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

(Stock Code: 02196)

2020 FIRST 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 2020 first quarterly report of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the "Company", together with its subsidiaries, collectively the "Group") (the "2020 First Quarterly Report") for the three months ended 31 March 2020 (the "Reporting Period"). The financial report therein is prepared in accordance with the PRC Accounting Standards for Business Enterprises and is unaudited.

By order of the Board

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

Chairman

Chairman

Shanghai, the People's Republic of China

29 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chen Qiyu, Mr. Yao Fang and Mr. Wu Yifang; the non-executive directors of the Company are Mr. Xu Xiaoliang and Ms. Mu Haining; and the independent non-executive directors of the Company are Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin, Ms. Li Ling and Mr. Tang Guliang.

* for identification purposes only

1. IMPORTANT NOTICE

1.1 The board of directors (the “**B. a**”) and the supervisory committee (the “**S. y 2**
C. m m”) of the Company and its directors, supervis

2.2 Total number of shareholders, the shareholding status of the Top 10 shareholders and the Top 10 tradable shareholders (or unrestricted shareholders) of the Company at the end of the Reporting Period

Unit: Share

Total number of shareholders						160,032
Top 10 shareholders						
Name of shareholder	Shareholding amount	Percentage (%)	Number of shares	Shareholding status		Category
				State-owned	Non-state-owned	
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	938,095,290	36.60	0	None	0	Domestic non-state owned legal entity
HKSCC NOMINEES LIMITED (Note 1)	551,253,348	21.51	0	Unknown	—	Unknown
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	39,122,682	1.53	0	None	0	Unknown
CHINA SECURITIES FINANCE CORPORATION LIMITED	38,736,157	1.51	0	None	0	State owned legal entity
CHINA LIFE INSURANCE COMPANY LIMITED — TRADITIONAL — ORDINARY INSURANCE PRODUCT — 005L — CT001 SHANGHAI*	26,772,761	1.04	0	None	0	Others
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	0.94	0	None	0	State owned legal entity
NATIONAL SOCIAL INSURANCE FUND — 110 PORTFOLIO*	19,471,982	0.76	0	None	0	Others
NATIONAL SOCIAL INSURANCE FUND — 113 PORTFOLIO*	18,720,582	0.73	0	None	0	Others
BASIC PENSION INSURANCE FUND 802 PORTFOLIO*	14,519,677	0.57	0	None	0	Others
ABU DHABI INVESTMENT AUTHORITY	13,790,532	0.54	0	None	0	Overseas legal entity

Top 10 preferred shareholders			
Name of shareholder	Number of shares	Type of shares	
		Type	Number
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	938,095,290	RMB ordinary shares	938,095,290
HKSCC NOMINEES LIMITED (Note 1)	551,253,348	Overseas listed foreign shares	551,253,348
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	39,122,682	RMB ordinary shares	39,122,682
CHINA SECURITIES FINANCE CORPORATION LIMITED	38,736,157	RMB ordinary shares	38,736,157
CHINA LIFE INSURANCE COMPANY LIMITED — TRADITIONAL — ORDINARY INSURANCE PRODUCT — 005L — CT001 SHANGHAI*	26,772,761	RMB ordinary shares	26,772,761
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	RMB ordinary shares	24,067,700
NATIONAL SOCIAL INSURANCE FUND — 110 PORTFOLIO*	19,471,982	RMB ordinary shares	19,471,982
NATIONAL SOCIAL INSURANCE FUND — 113 PORTFOLIO*	18,720,582	RMB ordinary shares	18,720,582
BASIC PENSION INSURANCE FUND 802 PORTFOLIO*	14,519,677	RMB ordinary shares	14,519,677
ABU DHABI INVESTMENT AUTHORITY	13,790,532	RMB ordinary shares	13,790,532
Description of the related relationship or concerted action of the above shareholders	The Company does not know if any related relationship or concerted action exists between the abovementioned shareholders of tradable shares.		
Description of resumed voting rights and shareholdings of preferred shareholders	Not applicable		

Note 1: HKSCC NOMINEES LIMITED, i.e. Hong Kong Securities Clearing Company Nominees Limited, is holding shares on behalf of multiple clients (shares held by it at the end of the Reporting Period includes 39,549,500 H shares held by Shanghai Fosun High Technology (Group) Company Limited* (“**上海外灘**”) through it, representing approximately 1.54% of the total share capital of the Company at the end of the Reporting Period);

Note 2: HONG KONG SECURITIES CLEARING COMPANY LIMITED is the nominee holder of the RMB ordinary shares under Shanghai-Hong Kong Stock Connect.

2.3 Total number of preferred shareholders, the shareholding status of the Top 10 preferred shareholders and the Top 10 unrestricted preferred shareholders of the Company at the end of the Reporting Period

Not applicable

3. SIGNIFICANT EVENTS

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

(1) Balance Sheet

Unit: Yuan Currency: RMB

	Balance Sheet			
Item	Reported Period	Preceding Period	Ratio	Reason
Prepayments	571,708,238.64	415,675,156.23	37.54%	Mainly due to an increase in prepayments for goods during the Reporting Period
Other equity instrument investments	55,769,226.50	107,709,225.73	-48.22%	Mainly due to disposal of financial assets during the Reporting Period
Non-current liabilities due within one year	1,481,360,953.84	2,562,263,003.09	-42.19%	Mainly due to the transfer of 10,919,500 “17 Fosun 01” corporate bonds that were not resold from “non-current liabilities due within one year” to “bonds payable” during the Reporting Period
Other current liabilities	650,793,091.51	248,969,275.20	161.39%	Mainly due to the issuance of super short-term commercial papers by the Company during the Reporting Period

(2) Income Statement

Unit: Yuan Currency: RMB

Item	Income Statement		Ratio	Remarks
	Amount in million RMB	Amount in million RMB		
	Jan-Mar 2020	Jan-Mar 2019		
Finance costs	134,596,959.18	258,127,521.35	-47.86%	Mainly due to a decrease in interest expenses resulting from the decline in the interest rate on debts and a year-on-year decrease in the size of interest-bearing debts, and the contribution of foreign exchange gain generated from the sales revenue denominated in US dollars of the holding subsidiaries during the Reporting Period
Credit impairment losses	-7,498,401.55	-4,720,449.00	58.85%	Mainly due to an increase in impairment allowance calculated based on the expected credit loss model during the Reporting Period
Other gains	70,937,203.19	34,713,805.24	104.35%	Mainly due to an increase in government grants during the Reporting Period
Investment income	648,893,977.75	328,064,466.57	97.79%	Mainly due to the income from disposal of financial assets during the Reporting Period
Including: Investment income from associates and joint ventures	200,980,741.68	301,612,698.90	-33.36%	Mainly due to the impact of COVID-19 on the operating results of associates and joint ventures during the Reporting Period
Gains from changes in fair value	-225,919,466.35	170,720,597.64	-232.33%	Mainly due to the transfer of the cumulative gain from fair value change of RMB190 million into investment income due to disposal of financial assets during the Reporting Period
Gains from disposal of assets	735,940.17	73,218.41	-905.13%	Mainly due to the effect of disposal of fixed assets during the Reporting Period
Non-operating expenses	23,765,445.48	9,432,937.57	151.94%	Mainly due to an increase in charitable donations during the Reporting Period
Profit and loss attributable to non-controlling interests	71,291,360.71	138,547,564.24	-48.54%	Mainly due to the impact of COVID-19 on the profit for the current period of non-wholly-owned subsidiaries including Shine Star (Hubei) Biological Engineering Co., Ltd.* during the Reporting Period
Other comprehensive income	-212,468,168.48	11,092,063.50	-2,015.50%	Mainly due to the foreign currency translation difference arising from the fluctuations in the exchange rate

(3) Statement of Cash Flow

Unit: Yuan Currency: RMB

Item	Statement of Cash Flow		Ratio	Remarks
	Year Ended	Year Ended		
	Jan-Mar 2020	Jan-Mar 2019		
Effects of exchange rate fluctuations on cash and cash equivalents	-7,799,414.34	-76,518,604.67	89.81%	Mainly due to the foreign exchange rate fluctuations during the Reporting Period

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

1. Fosun High Tech (and/or by parties acting in concert with it) intended to further increase its shareholding in the Company (including A shares and/or H shares) via the trading system of the Shanghai Stock Exchange (the “SSE”) (including the Shanghai-Hong Kong Stock Connect) from 19 September 2019 to 18 September 2020, if and where appropriate, and the cumulative total amount thereof shall not be less than RMB100 million. The corresponding increased shareholding percentage shall not in aggregate exceed 2% of total issued shares of the Company as at 19 September 2019 (i.e. 2,562,898,545 shares, the same for below) (and the aggregate number of shares of the Company to be acquired in the 12-month period shall also not exceed 2% of the total issued shares of the Company).

As at the end of the Reporting Period, Fosun High Tech acquired a total of 7,116,000 H shares of the Company for an aggregate amount equivalent to approximately RMB148.9894 million since the implementation of the above shareholding increase plan, representing approximately 0.28% of the total issued shares of the Company as at 19 September 2019.

2. The issuance of the first tranche of super short-term commercial papers of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* for 2020 was completed by the Company on 2 March 2020 with an actual issuing amount of RMB600 million in total and a final coupon rate at 2.50%.
3. According to the right of adjustment to the coupon rate and investors’ sell-back option as provided in the “Offering Memorandum for the Public Issuance of Corporate Bonds (First Tranche) to qualified investors in 2017 by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*”, during the Reporting Period, the Company decided to reduce the coupon rate of “17 Fosun 01” corporate bonds from 4.50% to 3.48% (such adjusted rate will remain unchanged in the coming interest-bearing years), and made payment of the principal amount and the current interest to the holders who had made valid applications for selling back of 1,580,500 “17 Fosun 01” corporate bonds.

As at the date of the disclosure of this report, the above sell-back corporate bonds have been cancelled by the Company; after completion of such cancellation, the number of “17 Fosun 01” corporate bonds with a nominal value of RMB100 each listed and traded on the SSE was reduced to 10,919,500.

4. On 30 March 2020, the twelfth meeting of the eighth session of the Board reviewed and approved relevant proposals regarding the listing plan of the subsidiary Shanghai Henlius Biotech Company Limited* (“S a _ r a H P r , ”) to the Science and Technology Innovation Board of the SSE, and agreed the initial public offering of RMB ordinary shares (A shares) of Shanghai Henlius in the PRC and its listing and trading on the Science and Technology Innovation Board of the SSE. The listing of Shanghai Henlius on the Science and Technology Innovation Board of the SSE and other matters shall be submitted to, among others, the general meetings of the Company and Shanghai Henlius for consideration and approval, and the SSE for review, and filed to China Securities Regulatory Commission for the issuance registration process.

3.3 Failure to perform undertakings during the Reporting Period

Not applicable

- 3.4 Warning on any potential loss in the 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 the accumulated net profit as compared with the corresponding period of the previous year and the reasons thereof

Not applicable

S a _ r a F _ r P a m a Q _ a (G _ r) C . , L t . *
Legal Representative: C _ r Q / 2 , r
29 April 2020

C - P - S (Continued)
31 March 2020

Item	31 Mar 2020	31 Dec 2019
Current liabilities:		
Short-term loans	7,274,455,099.17	6,358,286,948.48
Bills payable	221,661,444.00	244,567,689.32
Trade payable	2,272,334,650.77	2,152,746,846.36
Contract liabilities	503,641,479.48	503,683,074.94
Wages payable	555,264,612.70	697,396,874.80
Tax payable	611,425,590.73	759,627,944.44
Other payables	3,762,365,477.40	3,906,223,749.08
Including: Interest payable	—	—
Dividends payable	125,301,043.68	127,956,011.68
Non-current liabilities due within one year	1,481,360,953.84	2,562,263,003.09
Other current liabilities	650,793,091.51	248,969,275.20
Total current liabilities	17,333,302,399.60	17,433,765,405.71
Non-current liabilities:		
Long-term loans	7,397,945,656.53	7,293,043,830.91
Bonds payable	6,375,042,127.46	5,283,863,183.83
Lease liabilities	407,883,302.37	410,188,347.41
Long-term payables	263,504,328.00	251,212,082.14
Deferred income	409,969,377.67	417,345,041.75
Deferred tax liabilities	2,940,898,243.16	2,994,047,852.28
Other non-current liabilities	2,868,112,325.06	2,831,966,595.12
Total non-current liabilities	20,663,355,360.25	19,481,666,933.44
Total liabilities	37,996,657,759.85	36,915,432,339.15
Equity:		
Share capital	2,562,898,545.00	2,562,898,545.00
Capital reserve	12,539,753,347.23	12,143,652,211.28
Less: Treasury shares	—	—
Other comprehensive income	-490,365,699.01	-467,993,508.26
Surplus reserve	2,523,799,886.55	2,523,799,886.55
Unappropriated profits	15,595,587,466.86	15,125,708,928.46
Total equity attributable to the owners of the parent company	32,731,673,546.63	31,888,066,063.03
Non-controlling interests	6,863,301,311.22	7,316,147,261.14
Total equity	39,594,974,857.85	39,204,213,324.17
Total liabilities and equity	77,591,632,617.70	76,119,645,663.32

Legal Representative:

C P Q2

Chief Financial Officer:

G P X a

Director of the Accounting Department:

C P Z a Y2

C - r - a - l - I - m - S - a - m - e
January – March 2020

P - a - r - t - o - f - 2 - S - a - r - a - F - i - n - a - n - c - i - a - l - (-) - C - o - m - p - a - n - y - L - i - m - i - t - e - d - *
P a r t 2: S a r a F i n a n c i a l () C o . , L i m . *

Unit: Yuan Currency: RMB Type of audit: Unaudited

I t e m	J a n - M a r 2 0 2 0	J a n - M a r 2 0 1 9
I. Total operating revenue	5,880,507,166.48	6,730,014,185.66
Including: Operating revenue	5,880,507,166.48	6,730,014,185.66
II. Total operating costs	5,576,832,517.94	6,266,811,766.48
Including: Operating costs	2,638,651,824.34	2,751,001,117.33
Tax and surcharges	43,445,065.85	58,947,695.15
Selling and distribution expenses	1,681,048,351.68	2,262,003,333.95
General and administrative expenses	586,456,367.31	543,102,357.96
Research and development expenses	492,633,949.58	393,629,740.74
Finance costs	134,596,959.18	258,127,521.35
Including: Interest expenses	222,690,569.09	271,887,442.33
Interest income	49,695,997.15	41,972,317.30
Plus: Other gains	70,937,203.19	34,713,805.24
Investment income (“-” indicating loss)	648,893,977.75	328,064,466.57
Including: Investment income from associates and joint ventures	200,980,741.68	301,612,698.90
Gains from changes in fair value (“-” indicating loss)	-225,919,466.35	170,720,597.64
Credit impairment losses (“-” indicating loss)	-7,498,401.55	-4,720,449.00
Asset impairment losses (“-” indicating loss)	-1,242,991.92	-1,222,223.84
Gains from disposal of assets (“-” indicating loss)	735,940.17	73,218.41
III. Operating profit (“-” indicating loss)	789,580,909.83	990,831,834.20
Plus: Non-operating revenue	3,545,284.18	2,913,052.71
Less: Non-operating expenses	23,765,445.48	9,432,937.57
IV. Total profit (“-” indicating total loss)	769,360,748.53	984,311,949.34
Less: Income tax expenses	120,871,338.48	133,472,724.24
V. Net profit (“-” indicating net loss)	648,489,410.05	850,839,225.10
(i) Classification according to the continuity of operation		
1. Net profit from continuing operation (“-” indicating net loss)	648,489,410.05	850,839,225.10
2. Net profit from discontinued operation (“-” indicating net loss)	—	—
(ii) Classification according to ownership		
1. Net profit attributable to the owners of the parent company (“-” indicating net loss)	577,198,049.34	712,291,660.86
2. Profit or loss attributable to non-controlling interests (“-” indicating net loss)	71,291,360.71	138,547,564.24

C - P - S I - m S t t m t
 (Continued)
 January – March 2020

I t	Ja r- Ma 2020	Ja r- Ma 2019
VI. Other comprehensive income, net of tax	-212,468,168.48	11,092,063.50
Other comprehensive income attributable to the owners of the parent company, net of tax	-129,691,701.69	-2,951,893.59
(i) Other comprehensive income not reclassified subsequently to profit or loss	-1,355,524.53	-21,871,836.76
1. Changes as a result of remeasurement of net defined benefit plan liability or asset	—	—
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	—
3. Changes in fair value of other equity instrument investments	-1,355,524.53	-21,871,836.76
4. Changes in fair value of credit risk	—	—
(ii) Other comprehensive income reclassified subsequently to profit or loss	-128,336,177.16	18,919,943.17
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	1,454,880.04	-12,283,725.05
2. Difference in translation of foreign currency	-129,791,057.20	31,203,668.22
Other comprehensive income attributable to non-controlling interests, net of tax	-82,776,466.79	14,043,957.09
VII. Total comprehensive income	436,021,241.57	861,931,288.60
Total comprehensive income attributable to the owners of the parent company	447,506,347.65	709,339,767.27
Total comprehensive income attributable to non-controlling interests	-11,485,106.08	152,591,521.33
VIII. Earnings per share:		
(i) Basic earnings per share (yuan/share)	0.23	0.28
(ii) Diluted earnings per share (yuan/share)	0.23	0.28

Legal Representative:

C P Q2

Chief Financial Officer:

G X a

Director of the Accounting Department:

C P Z aY2

C... S... C... F...
January – March 2020

P... Y2: S... F... (G...) C... L...*

Unit: Yuan Currency: RMB Type of audit: Unaudited

	Jan-Mar 2020	Jan-Mar 2019
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	6,312,668,641.25	6,677,322,764.10
Refund of taxes and levies	44,609,539.06	37,042,691.26
Other cash received relating to operating activities	316,854,825.84	160,916,355.01
Sub-total of cash inflow generated from operating activities	6,674,133,006.15	6,875,281,810.37
Cash paid for purchasing goods and receiving services	2,587,106,505.32	2,601,547,266.16
Cash paid to and on behalf of employees	1,402,459,922.07	1,215,734,936.88
Cash paid for all types of taxes	643,718,913.70	657,649,909.92
Other cash paid relating to operating activities	1,658,351,182.12	1,992,160,904.12
Sub-total of cash outflow generated from operating activities	6,291,636,523.21	6,467,093,017.08
Net cash flow generated from operating activities	382,496,482.94	408,188,793.29
II. Cash flow from investing activities:		
Cash received from disposal of investments	507,078,987.64	111,810,739.54
Cash received from returns on investments	37,370,403.84	3,266,147.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,882,654.00	967,744.29
Net cash received from disposal of subsidiaries and other operating segments	—	—
Other cash received relating to investing activities	36,408,627.14	173,515,365.40
Sub-total of cash inflow generated from investing activities	582,740,672.62	289,559,996.33
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,030,263,387.49	1,243,794,631.29
Cash paid for investments	114,401,656.27	211,779,533.27
Net cash paid for acquisition of subsidiaries and other operating segments	—	61,081,534.21
Other cash paid relating to investing activities	642,011,878.28	377,739,578.50
Sub-total of cash outflow generated from investing activities	1,786,676,922.04	1,894,395,277.27
Net cash flow generated from investing activities	-1,203,936,249.42	-1,604,835,280.94
III. Cash flow from financing activities:		
Cash received from capital contribution	55,193,059.40	960,000.00
Including: Cash received by subsidiaries from investments of non-controlling interests	55,193,059.40	960,000.00
Cash received from borrowings	3,892,548,432.12	4,171,857,348.29
Cash received from issuing bonds	—	—
Other cash received relating to financing activities	5,324,552.30	14,930,964.53
Sub-total of cash inflow generated from financing activities	3,953,066,043.82	4,187,748,312.82
Cash paid for debts settlement	2,278,576,666.70	2,693,829,219.70
Cash paid for the distribution of dividends, profits or interest	405,288,782.35	419,279,093.57
Including: Dividends and profits paid by subsidiaries to non-controlling interests	80,046,877.94	42,786,626.42
Other cash paid relating to financing activities	601,112,295.69	280,427,585.54
Sub-total of cash outflow generated from financing activities	3,284,977,744.74	3,393,535,898.81
Net cash flow generated from financing activities	668,088,299.08	794,212,414.01
IV. Effect of exchange rate changes on cash and cash equivalents	-7,799,414.34	-76,518,604.67
V. Net change in cash and cash equivalents	-161,150,881.74	-478,952,678.31
Plus: Opening balance of cash and cash equivalents	8,284,371,152.04	7,175,005,107.37
VI. Closing balance of cash and cash equivalents	8,123,220,270.30	6,696,052,429.06

Legal Representative:

C... Q2

Chief Financial Officer:

G... X... M

Director of the Accounting Department:

C... Z... Y2

