

INTERNATIONAL
FOR
R GOOD
HEALTH

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

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

Stock

Our Vision

Become a first-tier enterprise in the global mainstream pharmaceutical and healthcare market.

Our Mission

Better health for families worldwide.

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43		ନ	C
45		ନ	C
47		ନ	C
49	▲		C
78	D		

Directors

Executive Directors

- ▼ . C (陳啟宇) (Chairman)
- ▼ . 姚 方 (姚方) (Co-Chairman)
- ▼ . 吳 以 芳 (吳以芳) (President and Chief Executive Officer)

Non-executive Directors

- ▼ . 徐 曉 亮 (徐曉亮)
- ▼ . 龔 平¹ (龔平)¹
- ▼ . 潘 東 輝¹ (潘東輝)¹
- ▼ . 梁 劍 峰² (梁劍峰)²
- ▼ . 王 燦³ (王燦)³
- ▼ . 沐 海 寧⁵ (沐海寧)⁵

Independent Non-executive Directors

- ▼ . 江 憲 (江憲)

Stock Abbreviation

☐ A ▼ A

Share Listing

A股 600196
 科创板 : 600196
 科创板 : 02196

A Share Registrar and Transfer Office in the PRC

China D & C (DCC)
 166 D
 C B

H Share Registrar and Transfer Office in Hong Kong

54, W C
 183

Company's Website

://www.

- 1 A 30 2020
- 2 17 2020
- 3 21 2020
- 4 A 21 2020
- 5 30 2020
- 6 A 30 ▼ 2020

Financial



	Six months ended 30 June	
	2020 RMB million	2019 B m
Operating results		
	13,965	14,085
	7,749	8,486
	1,292	1,490
	2,302	2,196
	1,715	1,516
B DA	3,566	3,483
Profitability		
	55.49%	60.25%
	9.25%	10.58%
	13.67%	12.92%

FINANCIAL REVIEW

D 2019. 0.85% ▼B13,965

D 2019. 0.85% ▼B13,965

D 2019. 4.83% 13.10%, (2,000), ▼B224, ▼B100

D 2019. 13.56% ▼B0.67

D 2019. 13.56% ▼B0.67

REVENUE

D 2019. 0.85% ▼B13,965, ▼B9,894, ▼B4,071, 29.15%

D 2019. 7.97% ▼B9,952

DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

Total Debts

A 30 2020, ↻ ↻ ▼B23,358 m m ▼B21,137 m ↻ 31 D m 2019 m

Management

D A

Maturity Structure of Outstanding Debts

	: m	C	: B
	30 June 2020	31 D	m 2019
1	12,405		8,560
2	7,834		6,860
5	2,633		5,396
5	483		321
	23,358		21,137

Available Facilities

A 30 2020, B9,750 m, B32,709 m
 B48,320 m B15,611 m

Collateral and Pledged Assets

A 30 2020, B217 m (31 D m 2019: B134 m), B396 m (31 D m 2019: B303 m), B5 m B4 m
 D 16

Cash Flow

2019.

	: m	C	: B
	January – June 2020	m	2019
	1,461		1,450
	(2,379)		(1,079)
	827		(496)
	(91)		(125)
	8,284		7,175
	8,177		7,052

Capital Commitments and Capital Expenditures

D
 2019: 1,812 m (B1,812 m) .
 2020: 4 m (B4 m) .
 A 30 2020, 18 m (B3,450 m) .
 2019: 18 m (B3,450 m) .

Contingent Liabilities

A 30 2020, 0 m (B0 m) .

Interest Coverage

D
 2019: 6.37 (B6.37) .
 2020: 8.33 (B8.33) .

Management

D A

D 2019. 0.85% ▼B13,965 2019. 7.97% ▼B2,639 47.18% 2019. 6.85% ▼B1,359 38.04% 9.96% ▼B8,098 2019.

D ▼B4,071 29.15% ▼B9,894

D : C : ▼B

Business segment	Revenue		2020 / 2019 (%)
	Jan – Jun 2020	2019	
&D	9,952	10,814	7.97
	2,639	1,793	47.18
	1,359	1,459	6.85

D ▼B2,302 ▼B1,715 4.83% 13.10% 2019. (1) (2) (3) ▼B100 (4) ▼B224

D : (1) 2.6 ; (2) ; (3) ; (4)

D 2020 ▼B1,461 0.77% 2019.

D &D ▼B1,689 25.02% ▼B355 41.81% 2019. &D

Pharmaceutical Manufacturing and R&D

D 2019, 7.97% 2019. 2019, 7.40% 9.54% 2019, 27.92% B1,541 B335 15.4% 46.27% 2019 B1,059 10.6%

C D-19 2020, 2019. 61.9%, 109.6% 244.5%, (2,000), B224 B100

Jan - Jun 2020 2019 (Note 1) (%)

Pharmaceutical manufacturing and R&D	Jan - Jun 2020	2019 (Note 1)	(%)
▼	1,767	1,807	2.19
▼	422	264	59.94
▼	1,800	2,331	22.77
▼	755	1,224	38.35
▼	1,248	1,140	9.49
▼	247	419	41.03
▼	452	675	32.97

Note 1: 2020 (C A) (A)

Note 2: (A) (A) (B)

Note 3: (A) (B)

Note 4: (C) (D) (B)

Management

D A

No.	Type	Name of R&D project on drugs (products)	R&D stages in China as at the end of the Reporting Period		R&D stages in other countries as at the end of the Reporting Period	
			R&D stage	Stage of clinical trial	R&D stage	Stage of clinical trial
6	B	■ 2D ■ A	A			
7	B	■ 2D ■ A	C			
8	B	■ A -C ■ A-4	A			
9	B	■ A - A	A			
10	B	■ / A -CD20	C			(Note 4)
11	B	■ A - ■ A	A			
12	B	■ 2 (Note 5)	C			A
13	B	■ A - (Note 6)	C		/	A
14	B	■ A - D-1 (Note 7)	C			A
15	B	■ A - D- 1 (Note 8)	A			C
16	B	■ 22	C			
17	B	■ 55	C			
18	B	■ 56	A			
19	C	■ A - D-1 ■ A - ■ A	C			(Note 10)

No.	Type	Name of R&D project on drugs (products)	R&D stages in China as at the end of the Reporting Period		R&D stages in other countries as at the end of the Reporting Period	
			R&D stage	Stage of clinical trial	R&D stage	Stage of clinical trial
20	C	A - D-1	A			
21	C	A - D-1	C			
22	C	A - D-1	C		C	
23	C	A - D-1	C			
24	C	A - D-1	C		C	
25	C	A - D-1	C			

Note 1: A 2020, 2,000 () A. 2020, 500m /50m/ () A.

Note 2: D, B, C, (D), (D), 02 () A, C

Management

D A

Note 3: 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

Note 4: 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

Note 5: 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

Note 6: 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

Note 7: 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

Note 8: 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

Note 9: 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

Note 10: 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

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

No.	Type	Name of R&D project on drugs (products)	Indications	R&D stages as at the end of the Reporting Period in the PRC	Stage of clinical trial as at the end of the Reporting Period in the PRC
1	C	A-824	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 (D - B)	C	A
2	C	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	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	C	A
3	C	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	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 (Note 1)	A	A
4	C	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	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	A	A
5	C	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	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	C	A
6	C	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	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	A	A

Management

D A

2020, 30, 7,047, B11,016, 24.59%.

C D-19 B35,873, 23.59%.

Internal Integration and Operation Enhancement

D

4 B A

D

Management

D A

A. Analysis on Principal Operations

(1) Analysis of Changes in Relevant Items of Income Statement and Statement of Cash Flows

: m C : B

Items	Amount for the period	Amount for the corresponding period of last year	Period-on-period change (%)	Reasons
	13,965	14,085	0.85	
C	6,216	5,599	11.02	
S	3,931	4,998	21.35	Note 1
A	1,322	1,148	15.16	
	1,204	849	41.81	Note 2
	428	547	21.76	Note 3
	1,461	1,450	0.77	
	-2,379	1,079	120.55	Note 4
	827	496	266.75	Note 5

Note 1: D
 m a k m , w a (A v m v v v v v) v v m a (a v) , . m a v - -
 v v v v v v v v ; v v

Note 2: v a v &D v m a v , m a m v v v v m

Note 3: - - v w a m a - - v v v v v v m a v m a v

Note 4: v a v - - v v m a v m a v v v m

Note 5: v a v w a m a v v v v v - m m m v v

Management

D A

B. Analysis of Segment and Regional Operations

(1) Principal Operations by Segments and Products

: m C : ▼ B

By segments		Principal operations by segments				Period-on-period change in cost of sales (%)	Period-on-period change in gross margin
		Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)		
▼	▼	▼	▼	▼	▼	▼	▼
	&D	9,952	3,754	62.28	7.97	3.79	4.27
	(Note 1)						
▼	▼	2,639	1,309	50.40	47.18	49.21	0.68
■	▼	1,359	1,130	16.82	6.85	4.68	9.16
	(Note 2)						

Products		Principal operations by products				Period-on-period change in cost of sales (%)	Period-on-period change in gross margin
		Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)		
▼	▼	1,767	278	84.26	2.19	4.51	0.38
	(Note 3)						
▼	▼	422	119	71.89	59.94	71.10	1.83
	(Note 4)						
▼	▼	1,800	631	64.93	22.77	1.68	7.52
	(Note 5)						
▼	▼	755	48	93.63	38.35	16.94	1.64
	(Note 6)						
▼	▼	1,248	484	61.20	9.49	20.22	3.46
	(Note 7)						
▼	▼	247	20	91.74	41.03	0.42	3.37
	(Note 8)						
▼	▼	452	330	27.11	32.97	31.29	1.79
	(Note 9)						

Principal operations by geographical locations

By geographical locations	Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross margin
C	9,894	4,093	58.63	8.30	11.40	↻ 7.32
↻	4,071	2,123	47.84	23.53	10.29	↻ 6.26
Note 1:	↻	↻	↻	&D	↻	↻
Note 2:	↻	↻	↻	↻	↻	↻
Note 3:	↻	↻	↻	↻	↻	↻
Note 4:	↻	↻	↻	↻	↻	↻
Note 5:	↻	↻	↻	↻	↻	↻
Note 6:	↻	↻	↻	↻	↻	↻
Note 7:	↻	↻	↻	↻	↻	↻
Note 8:	↻	↻	↻	↻	↻	↻

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

Name of investee	Nature of business	Principal activities	Registered capital	Total assets	Net assets	Revenue	Operating profit
...	100	307,273	84,008	203,765	4,808

(3) Acquisition and Disposal of Subsidiaries for the Reporting Period (including the Purposes, Methods and Effects of the Acquisitions and Disposals and the Effects on the Group's Overall Operation and Results)

A 27 ... 2020, ... 50% ... 100% ...

8 A 2020, ... 51% ... 100% ...

Name of subsidiary	Acquired through	Net assets (as at the end of Reporting Period)	Net profit (from date of acquisition/merger up to the end of Reporting Period)	Date of acquisition/merger
...	...	47	25	19 ... 2020
...	...	4	6	9 ... 2020

Note: ...

Management

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D 29 2020, C

Name of subsidiary	Disposed through	Net assets as at date of disposal	Net profit from beginning of Reporting Period to date of disposal	Date of disposal
C	D	0		29 2020

D. Core Competitiveness Analysis

... &D, ...

... &D, ...

... &D, ...

E. Employees and Remuneration Policies

A 30,925 ...

2. Business Outlook for the Second Half of 2020

2020, C D-19 ...

2020, ... &D, ...

... A ...

... 2020, C ...

... B ... C ...

Management

D A

2020, the Company's total revenue increased by 10.5% compared with 2019, mainly due to the increase in sales of pharmaceutical products. The Company's operating profit increased by 15.2% compared with 2019, and the net profit increased by 12.8% compared with 2019.

Healthcare Services

In 2020, the Company's healthcare services business continued to expand. The Company's total revenue from healthcare services increased by 18.3% compared with 2019, and the operating profit increased by 22.1% compared with 2019. The Company's net profit from healthcare services increased by 19.5% compared with 2019.

The Company's healthcare services business is primarily engaged in the following areas:

- Pharmaceutical Distribution and Retail
- Pharmaceutical Research and Development
- Pharmaceutical Production
- Pharmaceutical Marketing
- Pharmaceutical Sales

The Company's healthcare services business is primarily engaged in the following areas:

- Pharmaceutical Distribution and Retail
- Pharmaceutical Research and Development
- Pharmaceutical Production
- Pharmaceutical Marketing
- Pharmaceutical Sales

Pharmaceutical Distribution and Retail

In 2020, the Company's pharmaceutical distribution and retail business continued to expand. The Company's total revenue from pharmaceutical distribution and retail increased by 12.1% compared with 2019, and the operating profit increased by 14.5% compared with 2019. The Company's net profit from pharmaceutical distribution and retail increased by 13.2% compared with 2019.

Financing

In 2020, the Company's financing activities were primarily related to the issuance of new shares and the repayment of bank loans. The Company's total financing activities increased by 15.8% compared with 2019, and the net cash flow from financing activities increased by 12.3% compared with 2019.

3. Potential Risks

I. Risks in relation to industry policies and system reforms

The pharmaceutical industry is subject to strict regulatory requirements and is highly sensitive to changes in industry policies and system reforms. The Company's business operations are significantly affected by these changes, and the Company faces the following risks:

- Regulatory Risk:** The Company's business operations are significantly affected by changes in industry policies and system reforms. The Company's business operations are significantly affected by changes in industry policies and system reforms.
- Market Risk:** The Company's business operations are significantly affected by changes in industry policies and system reforms. The Company's business operations are significantly affected by changes in industry policies and system reforms.
- Operational Risk:** The Company's business operations are significantly affected by changes in industry policies and system reforms. The Company's business operations are significantly affected by changes in industry policies and system reforms.
- Financial Risk:** The Company's business operations are significantly affected by changes in industry policies and system reforms. The Company's business operations are significantly affected by changes in industry policies and system reforms.

IV. Management risks

(1) Internationalized risks

Management risks are categorized into internationalized risks, risks arising from acquisitions and reorganizations, and foreign exchange risks. Internationalized risks include risks related to the company's operations in different countries and regions, such as changes in local laws and regulations, political instability, and economic fluctuations. The company has established a risk management system to identify, assess, and mitigate these risks. The company's management has implemented various measures to reduce the impact of internationalized risks, such as diversifying the company's business structure and strengthening its risk management capabilities. The company's management has also established a risk management system to identify, assess, and mitigate these risks.

(2) Risks arising from acquisitions and reorganizations

Risks arising from acquisitions and reorganizations include risks related to the integration of acquired companies, changes in management, and the impact of reorganizations on the company's operations. The company has established a risk management system to identify, assess, and mitigate these risks. The company's management has implemented various measures to reduce the impact of risks arising from acquisitions and reorganizations, such as strengthening the company's risk management capabilities and improving the company's operational efficiency.

V. Foreign exchange risk

Foreign exchange risk is the risk that the value of the company's assets and liabilities will change due to fluctuations in exchange rates. The company has established a risk management system to identify, assess, and mitigate these risks. The company's management has implemented various measures to reduce the impact of foreign exchange risk, such as diversifying the company's business structure and strengthening its risk management capabilities. The company's management has also established a risk management system to identify, assess, and mitigate these risks.

VI. Force majeure risks

Force majeure risks are risks that are beyond the company's control, such as natural disasters, wars, and other events. The company has established a risk management system to identify, assess, and mitigate these risks. The company's management has implemented various measures to reduce the impact of force majeure risks, such as strengthening the company's risk management capabilities and improving the company's operational efficiency.

4. Other Events

A. 2019 Shareholding Increase Plan of the Controlling Shareholder

The Controlling Shareholder has implemented a 2019 Shareholding Increase Plan. The plan involves the Controlling Shareholder increasing its shareholding in the company by 19% in 2019. The Controlling Shareholder has implemented various measures to reduce the impact of the shareholding increase, such as strengthening the company's risk management capabilities and improving the company's operational efficiency. The Controlling Shareholder has also established a risk management system to identify, assess, and mitigate these risks. The Controlling Shareholder's management has implemented various measures to reduce the impact of the shareholding increase, such as strengthening the company's risk management capabilities and improving the company's operational efficiency. The Controlling Shareholder's management has also established a risk management system to identify, assess, and mitigate these risks.

RESULTS AND DIVIDENDS

As at 30 September 2020, the Company's net assets were RMB41,777 million, compared with RMB41,777 million as at 30 September 2019. The Company's net assets were RMB41,777 million as at 30 September 2020, compared with RMB41,777 million as at 30 September 2019.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Sell back of "17 Fosun 01" Corporate Bond

On 5 October 2020, the Company redeemed RMB1,580,500,000 of "17 Fosun 01" Corporate Bond (the "Bond") in full. The Company's net assets were RMB41,777 million as at 30 September 2020, compared with RMB41,777 million as at 30 September 2019. The Company's net assets were RMB41,777 million as at 30 September 2020, compared with RMB41,777 million as at 30 September 2019.

DIRECTORS

The Company's Board of Directors consists of seven members, including three independent non-executive directors.

Executive Directors

- Mr. Chen Qiyu (陳啟宇) (Chairman)
- Ms. Yao Fang (姚方) (Co-Chairman)
- Ms. Wu Yifang (吳以芳) (President and Chief Executive Officer)

Non-executive Directors

- Mr. Xu Xiaoliang (徐曉亮)
- Mr. Gao Ping (龔平)
- Mr. Pan Donghui (潘東輝)

Independent Non-executive Directors

- Ms. Jiang Hui (江蕙)
- Mr. Huang Tianyu (黃天祐)
- Ms. Li Ling (李玲)
- Mr. Tang Yuliang (湯谷良)

As at 30 September 2020, the Company's net assets were RMB41,777 million, compared with RMB41,777 million as at 30 September 2019. The Company's net assets were RMB41,777 million as at 30 September 2020, compared with RMB41,777 million as at 30 September 2019.

27 2019, 154,950 103 154,650 1%

17 2020, (1) 10

D

Participant	Date of Grant (dd-mm-yyyy)	Vesting Date (dd-mm-yyyy) ⁽¹⁾	Option share ⁽¹⁾	Exercise Period ⁽¹⁾	Outstanding options as at 1 January 2020	Adjusted during the Reporting Period ⁽²⁾	Exercise price per share ⁽³⁾	Forfeited or lapsed during the reporting period ⁽⁴⁾	Outstanding options as at 30 June 2020
		26-6-2020		26-6-2020 26-6-2029					
		31-3-2021	40%	31-3-2021 26-6-2029					
		31-3-2022		31-3-2022 26-6-2029					
	27-6-2019	31-3-2021	30%	31-3-2021 26-6-2029	151,350	1,362,150	542	(20,000)	1,493,500
		31-3-2022		31-3-2022 26-6-2029					
		31-3-2022	30%	31-3-2022 26-6-2029					

Note:

- (1) ...
- (2) ... 17 2020.
- (3) ... 17 2020.
- (4) D ... 20,000
- (5) D ...

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

As at 30 June 2020, the interests and short positions of substantial shareholders in the shares and underlying shares of the Company are as follows:

Name of Shareholders	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of Shares
■	B 0	■	48,803,000 () ⁽²⁾	8.84%
■	B 0	A	938,095,290 () ⁽²⁾	46.65%
■	B 0	■	48,803,000 () ⁽²⁾	8.84%
■	B 0	A	938,095,290 () ⁽²⁾	46.65%
■	B 0	■	48,803,000 () ⁽²⁾	8.84%
■	B 0	A	938,095,290 () ⁽²⁾	46.65%
■	B 0	■	48,803,000 () ⁽²⁾	8.84%
■	B 0	A	938,095,290 () ⁽²⁾	46.65%
▼	B 0	■	48,803,000 () ⁽²⁾	8.84%
▼	B 0	A	938,095,290 () ⁽²⁾	46.65%
■	B 0	A	114,075 ()	0.01%
■	B 0	■	38,723,000 ()	7.02%
■	B 0	■	38,707,016 ()	7.01%
■	B 0	■	28,195,990 ()	5.11%
■	B 0	■	782,000 ()	0.14%

Notes:

(1) () ; ()

(2) The interests of the substantial shareholders in the shares and underlying shares of the Company are as follows: 71.09% of the shares and 85.29% of the underlying shares of the Company are held by the substantial shareholders.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 June 2020, the directors and supervisors of the Company do not have any rights to acquire shares or debentures of the Company.

Interim Condensed Consolidated



For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
		RMB'000	B'000
		(Unaudited)	()
REVENUE	5	13,965,179	14,085,146
C		(6,215,872)	(5,598,983)
		7,749,307	8,486,163
	6	180,429	109,724
		(3,931,067)	(4,998,448)
A		(1,322,239)	(1,147,889)
		(1,204,425)	(849,383)
		(42,765)	(21,918)
	7	603,622	389,686
		(52,138)	(45,617)
		96,436	86,650
	8	(427,878)	(546,940)
		(46,558)	(25,933)
A		698,964	760,055
PROFIT BEFORE TAX	9	2,301,688	2,196,150
	10	(392,081)	(376,521)
PROFIT FOR THE PERIOD		1,909,607	1,819,629
A		1,714,710	1,516,120
		194,897	303,509
		1,909,607	1,819,629
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12	RMB0.67 Yuan	▼ B0.59
Ba			▼ B0.59
D		RMB0.67 Yuan	▼ B0.59

Interim Condensed Consolidated

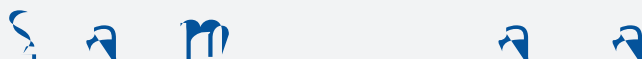


30 2020

For the six months ended 30 June

	2020 RMB'000 (Unaudited)	2019 B'000 ()
PROFIT FOR THE PERIOD	1,909,607	1,819,629
OTHER COMPREHENSIVE (LOSS)/INCOME		
() / () () () ()	(255,609)	100,825
() () ()	27,958	(30,026)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(227,651)	70,799
() () () () () () () () () ()	3,727	(26,819)
() () () ()	24	(5)
	3,751	(26,824)
() () ()	68,933	
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	72,684	(26,824)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(154,967)	43,975
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,754,640	1,863,604
() () () ()	1,660,547	1,544,923
() ()	94,093	318,681
	1,754,640	1,863,604

Interim Condensed Consolidated



30 June 2020

	Notes	30 June 2020 RMB'000 (Unaudited)	31 Dec 2019 B'000 (A)
NON-CURRENT ASSETS			
Property, plant and equipment	13	11,313,846	10,720,960
Intangible assets		2,389,837	2,454,742
Investments in subsidiaries		9,093,050	9,013,990
Investments in associates		9,238,300	9,036,246
Financial assets at fair value through profit or loss		356,204	381,332
Financial assets at fair value through other comprehensive income		21,712,444	20,491,557
Prepaid expenses and deposits		60,945	107,709
Other non-current assets		1,851,891	1,983,155
Derecognized financial assets		236,457	196,095
		1,300,703	1,273,605
		57,553,677	55,659,391
CURRENT ASSETS			
Accounts receivable	14	4,561,539	3,940,537
Prepaid expenses and deposits		5,271,488	4,607,722
Other receivables		1,628,029	1,420,087
Financial assets at fair value through profit or loss		992,812	456,651
Financial assets at fair value through other comprehensive income		354,915	445,103
Other current assets		9,750,416	9,533,268
		22,559,199	20,403,368
CURRENT LIABILITIES			
Accounts payable	15	2,864,017	2,397,315
Other payables		6,116,649	5,376,193
Contract liabilities	16	12,404,601	8,560,202
Financial liabilities at fair value through profit or loss		138,571	143,786
Financial liabilities at fair value through other comprehensive income		527,652	503,683
Other current liabilities		487,052	452,587
		22,538,542	17,433,766
NET CURRENT ASSETS		20,657	2,969,602
TOTAL ASSETS LESS CURRENT LIABILITIES		57,574,334	58,628,993

Interim Condensed Consolidated



For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
		RMB'000	B'000
		(Unaudited)	()
		Notes	
Cash	1,928,625		1,849,335
Change	(467,328)		(399,147)
Operating activities			
Net income	1,461,297		1,450,188
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(1,904,148)		(2,040,985)
Acquisition of subsidiaries	(8,400)	17	(133,162)
Disposal of subsidiaries	(192,431)		(174,524)
Disposal of long-term investments	(435,607)		(109,283)
Disposal of property, plant and equipment	151,917		35,418
Disposal of intangible assets	474,449		642,245
Disposal of financial assets	—		2,296
Disposal of other assets	67,961		41,866
Disposal of other intangible assets	—		1,039
Disposal of other non-current assets	18,718		20,053
Disposal of other non-current assets	1,708		—
Disposal of other non-current assets	5,439		26,015
Disposal of other non-current assets	50,228		—
Disposal of other non-current assets	(570,138)		570,562
Disposal of other non-current assets	(38,629)		39,801
Net change in cash			
Net change in cash	(2,378,933)		(1,078,659)

Interim Condensed Consolidated

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Notes to Interim Condensed Consolidated



30 June 2020

1. CORPORATE AND GROUP INFORMATION

The Group is a company incorporated in Hong Kong. The Group's principal activities are the provision of financial services, including the provision of insurance, investment management, and other financial services. The Group is a subsidiary of the parent company, which is a company incorporated in Hong Kong. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company.

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2. BASIS OF PREPARATION

The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company. The Group's financial statements are prepared in accordance with the accounting policies of the parent company.

Amended	Section 3	Definition of a Business
Amended	Section 9, Section 39 and Section 7	Interest Rate Benchmark Reform
Amended	Section 16	Covid-19-Related Rent Concessions (early adopted)
Amended	Section 1 and Section 8	Definition of Material

Notes to Interim Condensed Consolidated

Financial Statements

30 2020

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- 本集团按照《企业会计准则第28号——会计政策、会计估计及差错更正》的规定，对会计政策、会计估计及差错更正进行了变更。
- (a) 本集团按照《企业会计准则第3号——存货》的规定，对存货的计价方法进行了变更。变更前，本集团按照成本与可变现净值孰低的原则对存货进行计量。变更后，本集团按照成本与可变现净值孰低的原则对存货进行计量。变更后的会计政策自2020年1月1日起执行。
- (b) 本集团按照《企业会计准则第9号——职工薪酬》、《企业会计准则第39号——公允价值计量》及《企业会计准则第7号——非货币性资产交换》的规定，对职工薪酬、公允价值计量及非货币性资产交换进行了变更。变更后的会计政策自2020年1月1日起执行。
- (c) 本集团按照《企业会计准则第16号——政府补助》的规定，对政府补助进行了变更。变更前，本集团按照总额法对政府补助进行会计处理。变更后，本集团按照净额法对政府补助进行会计处理。变更后的会计政策自2020年1月1日起执行。
- D 30 2020, 本集团按照《企业会计准则第16号——政府补助》的规定，对政府补助进行了变更。变更前，本集团按照总额法对政府补助进行会计处理。变更后，本集团按照净额法对政府补助进行会计处理。变更后的会计政策自2020年1月1日起执行。
- (d) 本集团按照《企业会计准则第1号——存货》及《企业会计准则第8号——资产减值》的规定，对存货的计价方法及资产减值进行了变更。变更后的会计政策自2020年1月1日起执行。

Notes to Interim Condensed Consolidated



30 June 2020

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2019 (unaudited)

	2019 Mm	2019 Mm	2019 Mm	2019 Mm	2019 Mm	2019 Mm
Segment revenue:						
Revenue	10,814,123	1,792,865	1,458,512		19,646	14,085,146
Cost of sales	8,421	19,401	1,876		20,674	(50,372)
Segment results*						
Revenue	1,204,721	291,795	168,982		10,328	1,655,939
Cost of sales	75,540	13,034	3,681		3,326	95,581
Other operating expenses	281,499	(3,481)	(748)	7,274	2,679	287,223
Depreciation and amortisation	50,628	16,153	21,874		216	87,635
Finance income	(56,712)	(9,467)	(12,032)		(6,320)	(55,429)
Finance expense	(15,616)	(22,095)	(15,446)		1,121	(52,036)
Share of results of associates						
Share of results of associates	(25,565)	477			(845)	(25,933)
Share of results of associates	37,529	(25,330)	(13,655)	774,939	(13,428)	760,055
Other income						
Other income						115,621
Other income						(491,511)
Other income						(180,995)
Other income	1,552,024	261,086	152,656	782,213	(2,923)	2,196,150
Other income	(319,655)	(30,673)	(51,774)		(258)	(402,360)
Other income						25,839
Segment assets:						
Segment assets	36,425,494	6,874,258	10,781,464	12,429,996	4,362,843	69,383,471
Segment liabilities:						
Segment liabilities	399,018	12,808			9,134	420,960
Segment liabilities	2,153,707	948,143	3,232,275	12,429,996	3,085,411	21,849,532
Segment liabilities						4,249,250
Segment liabilities						73,632,721
Other segment information:						
Other segment information	502,504	85,220	133,338		19,190	740,252
Other segment information	2,435	19,425	6,493		(2,198)	26,155
Other segment information	1,016,436	85,165	160,766		95,489	1,357,856

* Segment results are reported on a cost of sales basis. The segment results are reported on a cost of sales basis. The segment results are reported on a cost of sales basis.

** The segment results are reported on a cost of sales basis. The segment results are reported on a cost of sales basis. The segment results are reported on a cost of sales basis.

Notes to Interim Condensed Consolidated

2020

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5. REVENUE

Revenue from contracts with customer

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 B'000 ()
Revenue from contracts with customer	13,951,418	14,066,560
Revenue from contracts with customer	13,761	18,586
	13,965,179	14,085,146

Disaggregated revenue information for revenue from contracts with customer
For the six months ended 30 June 2020 (unaudited)

Notes to Interim Condensed Consolidated



30 June 2020

5. REVENUE (Continued)

For the six months ended 30 June 2019 (unaudited)

S. M	B'000		B'000		B'000		B'000	
	▼	▼	▼	▼	▼	▼	▼	▼
Types of goods or services								
S. A	10,564,090	1,671,542	27,181				12,262,813	
	238,771	111,402	1,430,327		2,144		1,782,644	
S. A M. A	11,182	9,921					21,103	
	10,814,043	1,792,865	1,457,508		2,144		14,066,560	
Geographical markets								
▼ S. A C. A	8,288,825	1,024,242	1,457,508		406		10,770,981	
	2,525,218	768,623			1,738		3,295,579	
	10,814,043	1,792,865	1,457,508		2,144		14,066,560	
Timing of revenue recognition								
S. A	10,575,272	1,681,463	27,181				12,283,916	
S. A	128,209	41,595	1,430,327		2,144		1,602,275	
S. A	110,562	69,807					180,369	
	10,814,043	1,792,865	1,457,508		2,144		14,066,560	

Notes to Interim Condensed Consolidated

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6. OTHER INCOME

		For the six months ended 30 June	
		2020	2019
		RMB'000	B'000
		(Unaudited)	()
D	中 藥 集 團 藥 業 有 限 公 司	20,391	17,523
	中 藥 集 團 藥 業 有 限 公 司	158,367	92,104
	中 藥 集 團 藥 業 有 限 公 司	1,671	97
		180,429	109,724

7. OTHER GAINS

		For the six months ended 30 June	
		2020	2019
		RMB'000	B'000
		(Unaudited)	()
	中 藥 集 團 藥 業 有 限 公 司	87,209	27,528
	中 藥 集 團 藥 業 有 限 公 司	439,102	327,405
	中 藥 集 團 藥 業 有 限 公 司	—	2,186
		77,311	32,567
		603,622	389,686

8. FINANCE COSTS

		For the six months ended 30 June	
		2020	2019
		RMB'000	B'000
		(Unaudited)	()
	中 藥 集 團 藥 業 有 限 公 司	425,687	543,161
	中 藥 集 團 藥 業 有 限 公 司	12,188	12,355
	中 藥 集 團 藥 業 有 限 公 司	(9,997)	(8,576)
		427,878	546,940

Notes to Interim Condensed Consolidated

2020

30 June 2020

9. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 B'000 ()
C	4,932,900	4,263,438
C	1,282,972	1,335,545
5. (D) 'C ()	2,468,297	1,952,209
D	66,453	134,290
A D	83,795	67,904
5 -	39,516	46,956
	2,658,061	2,201,359
C	1,167,594	816,188
: &D *	46,028	12,128
	1,121,566	804,060
D	12,963	10,981
D	490,945	458,599
D	91,076	74,916
Am	254,247	206,737
()/	(917)	4,237
	42,765	21,918
	(439,102)	(327,405)
	(69,551)	(6,028)
	(1,621)	(18,465)

* ...

Notes to Interim Condensed Consolidated

2020

30 June 2020

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

For the six months ended 30 June 2020, the earnings per share attributable to ordinary equity holders of the parent is RMB1.714710 (2019: RMB1.516120).

The earnings per share attributable to ordinary equity holders of the parent is calculated as follows:

For the six months ended 30 June

	For the six months ended 30 June	
	2020	2019
	RMB'000	B'000
	(Unaudited)	()
Earnings	1,714,710	1,516,120
	1,714,710	1,516,120

For the six months ended 30 June

	Number of shares	
	For the six months ended 30 June	
	2020	2019
	(Unaudited)	()
Shares	2,562,898,545	2,563,006,778
	2,562,898,545	2,563,006,778

For the six months ended 30 June 2020.

Notes to Interim Condensed Consolidated

30 2020

13. PROPERTY, PLANT AND EQUIPMENT

	B'000 ()
Car 1 2020	10,720,960
A	1,191,624
A	14,953
D	(77,353)
D	(490,945)
	(45,393)

Car 30 2020 11,313,846

2019: B217,305,000 (31 D 2019: B133,709,000), 16

14. TRADE AND BILLS RECEIVABLES

	30 June 2020 RMB'000 (Unaudited)	31 D 2019 B'000 (A)
A	5,080,545	4,367,600
B	190,943	240,122
	5,271,488	4,607,722

2019: 4,607,722

Notes to Interim Condensed Consolidated

2020

30 2020

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2020 RMB'000 (Unaudited)	31 Dec 2019 RMB'000 (Audited)
Bank borrowings:	(1)	486,008	344,186
Other borrowings:		15,096,396	13,762,714
		15,582,404	14,106,900
Less: Finance charges	(2)	899,616	
Less: Other	(3)	6,876,099	7,030,209
		23,358,119	21,137,109
		(12,404,601)	(8,560,202)
		10,953,518	12,576,907

As at 30 June 2020, the carrying amount of bank borrowings is RMB15,096,396 thousand (2019: RMB13,762,714 thousand).

	30 June 2020 RMB'000 (Unaudited)	31 Dec 2019 RMB'000 (Audited)
Bank borrowings:		
1 year or less	12,404,601	8,560,202
2 to 5 years	7,833,867	6,860,077
5 years or more	2,633,443	5,395,435
	486,208	321,395
	23,358,119	21,137,109
	(12,404,601)	(8,560,202)
	10,953,518	12,576,907

Notes to Interim Condensed Consolidated

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30 June 2020

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

Notes:

(1) Bank loans

	අ ජ ජ ජ ජ ජ ජ	0.3000%	6.2000%	(31 D ජ ජ 2019: 0.7500%	7.5000%)	අ ජ ජ.
A ජ 30 2020,	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	(13)
අ ජ ජ	▼B217,305,000	(31 D ජ ජ 2019: ▼B133,709,000),	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	- -	අ ජ ජ ජ ජ
අ ජ ජ	▼B396,459,000	(අ ජ ජ ජ ජ ජ ජ	- -	අ ජ ජ ජ ජ ජ ජ	31 D ජ ජ 2019: ▼B303,453,000).	
A ජ 30 2020,	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B5,300,000 (31
D ජ ජ 2019: ▼B8,146,000)	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B4,376,000	(31 D ජ ජ 2019: ජ).

(2) Super Short-term Commercial Paper

2 ▼ ජ 2020,	C ජ ජ ජ	- ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B600,000,000,	අ ජ ජ 2.50%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	- ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	27 ජ ජ 2020.	
8 A 2020,	C ජ ජ ජ	- ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B300,000,000,	අ ජ ජ 2.20%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	- ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	7 2020.	

(3) Corporate bonds

4 ▼ ජ 2016,	C ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B3,000,000,000,	අ ජ ජ 3.35%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	4 ▼ ජ 2021.	4 ▼ ජ 2019, අ ජ ජ ජ ජ
අ ජ ජ	▼B5,500,000	අ ජ ජ ජ ජ ජ ජ	C ජ ජ ජ , අ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	4 ▼ ජ 2021.	අ ජ ජ 4.50%.
14 ▼ ජ 2017,	C ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B1,250,000,000,	අ ජ ජ 4.50%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	14 ▼ ජ 2022.	14 ▼ ජ 2020, අ ජ ජ ජ ජ
අ ජ ජ	▼B158,050,000	අ ජ ජ ජ ජ ජ ජ	C ජ ජ ජ , අ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	14 ▼ ජ 2022.	අ ජ ජ 3.48%.
13 A 2018,	C ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B1,300,000,000,	අ ජ ජ 5.10%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	13 A 2023.	
30 ජ ජ 2018,	C ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B500,000,000	අ ජ ජ 4.47% අ 4.68%
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	▼B1,000,000,000,	අ ජ ජ 30 ජ ජ 2022.
අ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ ජ ජ ජ ජ	අ ජ ජ 30 ජ ජ 2023.

Notes to Interim Condensed Consolidated

Financial Statements

30 2020

17. BUSINESS COMBINATION

On 19 June 2020, the Company acquired 50% of the equity interest of Deyuan (Shanghai) Pharmaceutical Co., Ltd. (Deyuan) from its former shareholders. The acquisition was completed on 19 June 2020. The fair value of the consideration transferred was RMB10,900,000. A goodwill of RMB10,900,000 was recognized on acquisition.

On 9 June 2020, the Company acquired 51% of the equity interest of Deyuan (Shanghai) Pharmaceutical Co., Ltd. (Deyuan) from its former shareholders. The acquisition was completed on 9 June 2020. The fair value of the consideration transferred was RMB5,250,000. A goodwill of RMB5,250,000 was recognized on acquisition.

The fair value of the identifiable intangible assets acquired in the business combination is as follows:

	Note	Fair value recognised on acquisition ▼ B'000 ()
Patent rights	13	14,953
Customer relationships		518
Other intangible assets		33,774
Identifiable intangible assets		11,142
Goodwill		40,494
Other intangible assets		14,529
Other intangible assets		(12,132)
Other intangible assets		(405)
Other intangible assets		(70,779)
Other intangible assets		32,094
Other intangible assets		(15,944)
Other intangible assets		16,150
Other intangible assets		16,150

The fair value of the identifiable intangible assets acquired in the business combination is as follows:

▼ B9,524,000, B40,494,000

Notes to Interim Condensed Consolidated

2020

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19. RELATED PARTY TRANSACTIONS

For the six months ended 30 June

(a) Sales of pharmaceutical products and services

	2020 RMB'000 (Unaudited)	2019 B'000 ()
For the six months ended 30 June		
2020		
RMB'000		
(Unaudited)		
2019		
B'000		
()		
1,395,932	1,567,956	
188,335	205,246	
98,576	216	
92,686	49,757	
68,855	42,836	
7,036	32,492	
4,315		
4,030	3,256	
2,555	1,453	
1,777	22	
1,612	4,702	
1,262		
737	1,575	
406	148	
42		
16		
16	17	
14	12	
13	60	
3		
—	17	
—	1	
1,868,218	1,909,766	

Notes to Interim Condensed Consolidated



30 June 2020

19. RELATED PARTY TRANSACTIONS (Continued)

(b) Purchase of pharmaceutical products and services

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 B'000 ()
From C, . (notes 4 & 6 & 15)	128,644	125,937
From C, . (notes 3 & 4 & 11 & 16)	96,578	1,156
From C, . (notes 4 & 9)	87,769	8,899
From C, . (notes 1 & 4 & 16)	2,266	410
From A & C, . (notes 1 & 4)	1,071	1,164
From A C, . (notes 1 & 4)	1,007	2,126
From D C, . (notes 2 & 4 & 17)	907	85
From D C, . (notes 4 & 9)	510	3,352
From C, . (notes 4 & 9)	33	
From C, . (notes 1 & 4)	23	
From B, . (notes 1 & 4)	—	1,318
From C, . (notes 1 & 4 & 18)	—	1,228
	318,808	145,675

(c) Leasing and property management services

As lessor	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 B'000 ()
From B C, . (notes 2 & 5)	6,106	5,310
From C, . (notes 3 & 5 & 12 & 16)	3,529	7,895
From C, . (notes 1 & 5)	733	
From D C, . (notes 2 & 5 & 17)	578	325
From D C, . (notes 5 & 7)	471	454
From C, . (notes 1 & 5 & 6)	413	131
From D	216	
From C, . (notes 1 & 5)	145	86
From C, . (notes 1 & 5)	65	
From C, . (notes 1 & 5)	—	264
	12,256	14,465

Notes to Interim Condensed Consolidated



30 June 2020

19. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to related parties (Continued)

	30 June 2020 RMB'000 (Unaudited)	31 D 2019 B'000 (A)
A loan from a related party		
A loan from C, M (notes 8 & 16)	52,274	38,779
A loan from C, M (notes 8 & 16) with an interest rate of 3%.		B10,884,000
A loan from D, M, C, . (notes 1 & 16)		B188,840,000
A loan from B, A, C, . (notes 2 & 16)		
	199,724	199,406
Loans to related parties		
A loan from (A, A) M (notes 1 & 16)	10,884	10,566
A loan from B, A, C, . (notes 2 & 16)	188,840	188,840
	199,724	199,406

(e) Interest income from/to related parties

	Six months ended 30 June 2020 RMB'000 (Unaudited)	2019 B'000 (A)
Interest income		
A loan from B, A, C, . (notes 2 & 16)	4,706	2,002
A loan from A, C, A, M (notes 8 & 16)	3,358	1,845
A loan from (A, A) M (notes 1 & 16)	160	154
	8,224	4,001

Notes to Interim Condensed Consolidated

Financial Statements

30 2020

19. RELATED PARTY TRANSACTIONS (Continued)

(e) Interest income from/to related parties (Continued)

During the period, the Group has entered into various financial transactions with related parties, including loans, deposits, and interest income. The interest income is calculated based on the applicable interest rates and terms of the transactions.

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000 (Audited)
Interest expense	1,058	1,619

Notes:

- (1) Interest income from related parties...
- (2) Interest income from related parties...
- (3) Interest income from related parties...
- (4) Interest income from related parties...
- (5) Interest income from related parties...
- (6) Interest income from related parties...
- (7) Interest income from related parties...
- (8) Interest income from related parties...
- (9) Interest income from related parties...
- (10) D, interest income from related parties...
- (11) D, interest income from related parties...
- (12) D, interest income from related parties...
- (13) D, interest income from related parties...

Notes to Interim Condensed Consolidated



30 June 2020

19. RELATED PARTY TRANSACTIONS (Continued)

(e) Interest income from/to related parties (Continued)

Notes (Continued)

- (14) D 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- (15) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- (16) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- (17) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- (18) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)

(f) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 B'000 ()
2020, 2019: B51,513,000 (31 D 2019: B4,030,000)	50,051	25,416
2020, 2019: B51,513,000 (31 D 2019: B4,030,000)	15,410	12,417
2020, 2019: B51,513,000 (31 D 2019: B4,030,000)	243	501
	65,704	38,334

(g) Outstanding balances with related parties

- () A 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- () A 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- () A 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- () A 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)
- () A 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000) 2020, 2019: B51,513,000 (31 D 2019: B4,030,000)

Notes to Interim Condensed Consolidated

2020

30 2020

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Unobservable inputs for Level 3 liabilities (Continued)

As at 30 June 2020, the fair value of the Group's financial instruments is RMB2,643,984,000 (31 December 2019: RMB2,818,244,000). The fair value measurement is based on the best available information and is subject to the uncertainty inherent in the use of unobservable inputs. The fair value measurement is based on the best available information and is subject to the uncertainty inherent in the use of unobservable inputs.

Fair value hierarchy

Assets measured at fair value:
As at 30 June 2020 (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	566	849	59,530	60,945
Financial liabilities	1,097,737	52,959	1,694,007	2,844,703
Derivatives	—	354,915	—	354,915
	1,098,303	408,723	1,753,537	3,260,563

As at 31 December 2019 (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	1,554	52,909	53,246	107,709
Financial liabilities	561,348	52,734	1,825,724	2,439,806
Derivatives	—	445,103	—	445,103
	562,902	550,746	1,878,970	2,992,618

Notes to Interim Condensed Consolidated

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20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 30 June 2020 (Unaudited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using		Total RMB'000
		Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Am	—	—	2,643,984	2,643,984

As at 31 December 2019 (Audited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using		Total RMB'000
		Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Am	(1)	(2)	(3)	
Am	—	—	209,286	209,286
Am	—	—	2,608,958	2,608,958
			2,818,244	2,818,244

	Six months ended 30 June	
	2020 RMB'000 (Unaudited)	2019 RMB'000
A 1	2,818,244	2,913,876
A	35,026	46,708
D	(209,286)	
A 30	2,643,984	2,960,584

D, W, A, A, M, M, W, 1, 2(M, 30, 2019: A).

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1. 本公司與中國醫藥集團有限公司（「中國醫藥」）訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

2. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

3. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

4. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

5. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

6. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

7. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

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9. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

10. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

11. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

12. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

13. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

14. 本公司與中國醫藥訂立獨家合作協議，共同開發及商業化中國醫藥在中國境內及境外的若干項藥物。

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