Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

2014 THIRD 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 third quarterly report for 2014 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the "Company" or "Fosun Pharma", together with its subsidiaries, collectively the "Group"). 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, People's Republic of China
28 October 2014

As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu and Mr. Yao Fang; the non-executive directors of the Company are Mr. Guo Guangchang, Mr. Wang Qunbin, Mr. Wang Pinliang, Ms. Kang Lan and Mr. John Changzheng Ma; and the independent non-executive directors of the Company are Mr. Han Jiong, Dr. Zhang Weijiong, Mr. Li Man-kiu Adrian David and Mr. Cao Huimin.

* *for identification purposes only*

1. IMPORTANT NOTICE

1.1 The board of directors and the supervisory committee of the Company, and its directors, supervisors and senior management warrant that this report is true, accurate and complete does not contain any false information, misleading statements or material omission and severally and jointly accept full responsibility for the contents contained herein.

1.2 All Directors of the Company attended the Board meeting to considerate and approve the quarterly report.

1.3 Chen Qiyu, the legal representative of the Company, Hongfei Jia, the Chief Financial Officer and Yan Jia, the Director of the Accounting Department (Accounting Officer) duly declare that they warrant the truthfulness and completeness of the financial statements contained in the quarterly report.

1.4 The third quarterly report of the Group has not been audited.

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

2.1 Major financial information

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Change recorded at the end of the Reporting Period compared with the end of the previous year (%)
Total assets	33,238,438,720.78	29,475,190,861.78	12.77
Owners' equity (or shareholders' equity)	16,776,036,218.20	15,332,184,483.03	9.42
	From the beginning of the year to the end of the Reporting Period (Jan – Sep)	From the beginning of the previous year to the end of the Reporting Period of the previous year (Jan – Sep)	Year-on-year change (%)
Net cash flow generated from operating activities	843,637,595.71	467,404,025.74	80.49
	From the beginning of the year to the end of the Reporting Period (Jan – Sep)	From the beginning of the previous year to the end of the Reporting Period of the previous year (Jan – Sep)	Year-on-year change (%)
Operating revenue	8,661,444,631.29	7,070,780,938.31	22.50
Net profit attributable to shareholders of the listed company (Note 1)	1,574,583,864.38	950,584,632.64	65.64
Net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss	1,050,763,440.19	770,933,187.12	36.30
Weighted average return on net assets (%) (Note 2)	9.43	6.94	Increased by 2.49 percentage points
Basic earnings per share (RMB/share) (Note 2)	0.69	0.42	64.29
Diluted earnings per share (RMB/share) (Note 2)	0.69	0.42	64.29

Note 1: The Group has fully implemented nine Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance") during the period from January to July 2014 when preparing the third quarterly financial statements for 2014, of which the Group has adjusted the investment gain, income tax, capital reserve, unappropriated profits, long-term equity investment and available-for-sale financial assets during the Reporting Period and adjusted the six items above retrospectively according to the Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investment (for details, please see 3.5 Effect of implementation of new accounting standards on consolidated financial statements).

Major financial information before retrospective adjustments are as follows:

Unit: Yuan Currency: RMB

	From the beginning of the year to the end of the Reporting Period (Jan – Sep)	From the beginning of the previous year to the end of the Reporting Period of the previous year (Jan – Sep)	Year-on-year change (%)
Net profit attributable to shareholders of the listed company	1,551,015,043.85	1,389,079,631.65	11.66
Of which: net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss	1,050,763,440.19	770,933,187.12	36.30
Extraordinary gain and loss attributable to shareholders of the listed company	500,251,603.66	618,146,444.53	–19.07

Changes in accounting policies arising from the implementation of new accounting standards did not have impact on the net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss and the owners' equity. Accordingly, no retrospective adjustments was required.

Note 2: Due to changes in above accounting policies, the Group has adjusted the balance of weighted average return on net assets, basic earnings per share and diluted earnings per share from the beginning of the year to the end of the Reporting Period, and made retrospective adjustments to the amounts from the beginning of the previous year to the end of the previous Reporting Period.

After deducting extraordinary items and amounts:

Unit: Yuan Currency: RMB

Items	Amounts during the Reporting Period (Jul – Sep)	Amounts from the beginning of the year to the end of the Reporting Period (Jan – Sep)	Description
Profit or loss on disposal of non-current assets	117,057,704.83	280,760,956.23	Mainly due to the disposal of equity interest in associates and subsidiaries held by the Group during the Reporting Period
Return, reduction and exemption of taxes approved ultra vires or without official approval document			
Government subsidy included in profit or loss for the current period (excluding government subsidy closely related to the Company's business, and entitled in fixed amounts or quantities according to national standards)	3,803,350.23	6,801,818.86	
Capital occupation fee received from non-financial entities included in profit or loss for the current period			

The Top 10 unrestricted shareholders of tradable shares			
Name of the shareholders	Number of unrestricted tradable shares held	Type and number of shares	
		Type	Number
Shanghai Fosun High Technology (Group) Co., Ltd.	920,641,314	RMB ordinary shares	920,641,314
HKSCC NOMINEES LIMITED *(Note)*	402,556,100	Overseas listed foreign shares	402,556,100
National Social Security Fund 104 portfolio	35,389,831	RMB ordinary shares	35,389,831
Xinhua Life Insurance Co., Ltd. — Dividend-Group Dividend — 018L — FH001 Shanghai	19,661,022	RMB ordinary shares	19,661,022
National Social Security Fund 118 portfolio	16,370,437	RMB ordinary shares	16,370,437
China Construction Bank — Hua An Hong Li Stock Securities Investment Fund	15,000,000	RMB ordinary shares	15,000,000
Rong Tong new blue-chip Securities Investment Fund	12,000,000	RMB ordinary shares	12,000,000
China Construction Bank — Guangfa Steady Growth Securities Investment Fund	8,972,515	RMB ordinary shares	8,972,515
Shanghai Shen Xin (Group) Co., Ltd.	8,638,672	RMB ordinary shares	8,638,672
China Construction Bank — Hua An Hong Li Stock Securities Investment Fund	8,306,151	RMB ordinary shares	8,306,151
Description of the related relationship or concerted action of the above shareholders	The fund custodian of both China Construction Bank — Hua An Hong Li Stock Securities Investment Fund and Rong Tong new blue-chip Securities Investment Fund is China Construction Bank Corporation. The Company is not aware of any related relationship and concerted action between any of other shareholders of tradable shares.		

Note: HKSCC NOMINEES LIMITED, i.e. Hong Kong Securities Clearing Company Nominees Limited, is holding shares on behalf of multiple clients.

3. SIGNIFICANT EVENTS

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

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Balance Sheet				
Items	Closing balance as at the end of the period	Opening balance as at the beginning of the year	Ratio of change	Reasons
Prepayment	283,453,667.80	202,300,884.24	40%	Mainly due to the increase in prepayment for raw materials during the Reporting Period
Development expenditures	74,997,201.63	48,950,334.57	53%	Mainly due to the increase in the R&D project during the Reporting Period
Short-term loans	2,288,206,111.79	1,383,300,726.59	65%	Mainly due to the increase in short-term debt during the Reporting Period
Tax payable	412,747,932.00	288,904,858.86	43%	Mainly due to the non-payment of tax payable during the Reporting Period
Dividends payable	17,771,267.27	6,286,003.99	183%	Mainly due to the non-payment of the accrual of dividends payable to minority shareholders during the Reporting Period
Non-current liabilities due within one year	94,129,100.00	40,909,090.00	130%	Mainly due to the transfer of long-term loan into non-current liabilities due within one year during the Reporting Period
Long-term loans	1,033,911,519.47	126,318,141.82	718%	Mainly due to the increase in long-term debt during the Reporting Period

Income Statement				
Items	Current amount (Jan – Sep 2014)	Amount of the last period (Jan – Sep 2013)	Ratio of change	Reasons
Gains from changes in fair value	–9,516,778.44	39,511,717.28	–124%	Mainly due to the fluctuation in share price of tradable financial assets during the Reporting Period
Investment income	1,462,900,176.62	798,739,845.85	83%	Mainly due to the increase in net profit of related company, sale of available-for-sale financial assets, increase in investment gain from equity in related company and subsidiaries during the Reporting Period
Non-operating revenue	38,512,060.43	72,257,721.95	–47%	Mainly due to a larger amount of government grants recognized over the same period last year
Non-operating expenses	15,531,263.99	7,231,879.03	115%	Mainly due to the increase of the loss in disposing of fixed assets and external donation
Income tax expenses	309,981,421.35	167,041,671.55	86%	Mainly due to the increase of the income tax accrued from increase in net profit of related company, sale of available-for-sale financial assets, increase in investment gain from equity in related company and subsidiaries during the Reporting Period

Statement of Cash Flow				
Items	Current amount (Jan – Sep 2014)	Amount of the last period (Jan – Sep 2013)	Ratio of change	Reasons
Net cash flows generated from operating activities	843,637,595.71	467,404,025.74	80.49%	Mainly due to the change in the scope of consolidation, increase in sales of core businesses, and good collection of payment
Net cash flows generated from financing activities	1,793,987,740.16	–587,325,186.74	N/A	Mainly due to the increase in issue of H shares and the increase in debts during the Reporting Period

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

√ Applicable □ Not Applicable

1. On 6 August 2012, a resolution in relation to the issuance of short-term commercial papers was considered and approved at the 2012 third extraordinary general meeting of the Company, whereby the Company has been given a mandate to issue short-term commercial papers within the domestic inter-bank bond market in the People's Republic of China short-term commercial papers with a principal amount of not exceeding RMB2 billion which could be issued in multiple tranches. The Company completed the registration of its short-term commercial papers of RMB2 billion on 31 October 2012. The Company also issued the first tranche of its short-term commercial papers for 2012 with a principal amount of RMB500 million on 18 December 2012. On 26 September 2014, the Company completed the issuance of the first tranche of its short-term commercial papers for 2014 (the "Commercial Papers"). The total issued principal amount of the Commercial Papers was RMB1 billion with a maturity period of 365 days and a unit face value of RMB100 and the interest rate was 5.15% per annum. The proceeds from the issuance of the Commercial Papers will be used to repay bank loans of the Company and to supplement working capital of the subsidiaries of Fosun Pharma.

2. On 18 April 2014, a resolution in relation to the amendment to the Privatization ("Privatization") of Chindex International, Inc. ("Chindex") and the transfer of 30% equity interest in Chindex Medical Limited ("CML") to the Company (through holding subsidiaries) was considered and approved at the 22nd meeting of the sixth session of the Board of the Company (extraordinary meeting). The amended proposal for the Privatization was submitted to the independent committee of the board of Chindex (the "Transaction Committee"), pursuant to which, Fosun Industrial Co., Limited ("Fosun Industrial", a wholly-owned subsidiary of the Company) will be merged with Chindex and the privatization will be completed by way of share rollovers and purchase of the remaining shares of Chindex through Healthy Harmony Acquisition Inc., a wholly-owned subsidiary of Fosun Industrial's investee Healthy Harmony Holdings L.P.. The consideration for the transfer of shares of Chindex was US$24.00 per share, and Fosun Industrial intended to participate in the privatization of Chindex with a total consideration of not exceeding US$223.62 million and its 3,157,163 class A common stock of Chindex. On 18 April 2014 (U.S. Eastern Time), the Transaction Committee of Chindex accepted the above amended proposed Privatization. The above privatization and transfer of 30% equity interest of CML were considered and approved at the 2013 AGM of the Company held on 30 June 2014. The relevant approvals (including the anti-trust filing) from the relevant PRC authorities have been obtained. On 29 September 2014 (U.S. Eastern Time), the closing of the share rollovers and the merger have taken place.

3.3 Fulfillment of undertakings by the Company and shareholders holding over 5% of shareholdings

□ Applicable √ Not Applicable

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

□ Applicable √ Not Applicable

3.5 Effect of implementation of new accounting standards on consolidated financial statements

During the period from January to July 2014, the Ministry of Finance promulgated the Accounting Standard for Business Enterprises No. 39 — Fair Value Measurement, Accounting Standard for Business Enterprises No. 40 — Joint Arrangements and Accounting Standard for Business Enterprises No. 41 — Disclosure of Equity Interest in other entities, and amended the Accounting Standard for Business Enterprises No. 30 — Presentation of Financial Statements, Accounting Standard for Business Enterprises No. 9 — Employee Benefits, Accounting Standard for Business Enterprises No. 33 — Consolidated Financial Statements, Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investments, Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments and Accounting Standard for Business Enterprises — Basic Standard. The above nine accounting standards (excluding the revised Accounting Standard for Business Enterprises No. 37 — Presentation of Financial instruments and Accounting Standard for Business Enterprises — Basic Standard) became effective from 1 July 2014. The revised Accounting Standard for Business Enterprises — Basic Standard was effective from 23 July 2014. The revised Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instrument shall be implemented in the financial report from 2014 onwards, and overseas listed enterprises are encouraged to implement the revised standards in advance. As an overseas listed company, the Group has implemented the Accounting Standard for Business Enterprises No. 39 — Fair Value Measurement, Accounting Standard for Business Enterprises No. 40 — Joint Arrangements, and the revised Accounting Standard for Business Enterprises No. 30 — Presentation of Financial Statements, Accounting Standard for Business Enterprises No. 9 — Employee Benefits and Accounting Standard for Business Enterprises No. 33 — Consolidated Financial Statements in advance and made adjustment in accordance with the relevant transitional requirements when preparing the financial report for 2013.

When preparing the third quarterly financial statements for 2014, the Group has implemented the Accounting Standard for Business Enterprises No. 41 — Disclosure of Equity Interest in Other Entities and the revised Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investments, Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments and Accounting Standard for Business Enterprises — Basic Standard and made adjustment in accordance with the relevant transitional requirements.

Before 1 July 2014, the equity investment which the Group did not have joint control or significant influence over the investees, which were not quoted in an active market and whose fair value could not be reliably measured was recognized as long-term equity investment using cost method. According to the Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investments as amended by the Ministry of Finance in 2014, the long-term equity investment which the Group did not have joint control or significant influence over the investees, which were not quoted in an active market and whose fair value could not be reliably measured, of RMB1,206,443,978.57 was recognized as available-for-sale financial assets. Moreover, the balance as at the beginning of the year has been adjusted retrospectively. The balance of long-term equity investment of RMB991,621,088.37 as at the beginning of the year was recognized as available-for-sale financial assets.

Before 1 July 2014, when the Group accounted for the long-term equity investment in associates using equity method, the book value of long-term equity investment shall be adjusted based on the change in equity attributable to the owners arising from the change in shareholding of investor due to capital injection by other shareholders to the investee and the equity attributable to the Group, and accounted for investment gain. According to the Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investments as amended by the Ministry of Finance in 2014, the Company has adjusted the book value of long-term equity investment based on the other changes (including the change in equity attributable to the owners arising from the change in shareholding of investor due to capital injection by other shareholders to the investee) in equity attributable to the owners of the investee (excluding net gain and loss, other comprehensive gain and profit distribution), and account for capital reserve (other capital reserve). Where the equity investment is disposed of subsequently and the remaining equity interest is accounted for using equity method, the capital reserve has been transferred to current investment gain in proportion to the disposal. Where the remaining equity interest is not accounted for using equity method, the capital reserve shall be fully transferred to current investment gain. In accordance with the implementation of the above new standards and the change in accounting policy, the Group has adjusted the investment gain, income tax, capital reserve and unappropriated profits for the current Reporting Period, and has adjusted the above four accounting items retrospectively. The effects of the above change in

accounting policy on the consolidated financial statements of the Group for the third quarter of 2014 and the comparative period are as follow:

Unit: Yuan Currency: RMB

Retrospective Effect on the Consolidated Income Statement						
	January – September 2014			January – September 2013		
Accounting Items	Amounts before retrospective adjustments	Adjustment amounts	Amounts after retrospective adjustments	Amounts before retrospective adjustments	Adjustment amounts	Amounts after retrospective adjustments
Investment income	1,431,475,082.58	31,425,094.04	1,462,900,176.62	1,383,399,844.53	–584,659,998.68	798,739,845.85
Income tax expenses	302,125,147.84	7,856,273.51	309,981,421.35	313,206,671.22	–146,164,999.67	167,041,671.55
Net profit attributable to the shareholders of the listed company	1,551,015,043.85	23,568,820.53	1,574,583,864.38	1,389,079,631.65	–438,494,999.01	950,584,632.64
Of which: net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss	1,050,763,440.19	—	1,050,763,440.19	770,933,187.12	—	770,933,187.12
Extraordinary gain and loss attributable to shareholders of the listed company	500,251,603.66	23,568,820.53	523,820,424.19	618,146,444.53	–438,494,999.01	179,651,445.52
	Retrospective Effect on the Consolidated Balance Sheet					
Accounting Items	30 September 2014			1 January 2014		
	Book value before retrospective adjustments	Adjustment amounts	Book value after retrospective adjustments	Book value before retrospective adjustments	Adjustment amounts	Book value after retrospective adjustments
Capital reserve	4,319,603,703.62	2,943,813,173.78	7,263,416,877.40	4,501,744,912.27	2,967,381,994.31	7,469,126,906.58
Unappropriated profit	8,663,707,568.04	–2,943,813,173.78	5,719,894,394.26	7,112,692,524.18	–2,967,381,994.31	4,145,310,529.87

3.5.1 Impact on the consolidated financial report arising from the changes in long-term equity investment standards (1)

Unit: Yuan Currency: RMB

Investee	Basic information of the transaction	Equity attributable to the shareholders of the parent company as at 1 January 2013 (+/-)	31 December 2013		
			Long-term equity investment (+/-)	Long-term equity investment (+/-)	Equity attributable to the shareholders of the parent company (+/-)
Simcere Holdings Limited	7.97% shareholding	–	–261,229,093.17	261,229,093.17	–
Shenzhen Haotong Investment Development Co., Ltd. (深圳市豪同投資發展有限公司)	18.00% shareholding	–	–148,990,000.00	148,990,000.00	–
Saladax Biomedical, Inc.	19.971% shareholding	–	–138,750,292.58	138,750,292.58	–
Qingdao Hengda Co., Ltd. (青島亨達股份有限公司)	15.00% shareholding	–	–118,530,000.00	118,530,000.00	–
Asia Pharmaceutical Group (Hainan) Co., Ltd. (海南亞洲製藥有限公司)	10.19% shareholding	–	–113,850,000.00	113,850,000.00	–
Other long-term investment		–	–210,271,702.62	210,271,702.62	–
Total		–	–991,621,088.37	991,621,088.37	–

Investee	Basic information of the transaction	Equity attributable to the shareholders of the parent company as at 1 January 2014 (+/-)	30 September 2014		
			Long-term equity investment (+/-)	Long-term equity investment (+/-)	Equity attributable to the shareholders of the parent company (+/-)
Simcere Holdings Limited	7.97% Shareholding	–	–261,229,093.17	261,229,093.17	–
Qingdao Huanghai Pharmaceutical Co., Ltd. (青島黃海製藥有限責任公司)	5.00% Shareholding	–	–201,180,000.00	201,180,000.00	–
Shenzhen Haotong Investment Development Co., Ltd. (深圳市豪同投資發展有限公司)	18.00% Shareholding	–	–148,990,000.00	148,990,000.00	–
Saladax Biomedical, Inc.	19.971% Shareholding	–	–138,750,292.58	138,750,292.58	–
Qingdao Hengda Co., Ltd. (青島亨達股份有限公司)	15.00% Shareholding	–	–118,530,000.00	118,530,000.00	–
Asia Pharmaceutical Group (Hainan) Co., Ltd. (海南亞洲製藥有限公司)	10.19% Shareholding	–	–113,850,000.00	113,850,000.00	–
Other long-term investment		–	–223,914,592.82	223,914,592.82	–
Total		–	–1,206,443,978.57	1,206,443,978.57	–

Particulars of the impact on the consolidated financial report arising from changes in long-term equity investment standards (1)

Before 1 July 2014, the equity investment where the Group did not have joint control or significant influence over the investees, which were not quoted in an active market and whose fair value could not be reliably measured was recognized as long-term equity investments and using the cost method for measurement. Pursuant to the requirements under the Accounting Standards for Business Enterprises No. 2 — Long-term Equity Investment as amended by the Ministry of Finance, the equity investment where the Group did not have joint control or significant influence over the investees, which were not quoted in an active market and whose

fair value could not be reliably measured shall apply the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments. As such, the above equity investment has been recognized as available-for-sale financial assets in balance sheet and retrospective adjustments has been made by the Group.

3.5.2 Impact on the consolidated financial report arising from changes in long-term equity investment standards (2)

Unit: Yuan Currency: RMB

Investees	Basic information of the transaction	1 January 2013		31 December 2013	
		Capital reserve (+/-)	Retained profit (+/-)	Capital reserve (+/-)	Retained profit (+/-)
Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司)		2,461,001,341.56	–2,461,001,341.56	2,907,223,542.90	–2,907,223,542.90
Hunan Hansen Pharmaceutical Co., Ltd. (湖南漢森製藥股份有限公司)		61,883,293.51	–61,883,293.51	60,158,451.41	–60,158,451.41
Total		2,522,884,635.07	–2,522,884,635.07	2,967,381,994.31	–2,967,381,994.31

Investees	Basic information of the transaction	1 January 2014		30 September 2014	
		Capital reserve (+/-)	Retained profit (+/-)	Capital reserve (+/-)	Retained profit (+/-)
Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司)		2,907,223,542.90	–2,907,223,542.90	2,907,223,542.90	–2,907,223,542.90
Hunan Hansen Pharmaceutical Co., Ltd. (湖南漢森製藥股份有限公司)		60,158,451.41	–60,158,451.41	36,589,630.88	–36,589,630.88
Total		2,967,381,994.31	–2,967,381,994.31	2,943,813,173.78	–2,943,813,173.78

Particulars of the impact on the consolidated financial report arising from the changes in long-term equity investment standards (2)

Before 1 July 2014, when the Group accounted for the long-term equity investment using equity method, the book value of long-term equity investment shall be adjusted based on the change in equity attributable to the owners arising from the change in shareholding of investor due to capital injection by other shareholders to the investee and the equity attributable to the Group, and accounted for investment gain. According to the Accounting Standard for Business Enterprises No. 2 — Long-term Equity Investments as amended by the Ministry of Finance in 2014, the Group shall adjust the book value of long-term equity investment based on the other changes (including the change in equity attributable to the owners arising from the change in shareholding of investor due to capital injection by other shareholders to the investee) of in equity attributable to the owners of the investee (excluding net gain and loss, other comprehensive gain and profit distribution), and account for capital reserve (other capital reserve). Where the equity investment is disposed of subsequently but the remaining equity interest is accounted for using equity method, the capital reserve has been transferred to current investment gain in proportion to the disposal. Where the remaining equity interest is not accounted for using equity method, the capital reserve shall be fully transferred to current investment gain, and retrospective adjustments shall be made.

3.5.3 Impact arising from the changes in employee benefits standard

The Accounting Standards for Business Enterprises No. 9 — Employee Benefits introduced post-employment benefits (especially beneficiary scheme) and other long-term employee's benefits and clarified provisions relating to short-term emoluments and termination benefits. The Group prepared the third quarterly financial statements for 2014 in accordance with the requirements of the standard. The adoption of such standard had no significant effects on the financial position and operating results of the Group.

3.5.4 Impact arising from the changes in scope of consolidation

The Accounting Standards for Business Enterprises No. 33 — Consolidation of Financial Statements'' introduced a single control model to determine whether an investee should be consolidated, which primarily depends on whether the Group has power over the investee, whether it is entitled to variable returns through the participation in the relevant activities of the investee and whether it has the ability to affect the amount of returns by using its power over the investee. The Group made amendments to its accounting policies as to whether it has control over the investee and whether the investee should be included into the scope of consolidation pursuant to the requirements under this standard and prepared 2014 third quarterly financial statements accordingly. The adoption of such standard did not change the scope of consolidation determined by the Group.

3.5.5 Impact arising from the changes in classification of joint venture arrangements

The Accounting Standards for Business Enterprises No. 40 — Joint Arrangements standardized the definition and categorization of joint arrangements as well as the accounting treatments of the rights and interests regarding different parties of the joint arrangements, pursuant to which the Group classified its joint arrangements into joint operations and joint ventures, amended its accounting policies regarding such joint arrangements, and re-evaluated its participation in joint arrangements. The Group prepared the third quarterly financial statements for 2014 in accordance with the requirements of the standard. The adoption of such standard had no significant effects on the financial position and operating results of the Group.

3.5.6 Impact arising from the changes in other standards

1. Presentation of financial statements

   The Accounting Standards of Business Enterprises No. 30 — Presentation of Financial Statements required that the presentation of ''Items of Other Comprehensive Income'' in income statement shall be classified as ''items to be re-classified into profit or loss having satisfied the stipulated conditions in the subsequent accounting period'' and ''items not to be re-classified into profit or loss''. The Group prepared the third quarterly financial statements for 2014 in accordance with the requirements of the standard. Meanwhile, the Group will make disclosure on relevant financial information when preparing the financial statements for 2014 in accordance with other disclosure requirements under the Accounting Standards of Business Enterprises No. 30 — Presentation of Financial Statements.

2. Fair Value Measurement

   The Accounting Standards of Business Enterprises No. 39 — Fair Value Measurement redefined fair value, established a unified framework for measuring fair value, clarified valuation techniques and fair value hierarchy, and standardized disclosure requirements on fair value. The revised Accounting Standards for Business Enterprises-Basic Standards amended the expression of ''fair value'', which, as revised, is consistent with that in the Accounting Standards of Business Enterprises No. 39 — Fair Value Measurement. The Group prepared the third quarterly financial statements for 2014 in accordance with the requirements of the standard. The adoption of such standard had no significant effects on the measurement of fair value of the assets and liabilities of the Group.

3. Disclosure of Interests in Other Entities

   The Accounting Standards for Business Enterprises No. 41 — Disclosure of Interests in Other Entities clarified the objectives of disclosing interest in other entities as to assist users of such financial statements in evaluating the nature and related risks of such interest and impact of such interest on corporate financial condition, operating results and cash flow by requiring disclosure of financial information by subsidiaries, joint ventures and associates with signification minority equity interest and adding disclosure of interest in structured entities. The Group will make disclosure on relevant financial information when preparing the financial statements for 2014 in accordance with the Accounting Standards for Business Enterprises No. 41 — Disclosure of Interests in Other Entities.

4. Presentation of Financial Instruments

The Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments clarified the requirements on distinguishing equity instruments from financial liabilities and those on offsetting financial assets and financial liabilities in finer detail and introduced more detailed requirements on such disclosure, including but not limited to those on financial asset transfer. The Group prepared the third quarterly financial statements for 2014 in accordance with the requirements of the standard. The adoption of such standard had no significant effects on the financial position and operating results of the Group. Meanwhile, the Group will make disclosure on relevant financial information when preparing the financial statements for 2014 in accordance with other disclosure requirements under the Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments.

3.5.7 Others

Save for the above, the said changes in accounting policies did not have other material impact on disclosures of opening values and current values during the period in the financial statements of the Group and the Company for the third quarter of 2014 and those for the comparative periods.

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
Legal representative: Chen Qiyu
28 October 2014

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet
30 September 2014

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Closing balance as at the end of the Period	Opening balance as at the beginning of the Year
Current Assets:		
Cash and cash equivalents	3,648,549,469.86	3,067,413,633.64
Settlement reserves		
Loans to banks or other financial institutions		
Financial assets held for trading	35,140,637.56	44,195,883.71
Bills receivable	401,946,288.48	356,174,511.89
Trade receivable	1,594,200,321.82	1,293,986,619.98
Prepayments	283,453,667.80	202,300,884.24
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Interest receivable	539,788.34	822,388.20
Dividends receivable	12,687,706.84	15,149,056.84
Other receivables	301,255,615.46	387,987,436.17
Purchase and sell-back of financial assets		
Inventories	1,767,247,387.65	1,614,271,795.30
Non-current assets due within one year		
Other current assets	2,974,503.76	4,242,198.12
Total current assets	8,047,995,387.57	6,986,544,408.09
Non-current assets:		
Provision of entrusted loans and advances		
Available-for-sale financial assets	2,388,182,505.34	2,664,408,852.29
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	11,313,383,889.81	8,940,474,119.19
Investment properties		
Fixed assets	3,814,845,860.52	3,582,158,990.97
Construction in progress	1,545,011,125.70	1,321,060,523.61
Project supplies	5,853,113.77	4,231,968.29
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	2,637,903,401.92	2,590,492,325.70
Development expenditures	74,997,201.63	48,950,334.57
Goodwill	3,039,539,087.55	2,976,039,397.86
Long-term deferred expenditures	27,984,014.39	30,589,235.50
Deferred income tax assets	92,619,324.69	88,091,330.24
Other non-current assets	250,123,807.89	242,149,375.47
Total non-current assets	25,190,443,333.21	22,488,646,453.69
Total assets	33,238,438,720.78	29,475,190,861.78

Consolidated balance sheet ***(Continued)***

30 September 2014

Items	Closing balance as at the end of the Period	Opening balance as at the beginning of the Year
Current liabilities:		
Short-term loans	2,288,206,111.79	1,383,300,726.59
Borrowings from the central bank		
Deposits from customers and inter-bank deposits		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Bills payable	122,798,217.82	145,588,393.35
Trade payable	1,176,237,922.27	990,861,493.44
Receipts in advance	270,129,487.34	257,722,214.41
Gain on disposal of repurchased financial assets		
Fees and commissions payable		
Wages payable	268,603,358.24	253,056,428.28
Tax payable	412,747,932.00	288,904,858.86
Interest payable	162,305,255.65	147,655,274.33
Dividends payable	17,771,267.27	6,286,003.99
Other payables	1,565,007,659.98	1,712,026,741.35
Reinsurance accounts payables		
Insurance contract reserve payable		
Amount paid for agency securities trading		
Amount paid for agency securities underwriting		
Non-current liabilities due within one year	94,129,100.00	40,909,090.00
Other current liabilities	60,593,840.46	51,810,029.11
Total current liabilities	6,438,530,152.82	5,278,121,253.71
Non-current liabilities:		
Long-term loans	1,033,911,519.47	126,318,141.82
Bonds payable	5,081,077,289.14	4,073,391,240.49
Long-term payables	387,553,457.88	404,467,334.87
Specific payables		
Accrued liabilities		
Deferred income tax liabilities	1,751,055,544.54	1,783,519,889.47
Other non-current liabilities	161,252,621.61	144,858,843.98
Total non-current liabilities	8,414,850,432.64	6,532,555,450.63
Total liabilities	14,853,380,585.46	11,810,676,704.34
Equity attributable to the owners (or equity attributable to shareholders):		
Paid-in capital (or share capital)	2,311,611,364.00	2,240,462,364.00
Capital reserve	7,263,416,877.40	7,469,126,906.58
Less: treasury shares		
Specific reserve		
Surplus reserve	1,485,373,176.37	1,485,373,176.37
General risk provision		
Unappropriated profits	5,719,894,394.26	4,145,310,529.87
Foreign currency translation difference	–4,259,593.83	–8,088,493.79
Total equity attributable to the owners of the Parent company	16,776,036,218.20	15,332,184,483.03
Minority interests	1,609,021,917.12	2,332,329,674.41
Total equity attributable to the owners	18,385,058,135.32	17,664,514,157.44
Total liabilities and equity attributable to the owners	33,238,438,720.78	29,475,190,861.78

Legal Representative: Chen Qiyu Chief Financial Officer: Hongfei Jia Director of the Accounting Department: Yan Jia

Balance sheet of the Parent Company

30 September 2014

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Closing balance as at the end of the Period	Opening balance as at the beginning of the Year
Current Assets:		
Cash and cash equivalents	1,370,322,227.18	928,131,985.71
Financial assets held for trading		
Bills receivable		
Trade receivable		
Prepayments		
Interest receivable	64,152,914.93	26,559,855.50
Dividends receivable	12,687,706.84	16,956,224.96
Other receivables	2,078,641,754.87	1,874,849,219.04
Inventories	517,939.44	517,939.44
Non-current assets due within one year		
Other current assets	698,000,000.00	245,000,000.00
Total current assets	4,224,322,543.26	3,092,015,224.65
Non-current assets：		
Available-for-sale financial assets	435,945,082.78	250,497,792.58
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	13,265,406,462.70	5,130,347,780.08
Investment properties		
Fixed assets	21,112,995.92	20,165,064.87
Construction in progress		
Project supplies		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	2,825,153.33	3,059,034.52
Development expenditures		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets		
Other non-current assets	3,624,944,639.39	4,062,847,282.90
Total non-current assets	17,350,234,334.12	9,466,916,954.95
Total assetes		

Balance sheet of the Parent Company *(Continued)*

30 September 2014

Items	Closing balance as at the end of the Period	Opening balance as at the beginning of the Year
Current liabilities:		
Short-term loans	450,000,000.00	360,000,000.00
Financial liabilities held for trading		
Bills payable		
Trade payable		
Receipts in advance		
Wages payable	70,906,240.75	60,829,711.34
Tax payable	21,696,849.47	22,229,396.68
Interest payable	141,440,958.60	144,354,519.49
Dividends payable	1,062,450.00	
Other payables	501,554,011.99	99,612,423.54
Non-current liabilities due within one year	40,000,000.00	40,000,000.00
Other current liabilities		
Total current liabilities	1,226,660,510.81	727,026,051.05
Non-current liabilities:		
Long-term loans	284,000,000.00	125,000,000.00
Bonds payable	5,081,077,289.14	4,073,391,240.49
Long-term payables		
Specific payables		
Accrued liabilities		
Deferred income tax liabilities	1,010,170,447.97	
Other non-current liabilities	1,825,000.00	2,050,000.00
Total non-current liabilities	6,377,072,737.11	4,200,441,240.49
Total liabilities	7,603,733,247.92	4,927,467,291.54
Equity attributable to the owners (or equity attributable to shareholders):		
Paid-in capital (or share capital)	2,311,611,364.00	2,240,462,364.00
Capital reserve	8,042,687,160.24	3,876,481,297.41
Less: treasury shares		
Specific reserve		
Surplus reserve	868,105,135.33	456,890,135.33
General risk provision		
Unappropriated profits	2,748,419,969.89	1,057,631,091.32
Total equity attributable to the owners (or equity attributable to shareholders)	13,970,823,629.46	7,631,464,888.06
Total liabilities and equity attributable to the owners (or equity attributable to shareholders)	21,574,556,877.38	12,558,932,179.60

Legal Representative: Chen Qiyu Chief Financial Officer: Hongfei Jia Director of the Accounting Department: Yan Jia

Consolidated Income Statement *(Continued)*

Items	Current Amount (July – September)	Amount of the Last Period (July – September)	Current Amount (January – September)	Amount of the Last Period (January – September)
IV. Total profit ("–" indicating total loss)	745,109,456.40	485,087,273.74	2,103,998,492.33	1,349,217,433.21
Less: Income tax expenses	103,392,523.69	64,843,016.85	309,981,421.35	167,041,671.55
V. Net profit ("–" indicating net loss)	641,716,932.71	420,244,256.89	1,794,017,070.98	1,182,175,761.66
Net profit attributable to the owners of the Parent company	557,028,104.62	337,663,263.12	1,574,583,864.38	950,584,632.64
Gains/losses of minority shareholders	84,688,828.09	82,580,993.77	219,433,206.60	231,591,129.02
VI. Earnings per share:				
(1) basic earnings per share	206.65,05mtTc((1rtent) 0.24	82-7461.3349.2(pe(1) 0.15	84(82,5601(nin)6.369)	0(s)-349(p)0(er)-3.42.7(shar)5

Income Statement of the Parent Company

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Current Amount (July – September)	Amount of the Last Period (July – September)	Current Amount (January – September)	Amount of the Last Period (January – September)
I. Operating revenue			450,000.00	
Less: Operating costs				
Business tax and surcharges			25,050.00	
Selling expenses				
Administrative expenses	45,422,145.86	25,499,951.01	132,373,353.42	82,756,689.01
Finance costs	4,521,729.54	17,330,429.70	213,454.35	27,772,618.27
Asset impairment losses				
Plus: Gains from changes in fair value ("–" indicating loss)				
Investment income ("–" indicating loss)	207,344,246.71	8,229,013.36	777,880,148.45	820,929,379.59
Including: Gains from investments in associated companies and joint ventures	205,756,805.32	6,268,813.36	672,369,606.74	1,839,063.36
II. Operating profit ("–" indicating loss)	157,400,371.31	–34,601,367.35	645,718,290.68	710,400,072.31
Plus: Non-operating revenue	139,209.23	76,900.00	289,209.23	236,049.11
Less: Non-operating expenses			260,000.00	2,514,544.42
Including: Loss on disposal of non-current assets			64,209.23	5,725.77
III. Total profit ("–" indicating total loss)	157,539,580.54	–34,524,467.35	645,747,499.91	708,121,577.00
Less: Income tax expenses				
IV. Net profit ("–" indicating net loss)	157,539,580.54	–34,524,467.35	645,747,499.91	708,121,577.00
V. Earnings per share:				
(1) basic earnings per share				
(2) diluted earnings per share				
VI. Other comprehensive income	123,670,800.00		119,691,936.66	51,779.40
VII. Total comprehensive income	281,210,380.54	–34,524,467.35	765,439,436.57	708,173,356.40

Legal Representative: Chen Qiyu Chief Financial Officer: Hongfei Jia Director of the Accounting Department: Yan Jia

Consolidated Statement of Cash Flow

January – September 2014

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items		Current Amount (January – September)	Amount of the Last Period (January – September)
I.	Cash flow generated from operating activities:		
	Cash received from sale of goods and rendering of services	10,459,786,860.15	8,353,071,465.55
	Net increase of deposits from customers and inter-bank deposits		
	Net increase of borrowings from the central bank		
	Net increase of loans from other financial institutions		
	Cash received as premiums of original insurance contract		
	Net cash received from reinsurance business		
	Net increase of policy holder deposits and investment		
	Net increase of disposal of financial assets held for trading		
	Cash received from interests, fees and commissions		
	Net increase of loans from banks and other financial institutions		
	Net increase of capital from repurchase business		
	Refund of taxes and levies	72,648,588.55	70,747,841.37
	Other cash received relating to operating activities	94,521,561.68	195,314,752.07
	Sub-total of cash inflow from operating activities	10,626,957,010.38	8,619,134,058.99
	Cash paid for purchasing goods and receiving services	6,154,725,576.22	4,942,760,855.58
	Net increase of customers' loans and advances		
	Net increase of deposits in the central bank and inter-bank deposits		

Consolidated Statement of Cash Flow ***(Continued)***

January – September 2014

Items	Current Amount (January – September)	Amount of the Last Period (January – September)
III. Cash flow generated from financing activities:		
Cash received from capital contribution	1,445,949,451.00	2,088,710.98
Including: cash received by subsidiaries from investments of minority interests	38,269,850.07	2,088,710.98
Cash received from borrowings	3,475,109,758.30	1,302,361,982.24
Cash received from issuing bonds	1,000,000,000.00	
Other cash received relating to financing activities	21,733,509.09	329,448,475.13
Sub-total of cash inflow from financing activities	5,942,792,718.39	1,633,899,168.35
Cash paid for debts settlement	1,623,242,732.68	1,221,891,677.53
Cash paid for the distribution of dividends, profits or interest payments	1,012,768,967.52	950,844,046.86
Including: dividends and profits paid by subsidiaries to minority interests	133,554,721.22	231,783,996.47
Other cash paid relating to financing activities	1,512,793,278.03	48,488,630.70
Sub-total of cash outflow from financing activities	4,148,804,978.23	2,221,224,355.09
Net cash flow generated from financing activities	1,793,987,740.16	–587,325,186.74
IV. Effects of exchange rate fluctuations on cash and cash equivalents	14,780,312.38	–25,426,268.76
V. Net increase of cash and cash equivalents	880,460,028.28	–1,902,809,425.34
Plus: Opening balance of cash and cash equivalents	2,416,260,389.25	4,171,574,742.12
VI. Closing balance of cash and cash equivalents	3,296,720,417.53	2,268,765,316.78

Legal Representative: Chen Qiyu Chief Financial Officer: Hongfei Jia Director of the Accounting Department: Yan Jia

Statement of Cash Flow of the Parent Company

January – September 2014

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

Unit: Yuan Currency: RMB Type of audit：Unaudited

Items	Current Amount (January – September)	Amount of the Last Period (January – September)
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	450,000.00	
Refund of taxes and levies		
Other cash received relating to operating activities	24,262,470.46	37,439,681.37
Sub-total of cash inflow from operating activities	24,712,470.46	37,439,681.37
Cash paid for purchasing goods and receiving services		
Cash paid to and for the benefit of employees	55,675,865.31	47,805,533.82
Taxes and levies paid	38,638,399.47	20,609,862.43
Other cash paid relating to operating activities	28,772,270.22	31,711,001.63
Sub-total of cash outflow from operating activities	123,086,535.00	100,126,397.88
Net cash flow arising from operating activities	–98,374,064.54	–62,686,716.51
II. Cash flow generated from investing activities:		
Cash received from investment recovery		39,904,000.00
Cash received from return on investments	135,001,207.03	794,850,316.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	150,000.00	96,000.00
Net cash received from disposal of subsidiaries and other operating segments	10,351,169.50	
Other cash received relating to investing activities	408,839,600.00	638,137,500.00
Sub-total of cash inflow from investing activities	554,341,976.53	1,472,987,816.23
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	3,334,618.53	1,762,713.09
Cash paid for investments	1,780,579,380.37	709,566,469.16
Net cash paid for acquisition of subsidiaries and other operating segments	27,023,100.00	459,096,900.00
Other cash paid relating to investing activities	20,000,000.00	
Sub-total of cash outflow from investing activities	1,830,937,098.90	1,170,426,082.25
Net cash flow generated from investing activities	–1,276,595,122.37	302,561,733.98
III. Cash flow generated from financing activities:		
Cash received from capital contribution	1,407,679,600.93	
Cash received from borrowings	850,000,000.00	255,115,078.77
Cash received from issuing bonds	1,000,000,000.00	
Other cash received relating to financing activities	4,754,495,093.76	1,904,031,173.98
Sub-total of cash inflow from financing activities	8,012,174,694.69	2,159,146,252.75
Cash paid for debts settlement	601,000,000.00	790,115,078.77
Cash paid for the distribution of dividends, profits or interest payments	829,585,897.32	674,744,025.09
Other cash paid relating to financing activities	4,365,392,837.67	2,109,471,293.35
Sub-total of cash outflow from financing activities	5,795,978,734.99	3,574,330,397.21
Net cash flow generated from financing activities	2,216,195,959.70	–1,415,184,144.46
IV. Effects of exchange rate fluctuations on cash and cash equivalents	9,803,068.68	–22,851,531.32
V. Net increase of cash and cash equivalents	851,029,841.47	–1,198,160,658.31
Plus: Opening balance of cash and cash equivalents	519,292,385.71	2,090,971,083.37
VI. Closing balance of cash and cash equivalents	1,370,322,227.18	892,810,425.06

Legal Representative: Chen Qiyu Chief Financial Officer: Hongfei Jia Director of the Accounting Department: Yan Jia

4.2 Audit Report

If the quarterly report has been audited by the Certified Public Accountant, the content of such audit report shall be disclosed in the appendices.

□Applicable √ Not Applicable