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FOSUN PHARMA 复星医药

上海復星醫藥（集團）股份有限公司

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

(a, c ed c a y c a ed he Pe e, Re, b c f Ch a h ed ab y)

(Stock Code: 02196)

2019 THIRD QUARTERLY REPORT

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

Chen Qiyu

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S ,t P ' R t C 29 O t 2019

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

2.1 Major financial information

Unit: million RMB

	30 September 2019	31 December 2018	Ratio of change (%)
Total assets	78,569,297,725.65	70,551,361,387.48	11.36
Net assets attributable to equity holders of the parent company	30,633,746,877.27	27,977,736,427.49	9.49
	Jan – Sept 2019	Jan – Sept 2018	Period-on-period change (%)
Net income	2,328,355,784.17	2,087,826,458.74	11.52
	Jan – Sept 2019	Jan – Sept 2018	Period-on-period change (%)
Operating profit	21,227,618,679.11	18,142,384,871.95	17.01
Net profit attributable to equity holders of the parent company	2,063,704,147.99	2,094,152,353.81	-1.45
Net profit attributable to equity holders of the parent company after deducting minority interest	1,722,388,028.34	1,591,668,096.39	8.21
Basic earnings per share (RMB/ share)	0.81	0.83	-2.41
Diluted earnings per share (RMB/ share)	0.81	0.83	-2.41

Notes: 1. In 2019, the Group's total assets increased by 11.36% compared with 2018, mainly due to the increase in the Group's net assets attributable to equity holders of the parent company, which increased by 9.49%.

2. In 2019, the Group's net income increased by 11.52% compared with 2018, mainly due to the increase in the Group's operating profit, which increased by 17.01%.

3. In 2019, the Group's net profit attributable to equity holders of the parent company decreased by 1.45% compared with 2018, mainly due to the decrease in the Group's net profit attributable to equity holders of the parent company after deducting minority interest, which decreased by 8.21%.

4. In 2019, the Group's basic earnings per share decreased by 2.41% compared with 2018, mainly due to the decrease in the Group's diluted earnings per share, which decreased by 2.41%.

5. In 2019, the Group's diluted earnings per share decreased by 2.41% compared with 2018, mainly due to the decrease in the Group's net profit attributable to equity holders of the parent company after deducting minority interest, which decreased by 8.21%.

6. In 2019, the Group's net profit attributable to equity holders of the parent company after deducting minority interest increased by 8.21% compared with 2018, mainly due to the increase in the Group's net profit attributable to equity holders of the parent company, which increased by 9.49%.

7. In 2019, the Group's net profit attributable to equity holders of the parent company increased by 9.49% compared with 2018, mainly due to the increase in the Group's net income, which increased by 11.52%.

8. In 2019, the Group's net income increased by 11.52% compared with 2018, mainly due to the increase in the Group's operating profit, which increased by 17.01%.

E t % t t % t t

t: t G : RMB

Items	Jul – Sept 2019	Jan – Sept 2019
G	6,698,974.15	54,877,229.54
G C	64,610,828.53	123,804,343.06
P	–95,402,673.43	231,996,093.58
N	48,756,541.22	27,391,712.25
I (t t)	–15,445,568.08	–33,058,160.48
E	–16,417,943.49	–63,695,098.30
T	–7,199,841.10	341,316,119.65

(3) S_1 is a C.F.

Unit: 1 G : RMB

Statement of Cash Flow				
Items	Jan – Sept 2019	Jan – Sept 2018	Ratio of change	Reasons of changes
Net cash generated from operating activities	-2,560,243,375.55	-4,338,289,449.60	40.98%	<p>Management has improved the efficiency of the business operation, and the operating activities have generated cash flow.</p> <p>SHL has received cash flow from the sale of the subsidiary CMF.</p> <p>SHL has received cash flow from the sale of the subsidiary R.</p> <p>SHL has received cash flow from the sale of the subsidiary P.</p>
Net cash used in investing activities	47,762,255.60	-31,014,791.25	254.00%	<p>Management has improved the efficiency of the business operation, and the investing activities have generated cash flow.</p> <p>SHL has received cash flow from the sale of the subsidiary R.</p> <p>SHL has received cash flow from the sale of the subsidiary P.</p>

3.2 A. $\frac{1}{2}\%$ $\frac{1}{2}\%$

1. T 2016 C % % % %
C %
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2018 MTN N. 208 S 2018 SCP N. 90) %
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P 100.00% (G 100.00%) C 100.00% 2019 / 100.00% C 100.00% 29 J 100.00%
/ 100.00% RMB300 100.00% 3.00%.

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) (% C %
t 12- % %2% % C).

At the end of the reporting period, the Company had 2,560,000 H Shares outstanding, which were valued at RMB53.54 per share. The Company's share price at the end of the reporting period was 0.10% higher than the closing price of the Company's shares on the last trading day of 2019.

3. On 27 November 2018, the Company issued 1,000,000 H Shares at a price of RMB53.54 per share, which were listed on the Shanghai Stock Exchange ("Shanghai Henlius"), and 1,000,000 H Shares at a price of HK\$49.60 per share, which were listed on the Hong Kong Stock Exchange ("Hong Kong Stock Exchange").

On 25 September 2019, the Company issued 1,000,000 H Shares at a price of HK\$49.60 per share, which were listed on the Hong Kong Stock Exchange. The Company's share price at the end of the reporting period was 53.76% higher than the closing price of the Company's shares on the last trading day of 2019.

On 17 October 2019, the Company issued 1,000,000 H Shares at a price of HK\$49.60 per share, which were listed on the Hong Kong Stock Exchange. The Company's share price at the end of the reporting period was 53.33% higher than the closing price of the Company's shares on the last trading day of 2019.

3.3 Financial Results

Net Profit

3.4 Financial Results

Net Profit

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

Legal Representative: Chen Qiyu

29 October 2019

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet

30 September 2019

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

Unit: million RMB Yuan; Amount in thousands of RMB Yuan

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

Consolidated balance sheet (Continued)

30 September 2019

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

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Balance Sheet of the Parent Company

30 September 2019

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

Unit: RMB T

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

Balance Sheet of the Parent Company (Continued)

30 September 2019

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

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of Accounting Department:
Chen Zhanyu

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Unit: _____ G _____: RMB T _____: _____: _____: _____

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Consolidated Income Statement (Continued)

July - September 2019

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

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Deputy Accounting Director:
Chen Zhanyu

Income Statement of the Parent Company

January – September 2019

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

Unit: RMB Ten Thousand Yuan

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



4.2 Information on adjustments to the initial implementation of financial statements at the beginning of the year for the initial implementation of New Financial Instruments Standards, New Income Standards and New Lease Standards

Consolidated balance sheet

1: 1 G : RMB

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Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term debt	8,630,661,547.43	8,630,661,547.43	
Borrowings	4,039,456,986.21	4,039,456,986.21	
Interest payable	—	—	
Provisions	—	—	
Long-term debt	—	325,992,167.00	-325,992,167.00
Long-term debt	416,889,805.19	398,095,841.52	18,793,963.67
Debt	363,489,177.57	363,489,177.57	
Debt	2,908,359,008.27	2,908,359,008.27	
Other	2,676,545,098.82	2,676,545,098.82	
Total	19,035,401,623.49	19,342,599,826.82	-307,198,203.33
Total	36,958,648,011.82	37,348,299,890.45	-389,651,878.63
Equity (or shareholders' interests):			
Preferred shares	2,563,060,895.00	2,563,060,895.00	
Common shares	10,544,648,359.54	10,544,648,359.54	
Long-term debt	1,711,169.00	1,711,169.00	
Other	-274,779,732.99	-274,779,732.99	
Share	2,374,999,312.51	2,374,999,312.51	
Share	12,771,518,762.43	12,771,518,762.43	
Total	27,977,736,427.49	27,977,736,427.49	
Net	5,614,976,948.17	5,614,976,948.17	
Total Equity	33,592,713,375.66	33,592,713,375.66	
Total	70,551,361,387.48	70,941,013,266.11	-389,651,878.63

Equity (or shareholders' interests):

For 1 January 2019, the Group's net assets are \$1,000,000,000, which is the same as the amount reported in the 2018 financial statements.

The Group's net assets are \$1,000,000,000, which is the same as the amount reported in the 2018 financial statements. The Group's net assets are \$1,000,000,000, which is the same as the amount reported in the 2018 financial statements.

Balance Sheet of the Parent Company

Unit: million RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and cash equivalents	850,102,168.54	850,102,168.54	
Accounts receivable	6,914,735,852.92	6,914,735,852.92	
Interest receivable	230,691,574.83	230,691,574.83	
Dividends receivable	307,409,680.05	307,409,680.05	
Notes receivable	1,625,000,000.00	1,625,000,000.00	
Other receivables	158,570,000.00	158,570,000.00	
Total	9,548,408,021.46	9,548,408,021.46	
Non-current assets:			
Derivative financial assets	5,465,151,645.71	5,465,151,645.71	
Long-term equity investments	22,999,277,541.00	22,999,277,541.00	
Other non-current assets	37,626,487.24	37,626,487.24	
Other non-current assets	184,188,803.45	184,188,803.45	
Financial assets at fair value through profit or loss	7,158,298.77	7,158,298.77	
Other non-current assets	2,305,418.41	2,305,418.41	
Intangible assets	1,840,272.04	1,840,272.04	
Total	28,697,548,466.62	28,697,548,466.62	
Total	38,245,956,488.08	38,245,956,488.08	
Current liabilities:			
Short-term debt	2,959,000,000.00	2,959,000,000.00	
Accounts payable	124,637,901.93	124,637,901.93	
Trade payables	43,694,651.68	43,694,651.68	
Other payables	1,357,247,173.94	1,357,247,173.94	
Interest payable	172,658,261.16	172,658,261.16	
Dividends payable	229,468.00	229,468.00	
Notes payable	3,769,010,861.94	3,769,010,861.94	
Other payables	5,313,103.87	5,313,103.87	
Total	8,258,903,693.36	8,258,903,693.36	

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term debt	66,740,000.00	66,740,000.00	
Borrowings	4,039,456,986.21	4,039,456,986.21	
Interest payable	—	—	
Provisions	—	—	
Deferred income	550,000.00	550,000.00	
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79	
Trade payables	5,257,765,860.00	5,257,765,860.00	
Trade receivables	13,516,669,553.36	13,516,669,553.36	
Equity (including minority interest):			
Preferred shares (including minority interest)	2,563,060,895.00	2,563,060,895.00	
Common shares	14,231,054,756.04	14,231,054,756.04	
Long-term debt	1,711,169.00	1,711,169.00	
Other	-279,100,142.24	-279,100,142.24	
Share-based payment	1,247,565,522.50	1,247,565,522.50	
Share-based payment	6,968,417,072.42	6,968,417,072.42	
Trade payables (including minority interest)	24,729,286,934.72	24,729,286,934.72	
Trade receivables (including minority interest)	38,245,956,488.08	38,245,956,488.08	

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

For 1 January 2019, the Group applied the New Financial Instruments Standards and New Lease Standards retrospectively to the beginning of the reporting period, i.e., 1 January 2019.

The Group has applied the New Financial Instruments Standards and New Lease Standards retrospectively to the beginning of the reporting period, i.e., 1 January 2019. The Group has applied the New Financial Instruments Standards and New Lease Standards retrospectively to the beginning of the reporting period, i.e., 1 January 2019. The Group has applied the New Financial Instruments Standards and New Lease Standards retrospectively to the beginning of the reporting period, i.e., 1 January 2019.

4.4 Audited report

The Group has applied the New Financial Instruments Standards and New Lease Standards retrospectively to the beginning of the reporting period, i.e., 1 January 2019.