributable to owners of the parent was HK\$1,002 million (2013: HK\$1,053 million), representing 5.41% (2013: 20.67%) of the Group's profit for the period.

DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

Total debt

At 30 June 2014, the Group's total debt was HK\$6,803 million (31 December 2013: HK\$5,624 million), representing 19.11% (31 December 2013: 19.11%) of the Group's total assets of HK\$3,567 million (31 December 2013: HK\$3,067 million).

At 30 June 2014, the Group's total debt was HK\$512 million (31 December 2013: HK\$510 million), representing 14.63% (31 December 2013: 16.45%) of the Group's total assets of HK\$3,500 million (31 December 2013: HK\$3,095 million).

	30 June 2014	31 D 2013
Cash and bank balances denominated in:		
US\$	2,438	2,572
HK\$	282	162
	916	294
	17	39
	3,653	3,067

Cash flow

During the first six months of 2014, cash and cash equivalents increased by \$404 million compared to an increase of \$311 million in the first six months of 2013. The increase in cash and cash equivalents was primarily due to the net cash provided by operating activities of \$776 million in 2014, compared to \$307 million in 2013. The net cash provided by operating activities was primarily due to the net income of \$985 million in 2014, compared to \$1,097 million in 2013.

	January–June 2014	January–June 2013
Operating activities	404	311
Investing activities	(195)	(1,716)
Financing activities	776	307
Net change in cash and cash equivalents	985	(1,097)
Cash and cash equivalents at the beginning of the period	2,416	4,172
Cash and cash equivalents at the end of the period	3,415	3,052

Capital commitments and capital expenditures

During the first six months of 2014, capital commitments were \$4.1 billion, compared to \$4.4 billion in the first six months of 2013. Capital expenditures were \$2,526 million in 2014, compared to \$1,133 million in 2013. Capital expenditures were primarily for the acquisition of property, plant and equipment and the acquisition of intangible assets.

CONTINGENT LIABILITIES

As of June 30, 2014, there were no contingent liabilities.

INTEREST COVERAGE

During the first six months of 2014, the EBITDA coverage ratio was 9.63 times, compared to 10.12 times in the first six months of 2013. The EBITDA coverage ratio was calculated as EBITDA divided by interest expense. EBITDA was \$1,800 million in 2014, compared to \$1,831 million in 2013. Interest expense was \$186 million in 2014, compared to \$182 million in 2013.

RISK MANAGEMENT

Foreign currency exposure

During the first six months of 2014, there was no foreign currency exposure. There was no foreign currency exposure in the first six months of 2013.

Interest rate exposure

During the first six months of 2014, there was no interest rate exposure. There was no interest rate exposure in the first six months of 2013.

BUSINESS REVIEW

1. The Board's Discussion and Analysis on Operations of the Company for the Reporting Period

A. Discussion and Analysis on Operations for the Reporting Period

In 2014, the Company's total revenue was RMB5,502 million, an increase of 22.98% compared with RMB4,475 million in 2013. The Company's total operating profit was RMB1,071 million, an increase of 10.71% compared with RMB967 million in 2013. The Company's total net profit was RMB550 million, an increase of 231.33% compared with RMB166 million in 2013.

The Company's revenue is primarily derived from the sale of pharmaceutical products. The Company's operating profit is primarily derived from the sale of pharmaceutical products and the provision of pharmaceutical services. The Company's net profit is primarily derived from the sale of pharmaceutical products and the provision of pharmaceutical services.

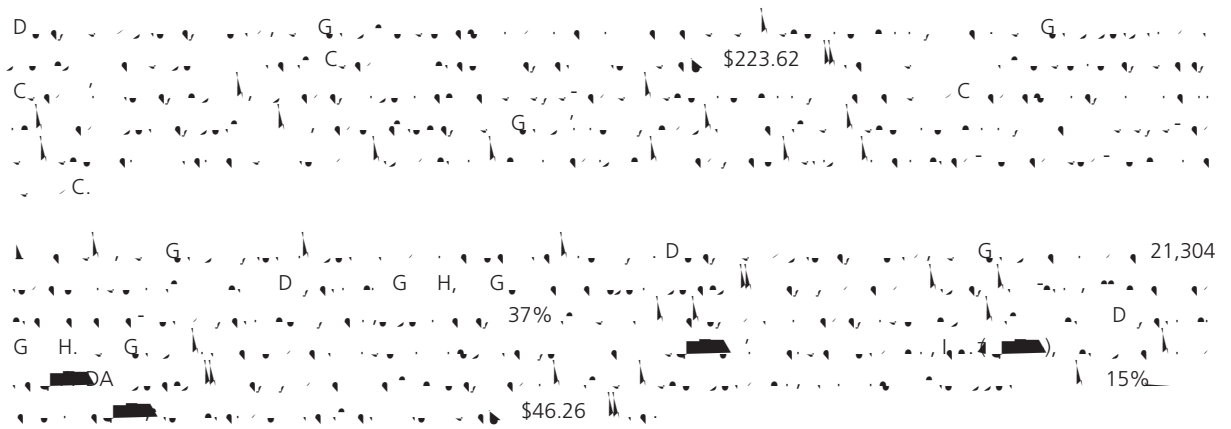
The following table shows the Company's revenue and operating profit by business segment for the reporting period.

Business segments	January to June		Change (%)
	2014	2013	
	Revenue	Revenue	(%)
Research and Development	3,360	3,035	10.71
Manufacturing	757	708	6.92
Marketing	550	166	231.33
Administration	709	429	65.27
Other	118	129	(8.53)

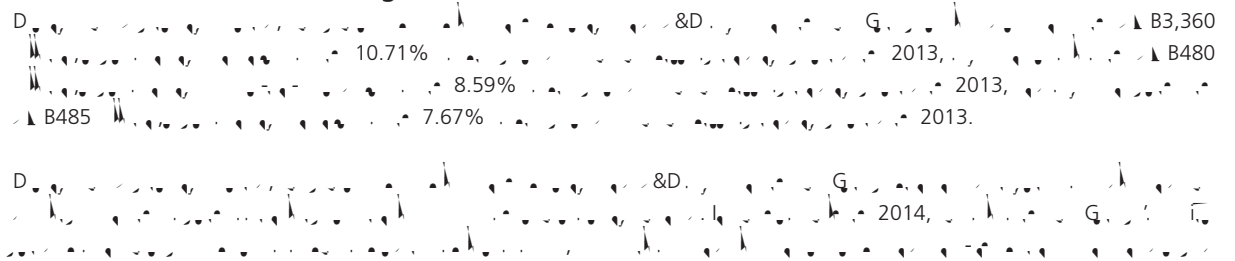
The Company's revenue is primarily derived from the sale of pharmaceutical products. The Company's operating profit is primarily derived from the sale of pharmaceutical products and the provision of pharmaceutical services. The Company's net profit is primarily derived from the sale of pharmaceutical products and the provision of pharmaceutical services.

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Pharmaceutical Manufacturing and R&D



Note 4: A. (B.) L. L. ;

Note 5: C. (.) ;

Note 6: A.

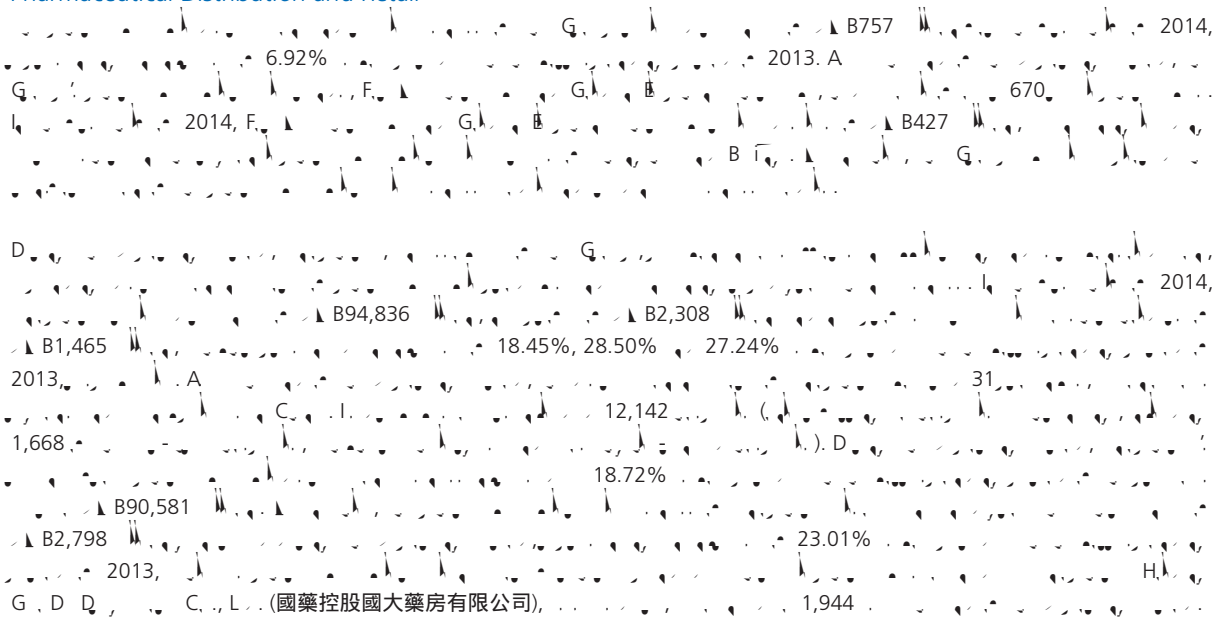
D. G. 51% H B58.08
23% A B1,524.90
H F. G.
&D.

G.
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G. C.
E. D.
(ED) () A
13 A. G. FDA, E. C. H L J
F. H G. 1 2
2. A. G. H (H -) 1
C. FDA FDA

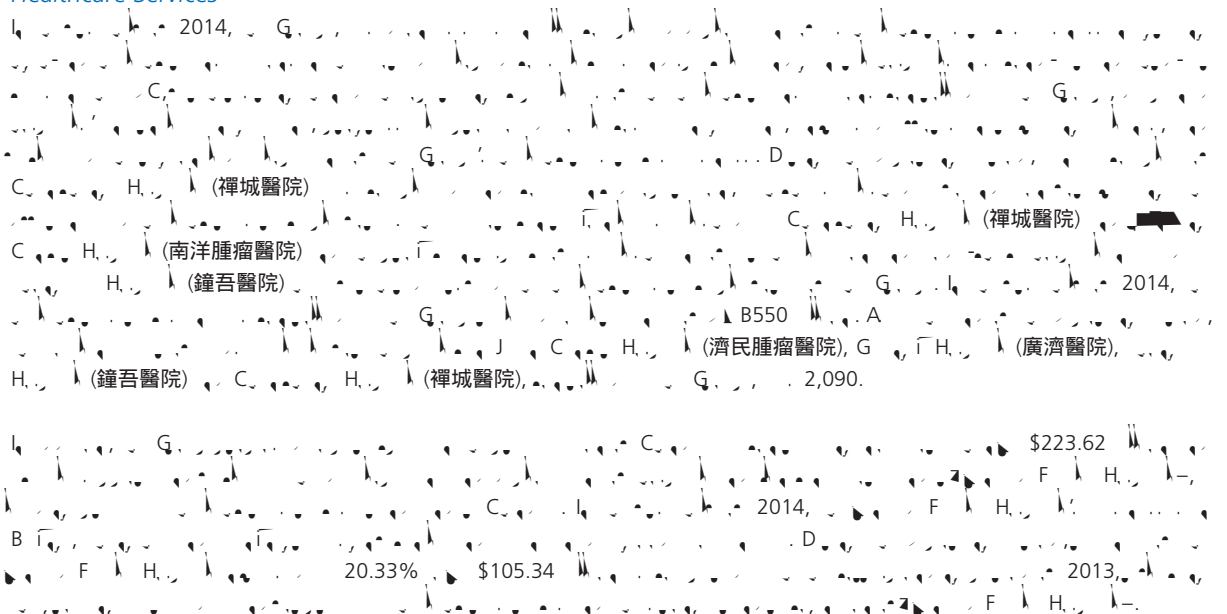
G. &D &D. D.
&D B254 54.56% 2013,
&D &D. B195 5.80%
&D. G. &D.
4+1- &D

16. (U.6) (60.5 6) 6 (6) FDA, E 60, 602 6(.

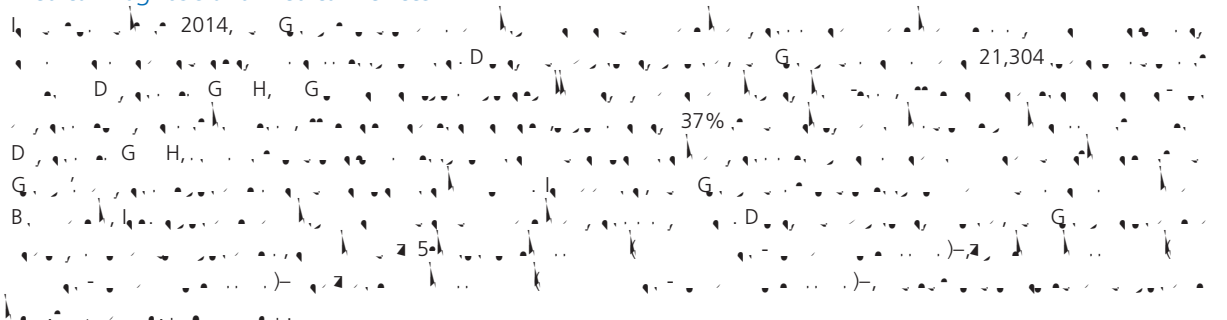
Pharmaceutical Distribution and Retail



Healthcare Services



Medical Diagnosis and Medical Devices



A. L. 2014. &D. CE
 B709 65.27% 2013. E
 17.06% 2013.
 B118 8.53% 2013.

B. Analysis on Principal Operations

(1) Table of Analysis of Changes in Relevant Items of the Financial Statements

Items	January to June 2014	January to June 2013	Change (%)
Operating Income	5,502	4,474	22.98
Cost of Sales	3,187	2,514	26.74
Operating Expenses	1,017	886	14.86
Administrative Expenses	527	441	19.67
R&D Expenses	254	164	54.56
Financial Expenses	187	181	3.31
Income Tax	404	311	29.60
Other Income	(195)	(1,716)	(88.63)
Other Expenses	776	307	152.94
Other R&D Expenses	297	183	62.36

Note: 1. Other R&D Expenses include R&D expenses of subsidiaries.

(2) R&D Expenditures

(1) R&D Expenditures

R&D Expenditures	254
R&D Expenditures	43
R&D Expenditures	297
R&D Expenditures (%)	1.70
R&D Expenditures (%)	5.40

(2) D. &D B254 54.56%
 &D B195 5.80%
 &D G. &D

(3) D. G.
 &D G.
 G. C.

C. Industry, Products and Regional Operations

(1) Principal Business by Segment and Product

Segments	Business by segment					
	Revenue	Cost of sales	Gross margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin (%)
D. &D	3,360	1,711	49.08	10.72	14.93	(1.86)
. (note 1)	757	648	14.40	6.87	7.80	(0.74)
. (note 2)	827	409	50.54	48.21	40.02	2.89
H (note 2)	550	412	25.09	232.15	229.65	0.57

Products	Business by product					
	Revenue	Cost of sales	Gross margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin (%)
. A I (notes 1 & 3)	3,237	1,671	48.38	10.14	14.33	(1.89)
. (notes 1 & 3)	709	333	53.03	65.43	59.15	1.85
C.	123	40	67.48	28.51	47.49	(4.18)

Note 1: 27 2013.

Note 2: 12 2013.

Note 3: G.

(2) Business by Geographical Location

Region	Revenue	Year-on-year change in revenue (%)
China	4,789	20.23
Overseas	713	45.42

Note: The above table shows the revenue of the Group by geographical location for the years ended 27 December 2013 and 2012.

D. Analysis on Major Subsidiaries and Investee Companies

(1) Operation and Results of Major Subsidiaries of the Group

Name	Nature of business	Main products or services	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Pharmaceutical	Various pharmaceutical products	197	1,700	840	1,011	112	98
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (note)	Pharmaceutical	Various pharmaceutical products	440	2,025	877	847	106	84
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (note)	Pharmaceutical	Various pharmaceutical products	51	1,001	460	602	27	25
Australia Fosun Pharmaceutical (note)	Pharmaceutical	Various pharmaceutical products	108	951	736	319	202	157

Note: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VV, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YY, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ.

(2) Operation and Results of Investee Companies, whose Net Profit and Investment Income Contributing More Than 10% of the Group's Net Profit

Name	Nature of business	Main products or services	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Pharmaceutical	Various pharmaceutical products	100	113,143	30,782	94,658	2,898	2,315

G. C.
C.
I. G.
A. H. G. B.
G. C. F.

F. Employees and Remuneration Policies

A. G. 17,529
G.

2. Business Outlook for the Second Half of 2014

I. 2014, G.
I. G. H.
C. E.
B. G.
G. G. G.

Pharmaceutical R&D and Manufacturing

I. 2014, G. G.
G.
D. E. L. E. B. A. D. J. A. G.
G. &D.
G. G. &D.
G. &D.
G. &D.
G. &D.
G. &D.

Pharmaceutical Distribution and Retail

In 2014, the Company continued to expand its pharmaceutical distribution and retail network. The Company's pharmaceutical distribution and retail business is primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's pharmaceutical distribution and retail business is primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

Healthcare Services

In 2014, the Company continued to expand its healthcare services. The Company's healthcare services are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's healthcare services are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

The Company's healthcare services are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's healthcare services are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

Medical Diagnosis and Medical Devices

In 2014, the Company continued to expand its medical diagnosis and medical devices. The Company's medical diagnosis and medical devices are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's medical diagnosis and medical devices are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

The Company's medical diagnosis and medical devices are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's medical diagnosis and medical devices are primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

Financing

In 2014, the Company continued to expand its financing. The Company's financing is primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures. The Company's financing is primarily conducted through its subsidiaries, including the Company's wholly-owned subsidiaries, the Company's majority-owned subsidiaries, and the Company's joint ventures.

3. Other Events

(a) Acquisition of 28.146% Equity Interest in Aohong Pharma

On August 28, 2014, the Company, through its wholly-owned subsidiary, the Company's majority-owned subsidiary, and the Company's joint ventures, acquired 28.146% equity interest in Aohong Pharma. The acquisition was completed on August 28, 2014. The Company's wholly-owned subsidiary, the Company's majority-owned subsidiary, and the Company's joint ventures acquired 28.146% equity interest in Aohong Pharma. The acquisition was completed on August 28, 2014. The Company's wholly-owned subsidiary, the Company's majority-owned subsidiary, and the Company's joint ventures acquired 28.146% equity interest in Aohong Pharma. The acquisition was completed on August 28, 2014.

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(b) Participation in the Privatization of and Acquisition of 30% Equity Interest in Chindex

On 17 February 2014, 8 August 2014, 14 August 2014, 18 August 2014 and 20 August 2014, the Company, Chindex, Chindex (13) and Chindex (F) entered into a Share Purchase Agreement (SPA) for the acquisition of 30% equity interest in Chindex. The SPA is dated 13 February 2014. The total consideration for the acquisition is \$223.62 million, of which \$45.00 million was paid in cash and the balance of \$178.62 million was paid in the form of a promissory note issued by the Company to Chindex on 30 June 2014.

(c) Termination of Intellectual Property, Development & Commercialization Transfer Agreements

On 23 February 2013, the Company, F. Hoffmann–Laurie (F. Hoffmann–Laurie) and B. Hoffmann–Laurie entered into a License Agreement (LA) for the termination of intellectual property, development and commercialization transfer agreements. The LA is dated 23 February 2013. The total consideration for the termination is \$1.50 million, of which \$0.8 million was paid in cash and the balance of \$0.7 million was paid in the form of a promissory note issued by the Company to F. Hoffmann–Laurie on 30 June 2014.

4. Use of Proceeds

() In 2010, the Company issued 31,820,000 shares at a price of B1.00 per share, resulting in total proceeds of B31,820,000. The proceeds were used for the acquisition of B655 shares of B635 and B539 shares of B539.

Projects undertaken	Amount of proceeds proposed to be applied	Amount of proceeds applied as at 30 June 2014
(A) (Note 1)	371	281
(B) (Note 2)	190	183
(C) (Note 3)	74	74
		(Note 3)

Note 1: ... B0.04 ...

Note 2: ...

Note 3: ...

() 2012, 336,070,000 H (B1.00) (J K (2012 44), C, HK\$3,966 HK\$3,882
A 30 J, 2014, G, HK\$84 HK\$3,116
17 2012.

D H :

: HK\$

Usage	Amount of proceeds proposed to be applied	Amount of proceeds applied as at 30 June 2014
A	1,863	1,193
F	738	602
	893	933
G	388	388

() A 2014, 67,214,000 H (B1.00) (J K (2014 40), C, HK\$1,782
HK\$1,762

A 30 J, 2014, G, HK\$1,244

A 30 J, 2014, H :

: HK\$

Usage	Amount of proceeds proposed to be applied	Amount of proceeds applied as at 30 June 2014
G	1,762	1,244

RESULTS AND DIVIDENDS

G, 30 J, 2014, 25, 56.
B.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

(a) Restricted A Share Incentive Scheme

A, H, C, 20 D, 2013, 7 J, 2014, C, 4,035,000 A, B6.08, 28, (G, -), 21 J, 2014, 27, 28, 3,935,000

(b) Placing of H Shares

26, 2014, C, B, AG, H, K, B, J, (A, L, CCB I, C, L, (, 67,214,000 H, HK\$26.51, H, (, -), C, 3 A, 2014, A, 3 A, 2014, A, 67,214,000, H, 16.67%, H, C, 3 A, 2014, HK\$26.51, H, HK\$1,760.89

DIRECTORS

A, A, A, B, D, A, D, D, C,

Executive Directors

A, C, (陳啟宇) (Chairman)
A, F, (姚方) (Vice Chairman, President, Chief Executive Officer)

Non-executive Directors

A, G, G, (郭廣昌)
A, (汪群斌)
A, (王品良)
A, L, (康嵐)
A, C,

Independent Non-executive Directors

A, H, J, (韓炯)
D, (張維炯)
A, L, A, D, (李民橋)
A, C, H, (曹惠民)

D, G, D, 30 J, 2014, A, 30 J, 2014, C, D, B, AG, 30 J, 2014.

SUPERVISORS

A. A A C A

- (周文岳) (Chairman)
- (曹根興)
- (管一民)

D. L H 30 J, 2014. G
. C AG 30 J, 2014.

CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

D. F B. B. (中生北控
生物科技股份有限公司), H, K, E (. : 08247), 13 2014.
. D.
. () () () 13.51(2). H, K, L

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

A 30 J, 2014, D. C,
. C, (. F)
. C, 352 F
. H, K, E C,

(1) Long positions in the Shares, underlying Shares and debentures of the Company 018.018.

(2) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name of Directors/ chief executive	Name of associated corporation	Class of shares	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of shares
Mr. G. G.	F. H.	B	Beneficial owner	29,000(L) ⁽²⁾	58%
	F. H.	B	Beneficial owner	1(L) ⁽²⁾	100%
	F. H.	B	Beneficial owner	5,510,793,609(L) ⁽²⁾	79.6%
	F. H.	B	Beneficial owner	3,800,000,000(L) ⁽²⁾	100%
Mr. W.	F. H.	B	Beneficial owner	5,000(L)	10%
Mr. C.	F. H.	B	Beneficial owner	3,773,000(L)	0.05%

Notes:

(1) (L) Limited

(2) F. H. F. H. 79.6% F. H. F. H. 58% G. G. H. A. F. H.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

A 30 J 2014, D. C. D. C. D. 2 3 F. C. 5% C.

Name of Shareholders	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of shares
F. H.	B	A	920,641,314 (L) ⁽²⁾	48.24%
F. H.	B	A	920,641,314 (L) ⁽²⁾	48.24%
F. H.	B	A	920,641,314 (L) ⁽²⁾	48.24%
F. H.	B	A	920,641,314 (L) ⁽²⁾	48.24%

Interim Condensed Consolidated



Six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
REVENUE	5	5,502,224	4,473,639
Cost of sales		(3,186,616)	(2,514,252)
Gross profit		2,315,608	1,959,387
Administrative expenses	6	62,569	70,663
Depreciation and amortisation		(1,017,298)	(885,686)
Finance expenses		(527,342)	(440,662)
Share of profit of associates		(254,072)	(164,382)
Other income	7	474,927	728,762
Other expenses		(46,106)	(64,321)
Impairment losses		28,150	41,742
Finance income	9	(186,906)	(180,942)
Share of loss of associates		(9,616)	(5,085)
Other income		498,253	391,614
PROFIT BEFORE TAX	8	1,338,167	1,451,090
Income tax expense	10	(201,408)	(248,939)
PROFIT FOR THE PERIOD		1,136,759	1,202,151
Attributable to:			
Equity holders of the parent		1,002,015	1,053,141
Non-controlling interests		134,744	149,010
		1,136,759	1,202,151
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	11	0.44	0.47

Interim Condensed Consolidated



30 June 2014

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	1,136,759	1,202,151
OTHER COMPREHENSIVE INCOME		
A		
C	223,185	124,389
D	(314,393)	(98,290)
G	63,438	15,631
	(27,770)	41,730
	(5,099)	930
E	8,543	4,379
	—	—
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(24,326)	47,039
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,112,433	1,249,190
A		
	980,084	1,106,934
	132,349	142,256
	1,112,433	1,249,190

Interim Condensed Consolidated



30 June 2014

	Notes	30 June 2014 RMB'000 (Unaudited)	31 Dec 2013 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	5,272,149	4,930,177
Goodwill		816,818	779,873
Intangible assets		3,039,575	2,976,039
Investments in subsidiaries		1,907,698	1,859,570
Investments in associates		131,061	118,177
Available-for-sale financial assets		9,022,624	8,765,410
Other non-current assets		2,646,141	2,664,409
Deferred tax assets		90,483	88,091
Other non-current assets		241,586	250,015
		23,168,135	22,431,759
CURRENT ASSETS			
Accounts receivable	13	1,782,982	1,614,272
Other receivables		1,686,355	1,460,011
Prepayments, deposits and other receivables		438,454	593,936
Due from subsidiaries		223,685	206,715
Due from associates		38,663	44,196
Due from other parties		3,652,793	3,067,414
Other current assets			
		7,822,932	6,986,544

Interim Condensed Consolidated

Financial Statements

30 June 2014

		30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
	<i>Notes</i>		
CURRENT LIABILITIES			
Accounts payable	14	1,247,304	1,103,160
Accounts receivable		2,648,470	2,514,339
Prepaid expenses		1,656,058	1,424,210
Due to related parties	15	292,983	37,693
Other payables		248,478	198,719
		6,093,293	5,278,121
NET CURRENT ASSETS		1,729,639	1,708,423
TOTAL ASSETS LESS CURRENT LIABILITIES		24,897,774	24,140,182
NON-CURRENT LIABILITIES			
Long-term debt	15	5,146,945	4,199,709
Deferred income tax		1,706,555	1,783,520
Other non-current liabilities		104,896	95,624
		440,277	453,702
		7,398,673	6,532,555
Net assets		17,499,101	17,607,627
EQUITY			
Equity attributable to owners of the parent			
Shareholders' equity		2,311,611	2,240,462
Reserves		13,061,541	12,428,848
Minority interests	16	—	605,987
		15,373,152	15,275,297
Non-controlling interests		2,125,949	2,332,330
Total equity		17,499,101	17,607,627

Chen Qiyu
Director

Yao Fang
Director

Interim Condensed Consolidated



Six months ended 30 June 2014

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Cost of sales	583,639	519,665
Net sales	(179,966)	(208,186)
Operating profit	403,673	311,479
Finance income	(590,019)	(502,427)
Finance expense	(604,337)	(1,887,241)
Other income	(30,459)	(193,255)
Other expense	(93,291)	(200)
Depreciation	176,624	85,501
Amortisation	481,320	169,873
Impairment loss	48,737	
Share of profit of associates	396,076	619,061
Share of loss of associates	20,345	(6,911)
Profit before income tax	(195,004)	(1,715,599)
Income tax expense	3,020,635	1,505,908
Share of income tax of associates	(1,864,277)	(808,256)
Share of income tax of associates	(251,505)	(225,220)
Share of income tax of associates	1,407,680	
Share of income tax of associates	(135,040)	(153,882)
Share of income tax of associates	(1,394,900)	
Share of income tax of associates	(6,544)	(11,732)
Profit after income tax	776,049	306,816

Interim Condensed Consolidated



30 June 2014

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Operating expenses	984,718	(1,097,304)
Change in provisions	2,416,261	4,171,574
Financial expenses	14,088	(21,840)
Change in provisions	3,415,067	3,052,430
Analysis of balances of cash and cash equivalents:		
Change in cash and cash equivalents	3,652,793	3,227,006
Less: Change in cash and cash equivalents	(237,726)	(174,576)
Change in cash and cash equivalents	3,415,067	3,052,430

Notes to Interim Condensed Consolidated

Financial Statements

30 June 2014

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New standards, interpretations and amendments adopted by the Group (Continued)

Investment Entities (Amendments to HKFRS 10, HKFRS 12 and HKAS 27)

HKFRS 10 *Consolidated Financial Statements*.

HKFRS 12 *Disclosures of Interests in Entities over which the Group Exercises Control and Significant Influence*.

Offsetting Financial Assets and Financial Liabilities — Amendments to HKAS 32

Novation of Derivatives and Continuation of Hedge Accounting — Amendments to HKAS 39

HKFRIC 21 *Levies*

HKFRIC 21 *Levies* issued in 2014.

HKAS 12 *Income Taxes*.

4. OPERATING SEGMENT INFORMATION

For the six months ended 30 June 2014, the Group's operating segments are defined as follows:

- (1) **Research and Development** - research and development activities
- (2) **Manufacturing** - manufacturing activities
- (3) **Marketing and Sales** - marketing and sales activities
- (4) **General and Administrative** - general and administrative activities
- (5) **Other** - other activities

The Group's operating segments are defined as follows: Research and Development, Manufacturing, Marketing and Sales, General and Administrative, and Other. The Group's operating segments are defined as follows: Research and Development, Manufacturing, Marketing and Sales, General and Administrative, and Other.

The Group's operating segments are defined as follows: Research and Development, Manufacturing, Marketing and Sales, General and Administrative, and Other.

The Group's operating segments are defined as follows: Research and Development, Manufacturing, Marketing and Sales, General and Administrative, and Other.

The Group's operating segments are defined as follows: Research and Development, Manufacturing, Marketing and Sales, General and Administrative, and Other.

Notes to Interim Condensed Consolidated

Financial Statements
for the six months ended 30 June 2014

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2014 (unaudited)

	Pharmaceutical manufacturing and R&D RMB'000	Pharmaceutical distribution and retail RMB'000	Medical diagnosis and medical devices RMB'000	Healthcare service RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Revenue	3,360,142	757,061	826,984	550,265	7,772	—	5,502,224
Cost of sales	160	—	—	—	3,284	(3,444)	—
Operating income	3,360,302	757,061	826,984	550,265	11,056	(3,444)	5,502,224
Depreciation and amortization	480,360	7,678	73,471	83,970	(2,050)	1,711	645,140
Impairment losses	14,837	—	488	—	—	—	15,325
Provision for doubtful accounts	127,833	7,006	(89)	186	2	—	134,938
Financial income	4,892	1,811	3,449	1,044	445	(3,069)	8,572
Financial expense	(54,397)	74	(18,743)	(4,240)	(4,285)	42,542	(39,049)
Other non-recurring gains	(11,813)	(1,083)	(6,609)	(3,692)	(12)	—	(23,209)
Income from operations	(4,564)	(4,925)	—	(127)	—	—	(9,616)
Administrative expenses	56,690	440,627	(1,547)	(542)	3,025	—	498,253
Income from operations							406,811
Income from operations							(147,857)
Income from operations							(151,141)
Income from operations	613,838	451,188	50,420	76,599	(2,875)	41,184	1,338,167
Income from operations	(128,698)	(4,430)	(15,291)	(19,567)	(6)	—	(167,992)
Income from operations							(33,416)
Income from operations	485,140	446,758	35,129	57,032	(2,881)	41,184	1,136,759
Income from operations	10,624,397	8,058,512	2,973,144	1,955,738	801,797	(151,480)	24,262,108
Investments in joint ventures	28,143	639	—	102,279	—	—	131,061
Investments in associates	1,454,697	7,145,985	252,630	4,250	165,062	—	9,022,624
Income from operations							6,728,959
Income from operations							30,991,067
Income from operations	5,897,576	568,834	1,088,664	596,058	16,019	(4,041,770)	4,125,381
Income from operations							9,366,585
Income from operations							13,491,966
Income from operations	197,794	4,582	30,679	36,966	5,215	—	275,236
Income from operations	482	—	3,606	—	—	—	4,088
Income from operations	359	—	1,369	3,113	—	—	4,841
Income from operations	408,436	12,547	20,975	166,919	34,003	—	642,880

* The amount represents the share of income from operations of the joint ventures.

** The amount represents the share of income from operations of the associates.

Six months ended 30 June 2014

Notes to Interim Condensed Consolidated

Financial Statements

for the period ended 30 June 2014

5. REVENUE

Revenue is derived from the sale of pharmaceutical products to customers in the PRC and overseas markets.

Revenue is recognized when the following conditions are met:

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Audited)
Revenue from sales of pharmaceutical products	4,947,417	4,221,653
Revenue from sales of other products	553,820	248,125
Revenue from other sources	987	3,861
Total	5,502,224	473,639

6. OTHER INCOME

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Audited)
Dividend income	45,415	21,617
Government grants	17,154	49,046
Total	62,569	70,663

Notes to Interim Condensed Consolidated

Financial Statements

for the six months ended 30 June 2014

9. FINANCE COSTS

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Interest expense	193,593	184,888
Interest income	1,189	420
Finance costs	194,782	185,308
Government grants	(7,876)	(4,366)
Finance costs after government grants	186,906	180,942

10. INCOME TAX

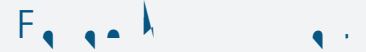
China Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2014. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2013. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2012. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2011. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2010. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2009. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 25% (2008: 25%) for the six months ended 30 June 2008.

China Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2014. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2013. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2012. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2011. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2010. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2009. Fosun Pharmaceutical (Group) Co., Ltd. is subject to the Corporate Income Tax at a rate of 16.5% (2008: 16.5%) for the six months ended 30 June 2008.

The following table shows the income tax expense for the six months ended 30 June 2014 and 2013:

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
China Fosun Pharmaceutical (Group) Co., Ltd.	214,621	127,468
Other subsidiaries	13,786	-
Income tax expense	228,407	127,468
Government grants	(26,999)	(121,471)
Income tax expense after government grants	201,408	248,939

Notes to Interim Condensed Consolidated



Six months ended 30 June 2014

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

	2014	2013
Number of ordinary shares in issue at the end of the reporting period	2,278,004,364	2,240,462,364
Weighted average number of ordinary shares in issue during the reporting period	2,278,004,364	2,240,462,364
Weighted average number of ordinary shares in issue during the reporting period, excluding shares held by the Company's subsidiary undertakings	2,278,004,364	2,240,462,364
Weighted average number of ordinary shares in issue during the reporting period, excluding shares held by the Company's subsidiary undertakings and treasury shares	2,278,004,364	2,240,462,364

12. PROPERTY, PLANT AND EQUIPMENT

	B'000
Cost	4,930,175
Accumulated depreciation	569,307
Accumulated impairment losses (note 17)	33,478
Depreciation	(26,553)
Impairment losses	(11,218)
Impairment reversals	(220,426)
Impairment reversals	(2,614)
Carrying amount	5,272,149

At 30 June 2014, the carrying amount of property, plant and equipment is B74,764,000 (31 December 2013: B123,652,000), of which B15,000,000 (31 December 2013: B15,000,000) is held by the Company's subsidiary undertakings.

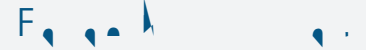
Notes to Interim Condensed Consolidated

Financial Statements

June 30, 2014

13.

Notes to Interim Condensed Consolidated



Six months ended 30 June 2014

14. TRADE AND BILLS PAYABLES

	30 June 2014 RMB'000 (Unaudited)	31 Dec 2013 RMB'000 (Audited)
Bills payable	1,099,109	957,572
Trade payables	148,195	145,588
	1,247,304	1,103,160

	30 June 2014 RMB'000 (Unaudited)	31 Dec 2013 RMB'000 (Audited)
1	1,079,667	947,748
2	14,953	4,878
3	786	944
3	3,703	4,002
	1,099,109	957,572

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2014 RMB'000 (Unaudited)	31 Dec 2013 RMB'000 (Audited)
Borrowings	(1)	1,093,537	228,950
Other borrowings		1,630,977	1,321,578
		2,724,514	1,550,528
Bank borrowings	(2)	2,586,274	2,582,432
Other borrowings	(3)	1,492,215	1,490,959
		6,803,003	5,623,919

Notes to Interim Condensed Consolidated

Financial Statements
for the period ended 30 June 2014

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Short-term bank borrowings	1,656,058	1,424,210
Medium-term bank borrowings	2,881,868	1,035,044
Long-term bank borrowings	2,154,327	3,164,665
Other borrowings	110,750	
Total	6,803,003 (1,656,058)	5,623,919 (1,424,210)
Total	5,146,945	4,199,709

Notes:

(1) Short-term bank borrowings: 1.70% - 22.00% (2013: 1.70% - 6.90%),

(1) As at 30 June 2014, the Group had bank borrowings of RMB74,764,000 (31 December 2013: RMB123,652,000) (12), of which RMB31,074,000 (31 December 2013: RMB25,556,000), were guaranteed by Fosun Pharmaceutical (Group) Co., Ltd. (31 December 2013: RMB268,371,532 (268,371,532)), RMB113,328,000 (31 December 2013: RMB113,328,000) were guaranteed by Fosun Pharmaceutical (Group) Co., Ltd. (31 December 2013: RMB113,328,000) and RMB113,328,000 (31 December 2013: RMB113,328,000) were guaranteed by Fosun Pharmaceutical (Group) Co., Ltd. (31 December 2013: RMB113,328,000).

(2) Medium-term notes

On 8 August 2010, the Group issued medium-term notes of RMB1,000,000,000, with a maturity date of 10 August 2015.

On 31 August 2011, the Group issued medium-term notes of RMB1,600,000,000, with a maturity date of 31 August 2016.

(3) Corporate bonds

On 25 August 2012, the Group issued corporate bonds of RMB1,500,000,000, with a maturity date of 25 August 2017.

Notes to Interim Condensed Consolidated

F

Six months ended 30 June 2014

16.

Notes to Interim Condensed Consolidated

F

30 J, 2014

17. BUSINESS COMBINATION (Continued)

	Fair value recognised on acquisition B'000 ()
	33,478
	13,591
	66,000
	1,190
	24,881
	34,214
	5,337
C	62
	(53,000)
	(47,684)
	(599)
D	(67,333)
	(11,080)
	(943)
	459
	(484)
G	59,324
	58,840
	58,840
C	58,840
C	58,840
	58,840

G B194,000

B59,324,000 G

HKA 38 Intangible Assets

17. BUSINESS COMBINATION (Continued)

Notes to Interim Condensed Consolidated

Financial Statements
for the six months ended 30 June 2014

19. RELATED PARTY TRANSACTIONS

The following table sets out the related party transactions of the Group during the six months ended 30 June 2014:

(a) Sales of pharmaceutical products

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes (5) & (7))	346,563	256,639
Bayer Jinqiao (Fosun) Pharmaceutical Co., Ltd. (notes (1) & (5))	10,328	10,326
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (3) & (5))	3,705	4,250
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (2) & (5))	1,694	2,137
Shanghai Fosun Pharmaceutical Co., Ltd. Dalian Branch (notes (2) & (5))	1,392	1,972
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	778	1,002
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	648	4,030
Hubei Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	210	302
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	—	10,818
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (5) & (10))	—	5,129
Guangdong Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	—	343
	365,318	296,948

(b) Purchase of pharmaceutical products

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes (5) & (7))	72,534	55,875
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (3) & (5))	3,200	5,581
Bayer Jinqiao (Fosun) Pharmaceutical Co., Ltd. (notes (1) & (5))	1,904	3,468
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (1) & (5))	265	1,915
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (3) & (5))	49	79
DBS Bank (China) Limited (notes (1) & (5))	44	211
Fosun Pharmaceutical (Group) Co., Ltd. (note (9))	6	—
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (5) & (10))	—	10,112
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (5) & (11))	—	7,829
Shanghai Fosun Pharmaceutical Co., Ltd. (notes (3) & (5))	—	113
	78,002	85,183

Notes to Interim Condensed Consolidated

Fosun Pharmaceutical (Group) Co., Ltd.

30 June 2014

19. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans to a related party

As at 30 June 2014, the Group has provided loans to Fosun Finance (Fosun Finance), a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance), in the amount of RMB1,000,000,000. As at 30 June 2013, the Group has provided loans to Fosun Finance in the amount of RMB1,000,000,000.

Maximum daily outstanding balance of deposits in Fosun Finance

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Fosun Finance (note (8))	950,370	293,318

(e) Interest income from a related party

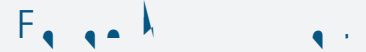
	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Fosun Finance (note (8))	894	1,340

Notes: (1) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (2) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (3) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (4) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (5) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (6) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (7) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (8) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (9) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance). (10) As at 30 June 2013, the Group has provided loans to Fosun Finance in the amount of RMB1,000,000,000. (11) As at 30 June 2013, the Group has provided loans to Fosun Finance in the amount of RMB1,000,000,000.

Notes:

- (1) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (2) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (3) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (4) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (5) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (6) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (7) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (8) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (9) Fosun Finance is a wholly owned subsidiary of Fosun Pharmaceutical (Group) Co., Ltd. (Fosun Finance).
- (10) As at 30 June 2013, the Group has provided loans to Fosun Finance in the amount of RMB1,000,000,000.
- (11) As at 30 June 2013, the Group has provided loans to Fosun Finance in the amount of RMB1,000,000,000.

Notes to Interim Condensed Consolidated



Six months ended 30 June 2014

19. RELATED PARTY TRANSACTIONS (Continued)

(f) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 B'000 (Audited)
Salaries and bonuses	14,720	12,879
Short-term employee benefits	8,078	6,520
Long-term employee benefits	6,486	
Share-based payments	300	286
Total	29,584	19,685

20. FAIR VALUE AND FAIR VALUE HIERARCHY

The Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The fair value of financial assets and liabilities is determined based on the quoted market prices in an active market. For financial assets and liabilities that are not traded in an active market, the fair value is determined using valuation techniques.

	Carrying amounts		Fair values	
	30 June 2014 RMB'000 (Unaudited)	31 December 2013 B'000 (Audited)	30 June 2014 RMB'000 (Unaudited)	31 December 2013 B'000 (Audited)
Financial Assets:				
Available-for-sale financial assets	1,426,340	1,672,788	1,426,340	1,672,788
Other financial assets	38,663	44,196	38,663	44,196
Total	1,465,003	1,716,984	1,465,003	1,716,984
Financial liabilities:				
Financial guarantees	1,068,456	126,318	1,019,763	119,469
Other financial liabilities	4,078,489	4,073,391	4,071,274	4,022,432
Financial assets at fair value through profit or loss	391,117	395,228	391,117	395,228
Total	5,538,062	4,594,937	5,482,154	4,537,129

Notes to Interim Condensed Consolidated

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30 J, 2014

20. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

G. A

20. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy

Assets measured at fair value:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Available-for-sale financial assets	1,426,340	—	—	1,426,340
Equity instruments	—	38,663	—	38,663
	1,426,340	38,663	—	1,465,003

As at 31 December 2013 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Available-for-sale financial assets	1,672,788	—	—	1,672,788
Equity instruments	—	44,196	—	44,196
	1,672,788	44,196	—	1,716,984

Notes to Interim Condensed Consolidated

Fosun Pharmaceutical (Group) Co., Ltd.
 30 June 2014

20. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active Markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Accounts payable	—	—	77,899	77,899

As at 31 December 2013 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active Markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Accounts payable	—	—	99,804	99,804

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Accounts payable	99,804	570,389
Accounts receivable	5,815	22,109
Other receivables	—	55,440
Other payables	(27,720)	(548,134)
Accounts receivable	77,899	99,804

20. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at 30 June 2014 (31 December 2013: Nil).

Liabilities for which fair values are disclosed:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets	—	1,019,763	—	1,019,763
Financial liabilities	1,485,000	2,586,274	—	4,071,274
Assets and liabilities	—	311,498	—	311,498
	1,485,000	3,917,535	—	5,402,535

As at 31 December 2013 (Audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets	—	119,469	—	119,469
Financial liabilities	1,440,000	2,582,432	—	4,022,432
Assets and liabilities	—	293,703	—	293,703
	1,440,000	2,995,604	—	4,435,604

Details of the fair value measurement of financial assets and liabilities are disclosed in Note 21 (2013: Nil).

Notes to Interim Condensed Consolidated

Financial Statements

for the period ended 30 June 2014

21. CONTINGENT LIABILITIES

As at 30 June 2014 and 31 December 2013, the Group has no contingent liabilities.

22. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of Sinopharm Medical Investment

On 27 June 2014, the Group acquired 35% of the equity of Hubei Sinopharm Medical Investment Co., Ltd. (the "Company") from Gansu Sinopharm Medical Investment Co., Ltd. (the "Seller"). The Company is a wholly-owned subsidiary of the Seller. The acquisition is accounted for as an acquisition of an investment. The purchase price of the Company is RMB200 million. The Group's share of the net assets of the Company at the acquisition date is RMB175,000,300. The difference of RMB24,999,700 is recorded as goodwill.

(b) Establishment of Zanyang Medical Care

On 30 June 2014, the Group established Hubei Zanyang Medical Care Co., Ltd. (the "Company") with a registered capital of RMB170,405,465. The Group holds 75% of the equity of the Company, and the remaining 25% is held by Hubei Zanyang Medical Care Co., Ltd. (the "Partner"). The Company is a wholly-owned subsidiary of the Partner. The acquisition is accounted for as an acquisition of an investment. The purchase price of the Company is RMB170,405,465. The Group's share of the net assets of the Company at the acquisition date is RMB140,908,500. The difference of RMB29,496,965 is recorded as goodwill.

* The goodwill is expected to be recognized in the future through the synergistic effect of the acquisition.

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the period ended 30 June 2014 were approved by the Board of Directors on 26 August 2014.

Definitions

- ▶ EBI DA— 上海復星醫藥(集團)有限公司(Shanghai Fosun Pharmaceutical (Group) Co., Ltd.)
- ▶ F. 創醫藥研究— 重慶復創醫藥研究有限公司(Chongqing Fosun Pharmaceutical Research Co., Ltd.) (重慶復創醫藥研究有限公司), 70%
- ▶ F. 美益星— 上海復美益星大藥房連鎖有限公司(Shanghai Fosun Meiyixing Pharmacy Chain Co., Ltd.) (上海復美益星大藥房連鎖有限公司),
- ▶ F. 復星高科技— 上海復星高科技(集團)有限公司(Shanghai Fosun High-Tech (Group) Co., Ltd.) (上海復星高科技(集團)有限公司),
- ▶ F. 復星控股— 復星控股有限公司(Fosun Holdings Co., Ltd.) (復星控股有限公司),
- ▶ F. 復星實業— 復星實業(香港)有限公司(Fosun Real Estate (Hong Kong) Co., Ltd.) (復星實業(香港)有限公司),
- ▶ F. 復星國際— 復星國際有限公司(Fosun International Co., Ltd.) (復星國際有限公司),
- ▶ F. 復星國際控股— 復星國際控股有限公司(Fosun International Holdings Co., Ltd.) (復星國際控股有限公司),
- ▶ F. 復星醫藥產業發展— 上海復星醫藥產業發展有限公司(Shanghai Fosun Pharmaceutical Industry Development Co., Ltd.) (上海復星醫藥產業發展有限公司),
- ▶ G. 金象— 北京金象大藥房醫藥連鎖有限責任公司(Beijing Fosun Jinxiang Pharmacy Chain Co., Ltd.) (北京金象大藥房醫藥連鎖有限責任公司),
- ▶ G. 廣濟— 岳陽廣濟醫院有限公司(Yueyang Fosun Guangji Hospital Co., Ltd.) (岳陽廣濟醫院有限公司),
- ▶ G. 廣濟醫院— 岳陽廣濟醫院有限公司(Yueyang Fosun Guangji Hospital Co., Ltd.) (岳陽廣濟醫院有限公司),
- ▶ G. 南藥— 桂林南藥股份有限公司(Guilin Fosun Nanyao Co., Ltd.) (桂林南藥股份有限公司),
- ▶ H. 復星醫藥(集團)有限公司— 上海復星醫藥(集團)有限公司(Shanghai Fosun Pharmaceutical (Group) Co., Ltd.) (上海復星醫藥(集團)有限公司),
- ▶ H. 復星醫藥(集團)有限公司— 上海復星醫藥(集團)有限公司(Shanghai Fosun Pharmaceutical (Group) Co., Ltd.) (上海復星醫藥(集團)有限公司),
- ▶ HKF— 香港聯合交易所有限公司(Hong Kong Exchanges and Clearing Limited) (香港聯合交易所有限公司),
- ▶ H. K. 復星— 復星國際有限公司(Fosun International Co., Ltd.) (復星國際有限公司),
- ▶ H. K. 復星— 復星國際有限公司(Fosun International Co., Ltd.) (復星國際有限公司),
- ▶ H. K. 復星— 復星國際有限公司(Fosun International Co., Ltd.) (復星國際有限公司),
- ▶ H. K. 復星— 復星國際有限公司(Fosun International Co., Ltd.) (復星國際有限公司),

- H, K, L E – H, K, L
- H – J, H C, L (江蘇黃河藥業股份有限公司), 51%, C
- J, C, H – A, J, C, H (安徽濟民腫瘤醫院), C 70%, C
- C – C, D, L, L, A, 10, H, K, L
- C, H – G, C, H, C, L (廣州南洋腫瘤醫院有限公司), C
- C – C – C – H, K, A – C
- – 6- 1 J, 2014, 30 J, 2014
- A (-) – A
- A – A C, 20 D, 2013
- B – C
- &D –
- ELLA – ELLA C, H, AG, C
- FDA – F, D, A (中華人民共和國國家食品藥品監督管理局), C
- F – F, C, 571, L, H, K, C
- H – H, B, C, L (上海復宏漢霖生物技術有限公司), 77.68%, C
- L – L E (《上海證券交易所股票上市規則》)
- E – E (上海證券交易所)
- – B1.00 A – H
- – (H) B, E, C, L (湖北新生源生物工程股份有限公司), 51%, C
- – G, C, L (國藥控股股份有限公司)

Definitions

- ▶ **董事會** (Board of Directors) – 由本公司董事 H、K、L、M、N、O、P、Q、R、S、T、U、V、W、X、Y、Z 組成。
 - ▶ **本公司** – 上海復星醫藥集團有限公司。
 - ▶ **本公司 C** – 本公司之附屬公司 C。
 - ▶ **董事會 A** – 董事會 A 成員 A、B、C、D、E、F、G、H、I、J、K、L、M、N、O、P、Q、R、S、T、U、V、W、X、Y、Z。
 - ▶ **\$** – 美元。
 - ▶ **FDA** – 美國食品及藥物管理局。
 - ▶ **江蘇萬邦** – 江蘇萬邦生化醫藥股份有限公司 (江蘇萬邦生化醫藥股份有限公司), 本公司 95.2% 之唯一股東。
 - ▶ **新疆博澤** – 新疆博澤股權投資有限合夥企業 (新疆博澤股權投資有限合夥企業)
 - ▶ **重慶藥友** – 重慶藥友製藥有限公司 (重慶藥友製藥有限公司), 本公司 51% 之唯一股東。
 - ▶ **宿遷市鐘吾醫院** – 宿遷市鐘吾醫院有限公司 (宿遷市鐘吾醫院有限公司), 本公司 55% 之唯一股東。
 - ▶ **—** – 無。
 - ▶ **%** – 百分比。
- 本公司之附屬公司 C、D、E、F、G、H、I、J、K、L、M、N、O、P、Q、R、S、T、U、V、W、X、Y、Z 均為本公司之附屬公司。