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FOSUNPHARMA **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)

2016 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 2016 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**” or “**Fosun Pharma**”, together with its subsidiaries, collectively the “**Group**”) (the “**2016 Third Quarterly Report**”). 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, the People's Republic of China

28 October 2016

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. Guo Guangchang, Mr. Wang Qunbin, Ms. Kang Lan and Mr. Wang Can; the independent non-executive directors of the Company are Mr. Cao Huimin, Mr. Jiang Xian, Dr. Wong Tin Yau Kelvin and Mr. Wai Shiu Kwan Danny.

* *for identification purposes only*

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and the supervisory committee of the Company and its directors, supervisors and senior management warrant that the 2016 Third Quarterly Report of the Group does not contain any false information, misleading statements or material omission and severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of the contents contained herein.
- 1.2 All directors of the Company attended the Board meeting to review the 2016 Third Quarterly Report of the Group.
- 1.3 Mr. Chen Qiyu, the person in charge of the Company, Ms. Guan Xiaohui, the Chief Financial Officer and Ms. Yan Jia, the Director of the Accounting Department (Accounting Officer) duly declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in the 2016 Third Quarterly Report of the Group.
- 1.4 The 2016 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

	30 September 2016	31 December 2015	Ratio of change (%)
Total assets	42,244,099,360.71	38,201,725,757.65	10.58
Owners' equity (or shareholders' equity)	19,617,469,098.43	18,181,570,108.38	7.90
	Jan — Sep 2016	Jan — Sep 2015	Period-on-period change (%)
Net cash flow generated from operating activities	1,523,486,172.75	1,161,951,526.99	31.11

	Jan — Sep 2016	Jan — Sep 2015	Period-on-period change (%)
Operating revenue	10,637,985,462.00	9,073,497,568.10	17.24
Net profit attributable to shareholders of the listed company	2,176,888,747.95	1,890,969,457.31	15.12
Net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss	1,661,132,514.92	1,308,763,589.43	26.92
Weighted average return on net assets (%)	11.47	11.06	Increased by 0.41 percentage points
Basic earnings per share (RMB/share)	0.94	0.82	14.63
Diluted earnings per share (RMB/share)	0.94	0.82	14.63

Extraordinary items and amounts

Unit: Yuan Currency: RMB

Items	Jul — Sep 2016	Jan — Sep 2016	Description
Profit or loss on disposal of non-current assets	-881,080.56	257,826,658.19	Mainly due to gains arising from disposal of available-for-sale financial assets and reclassification of changes in fair value of available-for-sale financial assets previously measured at cost during the Reporting Period
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)	30,470,538.95	82,312,805.08	
Profit or loss from changes in fair value arising from holding held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, except effective hedging business related to the Company's normal operations	158,641,058.42	247,505,794.04	Mainly due to the disposal of available-for-sale financial assets by the Group during the Reporting Period
Non-operating income and expenses other than those stated above	-4,738,786.30	-2,929,670.46	
Effect of income tax	-39,455,630.32	-52,285,195.99	
Impact on minority interests (after tax)	-9,603,443.79	-16,674,157.83	
Total	134,432,656.40	515,756,233.03	

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					73,256	
The shareholding status of the Top 10 shareholders						
Name of shareholders	Shareholding at the end of the Reporting Period	Percentage (%)	Number of restricted shares held	Shares pledged or locked up		Capacity
				Status	Number	
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED* (“FOSUN GROUP”)	926,205,264	40.02%	0	None	0	Domestic non- state owned legal entity
HKSCC NOMINEES LIMITED <i>(Note 1)</i>	402,637,800	17.40%	0	Unknown	—	Unknown
CHINA SECURITIES FINANCE CORPORATION LIMITED*	51,353,871	2.22%	0	None	0	Others
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	1.04%	0	None	0	Others
HONG KONG SECURITIES CLEARING COMPANY LIMITED <i>(Note 2)</i>	23,762,025	1.03%	0	None	0	Unknown
XINHUA LIFE INSURANCE CO., LTD. — DIVIDEND — GROUP DIVIDEND — 018L — FH001 SHANGHAI*	22,502,864	0.97%	0	None	0	Unknown
NORGES BANK — OWN FUNDS	20,064,551	0.87%	0	None	0	Unknown
FOTIC SPRINGS SELECTED I*	16,966,137	0.73%	0	None	0	Unknown
PING AN TRUST CO., LTD — ELITE INVESTMENT • SPRINGS CAPITAL*	16,205,684	0.70%	0	None	0	Unknown
BANK NEGARA MALAYSIA	15,120,547	0.65%	0	None	0	Unknown

The shareholding status of the Top 10 unrestricted shareholders			
Name of the shareholders	Number of unrestricted tradable shares held	Type and number of shares	
		Type	Number
FOSUN GROUP	926,205,264	RMB ordinary shares	926,205,264
HKSCC NOMINEES LIMITED <i>(Note 1)</i>	402,637,800	Overseas listed foreign shares	402,637,800
CHINA SECURITIES FINANCE CORPORATION LIMITED*	51,353,871	RMB ordinary shares	51,353,871
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	RMB ordinary shares	24,067,700
HONG KONG SECURITIES CLEARING COMPANY LIMITED <i>(Note 2)</i>	23,762,025	RMB ordinary shares	23,762,025
XINHUA LIFE INSURANCE CO., LTD. — DIVIDEND — GROUP DIVIDEND — 018L — FH001 SHANGHAI*	22,502,864	RMB ordinary shares	22,502,864
NORGES BANK — OWN FUNDS	20,064,551	RMB ordinary shares	20,064,551
FOTIC SPRINGS SELECTED I*	16,966,137	RMB ordinary shares	16,966,137
PING AN TRUST CO., LTD — ELITE INVESTMENT • SPRINGS CAPITAL*	16,205,684	RMB ordinary shares	16,205,684
BANK NEGARA MALAYSIA	15,120,547	RMB ordinary shares	15,120,547
Description of the related relationship or concerted action of the above shareholders	FOTIC SPRINGS SELECTED I* and PING AN TRUST CO., LTD — ELITE INVESTMENT • SPRINGS CAPITAL* are both funds managed by SPRINGS CAPITAL (BEIJING) CO., LTD.* The Company does not know if any related relationship or concerted action exists between the abovementioned other shareholders of tradable shares.		
Description of resumed voting rights and shareholdings of holders of preferred shares	Not applicable		

Note 1: HKSCC NOMINEES LIMITED, i.e. Hong Kong Securities Clearing Company Nominees Limited, is holding shares on behalf of multiple clients.

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

Unit: Yuan Currency: RMB

Balance Sheet				
Items	30 September 2016	31 December 2015	Ratio of change	Reasons of changes
Cash and bank balances	5,651,539,606.63	4,028,636,940.55	40.28%	Mainly due to the increase in sales and the improvement in recoverability during the Reporting Period
Other current assets	63,349,685.13	95,489,975.46	-33.66%	Mainly due to the redemption of unlisted debt investment (current portion) during the Reporting Period
Development expenditures	445,242,259.67	222,531,714.42	100.08%	Mainly due to the increase in R&D investments during the Reporting Period
Long-term deferred expenditures	20,914,614.59	12,636,011.98	65.52%	Mainly due to the increase in improvement of leased properties during the Reporting Period
Bills payable	102,822,485.24	75,430,282.80	36.31%	Mainly due to the increase in settlement by bills payable during the Reporting Period
Dividends payable	9,154,459.33	2,031,556.25	350.61%	Mainly due to the non-payment of the dividends declared for distribution during the Reporting Period
Other current liabilities	1,060,136,169.83	92,526,665.07	1,045.76%	Mainly due to the issuance of super short-term commercial papers during the Reporting Period
Long-term loans	2,223,184,339.27	1,676,201,514.40	32.63%	Mainly due to the increase in bank loans during the Reporting Period
Bonds payable	3,387,501,386.99	1,895,323,976.79	78.73%	Mainly due to the issuance of corporate bonds during the Reporting Period
Deferred income	316,364,299.32	169,317,601.58	86.85%	Mainly due to the receipt of assets-related government subsidies during the Reporting Period
Other non-current liabilities	—	64,460,262.49	-100.00%	Mainly due to the exercise of share redemption option granted to non-controlling shareholders of a subsidiary during the Reporting Period

Unit: Yuan Currency: RMB

Income Statement				
Items	Jan — Sep 2016	Jan — Sep 2015	Ratio of change	Reasons of changes
Non-operating revenue	157,664,123.72	63,499,502.52	148.29%	Mainly due to the increase of government grants received during the Reporting Period
Non-operating expenses	14,266,811.61	10,862,409.73	31.34%	Mainly due to the retirement of fixed-assets during the Reporting Period
Other comprehensive income	-169,063,311.66	-279,141,519.38	-39.43%	Mainly due to the changes in other comprehensive income entitled as an investee unit under the equity method and the changes in fair value of available-for-sale financial assets during the Reporting Period

Unit: Yuan Currency: RMB

Statement of Cash Flow				
Items	Jan — Sep 2016	Jan — Sep 2015	Ratio of change	Reasons of changes
Net cash flow generated from operating activities	1,523,486,172.75	1,161,951,526.99	31.11%	Mainly due to the increase in sales and improvement in operation by the Group during the Reporting period
Net cash flow generated from financing activities	1,036,994,586.91	764,402,303.12	35.66%	Mainly due to the issuance of corporate bonds during the Reporting Period
Effects of exchange rate fluctuations on cash and cash equivalents	28,756,750.21	5,949,548.99	383.34%	Mainly due to the fluctuation of exchange rate of US\$ during the Reporting Period

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

- (1) On 29 June 2015, the 2014 annual general meeting of the Company approved matters relevant to the non-public issuance of A Shares (the “Non-public Issuance of A Shares”) to specific targets.

On 23 February 2016, after the consideration and approval at the 73th meeting of the sixth session of the Board (extraordinary meeting), it was agreed that the size and gross proceeds for the Non-public Issuance of A Shares were further adjusted. The specific targets of the non-public issuance were adjusted from six to three as China Merchants Wealth Asset Management Co., Ltd.* (招商財富資產管理有限公司), China Fund Management Co., Ltd* (中信建投基金管理有限公司) and China Universal Asset Management Company Limited* (滙添富基金管理股份有限公司) no longer participated in the subscription of the non-public issuance, pursuant to which, the number of A Shares to be issued under the non-public issuance was adjusted to not more than 99,052,541 shares and the intended gross proceeds was adjusted to not more than RMB2,300,000,002.02. After deducting all related expenses incurred, the net proceeds of RMB1,600,000,000.00 were used for repayment of interest-bearing debts.

On 8 July 2016, the Company received the “Approval in relation to the Non-public Issuance of Shares by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*” (《關於核准上海復星醫藥(集團)股份有限公司非公開發行股票的批復》) (Zhengjian Xuke [2016] No.1230) issued by the China Securities Regulatory Commission (the “CSRC”). The Company is approved to make non-public issuance of no more than 99,052,541 new A Shares. This approval shall be effective within a period of 6 months from the date on which the approval is obtained.

As the profit distribution scheme of 2015 has been implemented in July 2016, the Company adjusted the plan to issue no more than 100,436,681 A Shares to the subscribers at the issue price of RMB22.90 per share according to the Non-public Issuance of A Shares scheme.

- (2) On 29 June 2015, it was considered and approved at the 2014 annual general meeting of the Company for the resolutions in relation to the authorization of the issue of inter-bank debt financing instruments, approving the issue of not more than RMB6 billion debt financing instruments. On 1 December 2015, the Company received the “Letter of Acceptance of Registration” issued by the National Association of Financial Market Institutional Investors for accepting the registration of the Company’s super short-term commercial papers with a registered amount of RMB4.5 billion. The registered amount shall be effective within a period of two years from the date of the letter. The Company can issue super short-term commercial papers in tranches during the valid period of registration.

On 20 May 2016, the issuance of the First Tranche of Super Short-term Commercial Papers for 2016 was completed. The term of the First Tranche of Super Short-term Commercial Papers for 2016 is 180 days and the actual issuance size thereof is RMB500 million. The value date for the First Tranche of Super Short-term Commercial Papers for 2016 is 20 May 2016, with the coupon rate at 2.98%.

On 18 August 2016, the issuance of the Second Tranche of Super Short-term Commercial Papers for 2016 was completed. The term of the Second Tranche of Super Short-term Commercial Papers for 2016 is 270 days and the actual issuance size thereof is RMB500 million. The value date for the Second Tranche of Super Short-term Commercial Papers for 2016 is 18 August 2016, with the coupon rate at 2.66%.

- (3) On 29 June 2016, after the consideration and approval at the 2nd meeting of the seventh session of the Board (extraordinary meeting), the spinoff and the listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) of Sisram Medical Limited (“Sisram”) or a subsidiary to be established by the Company for the purpose of a spinoff of the business of Sisram for listing (“Sisram or its Listco”) was approved.

On 31 August 2016, it was considered and approved at the second extraordinary general meeting of the Company in 2016 a resolution in relation to the overseas listing of Sisram or its Listco. The issue is subject to approvals of the CSRC and the Stock Exchange.

- (4) On 28 July 2016, after the consideration and approval at the sixth meeting of the seventh session of the Board (extraordinary meeting), the Company was approved to invest in no more than US\$1,261.37 million through its subsidiaries (the “Acquirer”) to acquire approximately 86.08% equity interest in Gland Pharma Limited (“Gland Pharma”), including contingent consideration by the Acquirer of no more than US\$50 million for the launch of Enoxaparin (依諾肝素) in the U.S.

On 29 September 2016, it was considered and approved at the third extraordinary general meeting of the Company in 2016 a resolution in relation to the acquisition of Gland Pharma.

- (5) On 10 August 2016, after the consideration and approval at the seventh meeting of the seventh session of the Board (extraordinary meeting), it was agreed that Shanghai Henlius Biotech Co., Ltd.* (formerly known as Shanghai Henlius Biotech Co., Ltd.*), a subsidiary, shall reform and apply to be quoted on the National Equities Exchange and Quotations (“NEEQ”). The matter is subject to approvals of the Stock Exchange and NEEQ of the PRC.
- (6) Pursuant to notices such as the “Notice on the Increase in Shareholdings of the Company by Controlling Shareholders” issued on 28 January 2016, Fosun Group intends to further increase its shareholding in the Company (including A Shares and/or H Shares) on the secondary market by itself and parties acting in concert with it within 12 months from 28 January 2016 (inclusive), and the aggregate amount of the increase in the shareholding will not be less than RMB70 million and the aggregate increase in the shareholding in the Company shall not exceed 2% of the total issued shares of the Company.

As at the end of the Reporting Period, Fosun Group acquired an aggregate number of 5,563,950 A Shares of the Company through the trading system of Shanghai Stock Exchange, representing approximately 0.29% of the total number of A Shares in issue and approximately 0.24% of the total issued shares of the Company, with a total amount of approximately RMB113.27 million.

As at the end of the Reporting Period, Fosun Group holds 926,205,264 A Shares of the Company, representing approximately 48.47% of the total issued A Shares and approximately 40.02% of the total issued shares of the Company.

3.3 Performance of undertakings by the Company and shareholders holding over 5% of shares

Background	Type	Covenantors	Undertakings	Validity period	Whether duration specified	Whether timely and strictly performed
Undertakings related to initial public offering of A Shares	Competition within the same industry	Fosun Group	Save for businesses being carried out by Fosun Group and its subsidiaries (excluding the Group), associates, joint ventures and entities as at the date thereof, Fosun Group undertakes and guarantees it will not, and procures its members not to, directly take part in or carry out any activity in competition with products or businesses of the Company.	Effective from the date on which shares of the Company commenced listing on the Shanghai Stock Exchange	Yes	Yes
Undertakings related to initial public offering of H Shares	Competition within the same industry	Guo Guangchang, Liang Xinjun, Wang Qunbin, Fosun International Holdings Limited, Fosun Holdings Limited, Fosun International Limited and Fosun Group	Save for indirect interests in Shanghai Yuyuan Tourist Mart Co., Ltd.* (上海豫園旅遊商城股份有限公司) (“Yuyuan Mart”) held by the covenantors and other non-controlling interests in other companies which may be held by the covenantors and their respective associates from time to time in the future, the covenantors shall, subject to any law and regulation or the Listing Rules of the Stock Exchange, procure such companies and other business entities (other than the Company and its subsidiaries ^(Note 1)) under the control of the undertakers not to engage in any business of a nature similar to that of the listed businesses in the restricted regions (being Hong Kong and mainland China) during the restricted period on a reasonable efforts basis.	Effective from the date on which shares of the Company commenced listing on the Stock Exchange and remains valid as long as the respective covenantor remains a controlling shareholder ^(Note 2) of the Company	Yes	Yes
Undertakings related to increase in shareholding by a controlling shareholder	Others	Fosun Group	The covenantor intended to further increase its shareholding in the Company (including A Shares and/or H Shares) on the secondary market by itself and parties acting in concert with it within the following 12 months (commencing from 28 January 2016, the date of the shareholding increase) if and where appropriate. The amount of increased shareholding in aggregate shall be no less than RMB70 million (including the 2,811,950 A Shares involved in the shareholding increase on 28 January 2016) while the increased shareholding percentage in aggregate shall not exceed 2% of total issued shares of the Company (including the A Shares involved in the shareholding increase on 28 January 2016). The covenantor and the parties acting in concert with it would not reduce their shareholding in the Company during the implementation of the increase in shareholding and within the statutory restricted period.	28 January 2016 to 27 January 2017	Yes	Yes

Background	Type	Covenants	Undertakings	Validity period	Whether duration specified	Whether timely and strictly performed
Undertakings in relation to the Non-public Issuance of A Shares	Others	Guo Guangchang	<p>Due to the proposed Non-public Issuance of A Shares by the Company to China Life Insurance Company Limited (中國人壽保險股份有限公司) (“China Life”), Taikang Asset Management Co., Ltd.* (泰康資產管理有限責任公司) (“Taikang AMC”) and Anhui Railway Development Fund Company Limited* (安徽省鐵路發展基金股份有限公司) (formerly known as Anhui Railway Construction Investment Fund Co., Ltd.* (安徽省鐵路建設投資基金有限公司) (“Anhui Railway Construction”)) the covenantor, being the de facto controller of the Company, made the following undertakings regarding matters relevant to the Non-public Issuance of A Shares:</p> <ol style="list-style-type: none"> 1. The covenantor and the proposed target subscribers of the Non-public Issuance of A Shares of the Company, namely China Life, Taikang AMC and Anhui Railway Construction, are not related parties and no other benefit arrangements exist among them; 2. The covenantor and his close family members (including spouse, parents, children aged 18 or above and their spouses, siblings and their spouses, spouse’s parents, siblings, and parents of children’s spouses) have not offered any direct or indirect financial assistance or compensation to China Life, Taikang AMC and Anhui Railway Construction, and there is no violation of the provisions of relevant regulations including Article 17 of the Administrative Measures for Securities Issuance and Underwriting; 3. The covenantor undertakes not to intervene in the operation and management of the Company beyond its authority, nor to infringe on the interest of the Company; 4. After the date of the undertakings and prior to the completion of the Non-public Issuance of A Shares of the Company, in the event that the CSRC formulates other new regulations in relation to the remedial measures in connection with the current returns, and that this undertaking fails to meet such regulations of the CSRC, the covenantor undertakes to issue a supplementary undertaking in accordance with the latest provisions of the CSRC in due course; 5. The covenantor undertakes to effectively implement the remedial measure adopted for current returns formulated by the Company and any undertaking on such remedial measures made in this respect. If the covenantor breaches such undertakings or causes any losses to the Company or the investors, he shall indemnify the Company or the investors in accordance with the relevant laws; 6. As one of the parties responsible for the remedial measures adopted, in the event that the covenantor breaches the aforesaid undertaking or refuses to perform the aforesaid undertaking, the covenantor agrees that the CSRC, the Shanghai Stock Exchange and other securities regulators can impose relevant penalties on or take relevant regulatory measures against the covenantor in accordance with the provisions and rules formulated or promulgated by them; 7. The above information set out in the undertaking is true, accurate and complete and there are no false representations or misleading statements, or material omissions, in this undertaking. 	From 23 February 2016 until the completion of implementation of the relevant remedial measures in connection with returns of this Non-public Issuance of A Shares	Yes	Yes

Background	Type	Covenantors	Undertakings	Validity period	Whether duration specified	Whether timely and strictly performed
Undertakings in relation to the Non-public Issuance of A Shares	Others	Fosun Group	<p>Due to the proposed Non-public Issuance of A Shares by the Company to China Life, Taikang AMC and Anhui Railway Construction, the covenantor, being the controlling shareholder of the Company, made the following undertakings regarding matters relevant to the Non-public Issuance of A Shares:</p> <ol style="list-style-type: none"> 1. The covenantor and the proposed target subscribers of the Non-public Issuance of A Shares of the Company, namely China Life, Taikang AMC and Anhui Railway Construction, are not related parties and no other benefit arrangements exist among them; 2. The covenantor and its related parties have not offered any direct or indirect financial assistance or compensation to China Life, Taikang AMC and Anhui Railway Construction, and there is no violation of the provisions of relevant regulations including Article 17 of the Administrative Measures for Securities Issuance and Underwriting; 3. The covenantor undertakes not to intervene in the operation and management of the Company beyond its authority, nor to infringe on the interest of the Company; 4. After the date of the undertakings and prior to the completion of the Non-public Issuance of A Shares of the Company, in the event that the CSRC formulates other new Regulations in relation to the remedial measures in connection with the current returns, and that this undertaking fails to meet such regulations of the CSRC, the covenantor undertakes to issue a supplementary undertaking in accordance with the latest provisions of the CSRC in due course; 5. The covenantor undertakes to effectively implement the remedial measure adopted for current returns formulated by the Company and any undertaking on such remedial measures made in this respect. If the covenantor breaches such undertakings or causes any losses to the Company or the investors, it shall indemnify the Company or the investors in accordance with the relevant laws; 6. As one of the parties responsible for the remedial measures adopted, in the event that the covenantor breaches the aforesaid undertaking or refuses to perform the aforesaid undertaking, it agrees that the CSRC, the Shanghai Stock Exchange and other securities regulators can impose relevant penalties on or take relevant regulatory measures against the covenantor in accordance with the provisions and rules formulated or promulgated by them; 7. The above information set out in the undertaking is true, accurate and complete and there are no false representations or misleading statements, or material omissions, in this undertaking. 	From 23 February 2016 until the completion of implementation of the relevant remedial measures in connection with returns of this Non-public Issuance of A Shares	Yes	Yes

Background	Type	Covenantors	Undertakings	Validity period	Whether duration specified	Whether timely and strictly performed
Undertakings in relation to the Non-public Issuance of A Shares	Others	The Company	<p>Due to the proposed Non-public Issuance of A Shares by the Company to China Life, Taikang AMC and Anhui Railway Construction, the covenantor made the following undertakings regarding matters relevant to the Non-public Issuance of A Shares:</p> <ol style="list-style-type: none"> 1. The covenantor and the proposed target subscribers of the Non-public Issuance of A Shares, namely China Life, Taikang AMC and Anhui Railway Construction, are not related parties and no other benefit arrangements exist among them; 2. The covenantor and its related parties have not offered any direct or indirect financial assistance or compensation to China Life, Taikang AMC and Anhui Railway Construction, and there is no violation of the provisions of relevant regulations including the Administrative Measures for Securities Issuance and Underwriting; 3. After the date of the undertakings and up to the following three months, the covenantor has no significant investment or asset purchase plan. In respect of other significant investment that is currently unpredictable or may be carried out, the covenantor will make decisions and perform its information disclosure obligations according to the provisions of the relevant laws, regulations and the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.; 4. The above information set out in the undertaking is true, accurate and complete and there are no false representations or misleading statements, or material omissions, in this undertaking. 	From 23 February 2016 until the completion of this Non-public Issuance of A Shares (of which the validity period in relation to not making significant investment or asset purchase plan was from 23 February 2016 until 22 May 2016)	Yes	Yes
Undertakings in relation to the Non-public Issuance of A Shares	Others	The Company	The funds raised from this Non-public Issuance of A Shares shall all be used for repayment of onshore interest-bearing debts and replenishment of working capital required for onshore operating activities by the Company (and onshore subsidiaries controlled by the Company), and the Company will not use the funds raised for payment of the consideration for the acquisition of equity interest in Gland Pharma through ways such as foreign exchange purchase.	From 26 September 2016 until the funds raised from this Non-public Issuance of shares are used up	Yes	Yes

Note 1: As defined in the Hong Kong Company Ordinance (Chapter 622 of the Laws of Hong Kong);

Note 2: As defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Deed of Non-Competition dated 13 October 2012.

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

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

Legal Representative: **Chen Qiyu**

28 October 2016

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet 30 September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2016	31 December 2015
Current Assets:		
Cash and bank balances	5,651,539,606.63	4,028,636,940.55
Settlement reserves		
Loans to banks or other financial institutions		
Equity investments at fair value through profit or loss	37,907,811.90	33,751,186.33
Derivative financial assets		
Bills receivable	384,020,790.46	410,349,704.69
Trade receivable	2,064,609,297.20	1,736,220,516.77
Prepayments	177,857,831.89	161,784,923.27
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Interest receivable	533,806.43	1,016,892.31
Dividends receivable	8,393,242.29	8,393,242.29
Other receivables	256,798,510.22	200,961,196.28
Purchase and sell-back of financial assets		
Inventories	1,622,902,327.84	1,648,772,710.69
Assets of a disposal group classified as held for sale		
Non-current assets due within one year		
Other current assets	63,349,685.13	95,489,975.46
Total current assets	10,267,912,909.99	8,325,377,288.64

Consolidated balance sheet (Continued)
30 September 2016

Items	30 September 2016	31 December 2015
Non-current assets:		
Provision of entrusted loans and advances		
Available-for-sale financial assets	2,636,523,850.73	3,314,451,981.04
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	15,919,134,150.58	13,919,756,235.19
Investment properties		
Fixed assets	4,903,467,098.93	4,760,795,154.43
Construction in progress	1,272,055,108.83	1,001,223,471.26
Project supplies	1,278,945.20	2,911,998.48
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	3,147,946,270.88	3,023,258,988.80
Development expenditures	445,242,259.67	222,531,714.42
Goodwill	3,342,227,619.08	3,303,379,227.81
Long-term deferred expenditures	20,914,614.59	12,636,011.98
Deferred tax assets	106,798,834.55	102,476,651.79
Other non-current assets	180,597,697.68	212,927,033.81
Total non-current assets	31,976,186,450.72	29,876,348,469.01
Total assets	42,244,099,360.71	38,201,725,757.65
Current liabilities:		
Short-term loans	4,730,322,838.51	5,471,705,501.11
Borrowings from the central bank		
Deposits from customers and inter-bank deposits		
Loans from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	102,822,485.24	75,430,282.80
Trade payable	930,319,909.56	973,219,593.81
Receipts in advance	232,869,948.37	260,234,846.80
Gain on disposal of repurchased financial assets		
Fees and commissions payable		
Wages payable	361,322,195.67	376,650,519.18

Consolidated balance sheet (Continued)
30 September 2016

Items	30 September 2016	31 December 2015
Current liabilities:		
Tax payable	468,771,851.28	503,779,841.52
Interest payable	132,878,152.97	163,259,760.39
Dividends payable	9,154,459.33	2,031,556.25
Other payables	1,252,832,112.47	1,157,892,622.13
Reinsurance accounts payables		
Insurance contract reserve		
Amount paid for agency securities trading		
Amount paid for agency securities underwriting		
Liabilities directly associated with the assets classified as held for sale		
Non-current liabilities due within one year	1,803,926,425.41	1,862,468,604.71
Other current liabilities	1,060,136,169.83	92,526,665.07
Total current liabilities	11,085,356,548.64	10,939,199,793.77
Non-current liabilities:		
Long-term loans	2,223,184,339.27	1,676,201,514.40
Bonds payable	3,387,501,386.99	1,895,323,976.79
Long-term payables	854,736,072.28	942,812,066.46
Long-term wages payables		
Specific payables		
Accrued liabilities		
Deferred income	316,364,299.32	169,317,601.58
Deferred tax liabilities	1,765,333,546.54	1,844,761,899.28
Other non-current liabilities		64,460,262.49
Total non-current liabilities	8,547,119,644.40	6,592,877,321.00
Total liabilities	19,632,476,193.04	17,532,077,114.77

Consolidated balance sheet (Continued)
30 September 2016

Items	30 September 2016	31 December 2015
Equity:		
Share capital	2,314,075,364.00	2,314,075,364.00
Other equity instruments		
Capital reserve	6,229,382,611.79	6,059,856,290.76
Less: treasury shares	36,062,208.80	43,493,914.40
Other comprehensive income	741,301,143.03	918,744,811.08
Specific reserve		
Surplus reserve	1,995,418,874.45	1,995,418,874.45
General risk provision		
Unappropriated profits	8,373,353,313.96	6,936,968,682.49
Total equity attributable to the owners of the Parent company	19,617,469,098.43	18,181,570,108.38
Non-controlling interests	2,994,154,069.24	2,488,078,534.50
Total equity	22,611,623,167.67	20,669,648,642.88
Total liabilities and equity	42,244,099,360.71	38,201,725,757.65

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Balance Sheet of the Parent Company
30 September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2016	31 December 2015
Current Assets:		
Cash and bank balances	941,311,079.16	744,052,493.92
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Trade receivable		
Prepayments		
Interest receivable	97,154,992.32	9,323,344.94
Dividends receivable	8,384,242.29	8,384,242.29
Other receivables	3,669,982,769.58	3,203,781,555.57
Inventories		
Assets of a disposal group classified as held for sale		
Non-current assets due within one year	799,000,000.00	799,000,000.00
Other current assets	171,978,750.00	356,978,750.00
Total current assets	5,687,811,833.35	5,121,520,386.72
Non-current assets:		
Available-for-sale financial assets	619,739,821.38	643,998,294.82
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	16,370,993,136.78	15,459,885,879.25
Investment properties		
Fixed assets	17,472,812.07	18,639,925.70
Construction in progress		
Project supplies		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	3,068,214.42	3,236,000.45
Development expenditures		
Goodwill		
Long-term deferred expenditures		
Deferred tax assets		
Other non-current assets	4,042,106,275.63	3,275,000,000.00
Total non-current assets	21,053,380,260.28	19,400,760,100.22
Total assets	26,741,192,093.63	24,522,280,486.94

Balance Sheet of the Parent Company (Continued)
30 September 2016

Items	30 September 2016	31 December 2015
Current liabilities:		
Short-term loans	2,221,190,600.00	2,675,189,280.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable		
Trade payable		
Receipts in advance		
Wages payable	99,773,740.32	103,395,045.16
Tax payable	12,371,283.80	15,151,160.50
Interest payable	118,910,114.20	151,250,090.68
Dividends payable	1,991,657.08	1,364,924.00
Other payables	540,688,680.86	517,429,864.98
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,556,692,299.38	1,643,647,100.05
Other current liabilities	999,055,638.41	
Total current liabilities	5,550,674,014.05	5,107,427,465.37
Non-current liabilities:		
Long-term loans	295,337,750.00	186,740,000.00
Bonds payable	3,387,501,386.99	1,895,323,976.79
Long-term payables		
Long-term wages payables		
Specific payables		
Accrued liabilities		
Deferred income	1,225,000.00	1,450,000.00
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79
Other non-current liabilities		
Total non-current liabilities	4,835,083,010.78	3,234,532,850.58
Total liabilities	10,385,757,024.83	8,341,960,315.95

Balance Sheet of the Parent Company (Continued)
30 September 2016

Items	30 September 2016	31 December 2015
Equity:		
Share capital	2,314,075,364.00	2,314,075,364.00
Other equity instruments		
Capital reserve	8,218,229,637.63	8,265,396,774.19
Less: treasury shares	36,062,208.80	43,493,914.40
Other comprehensive income	94,896,412.45	90,058,233.26
Specific reserve		
Surplus reserve	1,191,168,159.39	1,191,168,159.39
Unappropriated profits	4,573,127,704.13	4,363,115,554.55
Total equity	16,355,435,068.80	16,180,320,170.99
Total liabilities and equity	26,741,192,093.63	24,522,280,486.94

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Consolidated Income Statement

January – September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jul – Sep 2016	Jul – Sep 2015	Jan – Sep 2016	Jan – Sep 2015
I. Total operating revenue	3,700,894,223.55	3,152,113,519.72	10,637,985,462.00	9,073,497,568.10
Including: Operating revenue	3,700,894,223.55	3,152,113,519.72	10,637,985,462.00	9,073,497,568.10
Interest income				
Earned premiums				
Fees and commission income				
II. Total operating costs	3,352,916,747.61	2,895,782,154.22	9,512,363,248.73	8,300,064,068.03
Including: Operating costs	1,686,530,701.35	1,549,543,653.59	4,915,105,208.32	4,479,008,803.33
Interest expenses				
Fees and commission expenses				
Premiums refund				
Compensation payout, net				
Net provision drawn for insurance contract				
Policy dividend payment				
Amortized reinsurance expenditures				
Business tax and surcharges	27,321,572.82	24,497,548.36	86,547,506.28	74,510,036.45
Selling and distribution expenses	959,740,865.18	752,785,285.93	2,639,501,550.34	2,033,469,048.98
Administrative expenses	554,442,335.03	439,321,906.97	1,525,389,484.26	1,340,049,894.95
Finance costs	120,957,430.40	118,030,107.88	319,329,904.69	339,686,256.62
Asset impairment losses	3,923,842.83	11,603,651.49	26,489,594.84	33,340,027.70
Plus: Gains from changes in fair value (“-” indicating loss)	10,759,753.35	286,603.56	3,345,092.31	3,506,487.53
Investment income (“-” indicating loss)	486,644,113.41	474,782,473.78	1,565,442,784.23	1,742,494,576.40
Including: Gains from investments in associated companies and joint ventures	318,614,648.93	241,587,660.69	1,035,810,577.66	858,212,358.37
Foreign exchange gains (“-” indicating loss)				
III. Operating profit (“-” indicating loss)	845,381,342.70	731,400,442.84	2,694,410,089.81	2,519,434,564.00
Plus: Non-operating revenue	70,189,382.81	33,405,731.44	157,664,123.72	63,499,502.52
Including: Gains from disposal of non-current assets	126,044.51	21,371.48	482,178.02	372,785.26
Less: Non-operating expenses	7,534,020.37	2,828,150.25	14,266,811.61	10,862,409.73
Including: Loss on disposal of non-current assets	1,717,889.31	482,708.49	5,404,663.43	1,748,079.06
IV. Total profit (“-” indicating total loss)	908,036,705.14	761,978,024.03	2,837,807,401.92	2,572,071,656.79
Less: Income tax expenses	123,855,317.01	101,186,284.11	305,000,525.21	395,174,440.64
V. Net profit (“-” indicating net loss)	784,181,388.13	660,791,739.92	2,532,806,876.71	2,176,897,216.15
Profit for the period attributable to the owners of the Parent company	676,622,340.38	587,484,987.90	2,176,888,747.95	1,890,969,457.31
Profit for the period attributable to non-controlling interests	107,559,047.75	73,306,752.02	355,918,128.76	285,927,758.84

Consolidated Income Statement (Continued)

January – September 2016

Items	Jul – Sep 2016	Jul – Sep 2015	Jan – Sep 2016	Jan – Sep 2015
VI. Other comprehensive income	-90,861,635.50	-503,674,636.21	-169,063,311.66	-279,141,519.38
Other comprehensive income attributable to the owners of the Parent company	-96,872,316.85	-506,044,279.16	-177,443,668.05	-281,896,717.92
(i) Other comprehensive income not reclassified subsequently to profit or loss				
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				
(ii) Other comprehensive income reclassified subsequently to profit or loss	-96,872,316.85	-506,044,279.16	-177,443,668.05	-281,896,717.92
1. Share of other comprehensive income of associates	33,305,187.95	732,427.55	92,037,497.69	-195,739,333.69
2. Changes in fair value of available for sale investments, net of tax	-79,776,152.93	-440,970,255.91	-203,942,421.18	-16,216,735.14
3. Gains or loss arising from reclassification of held to maturity investments to available-for-sale financial assets				
4. Effective hedging portion of gains or losses arising from cash flow				
5. Exchange differences on translation of foreign operations	-50,401,351.87	-65,806,450.80	-65,538,744.56	-69,940,649.09
6. Others				
Other comprehensive income after tax attributable to non-controlling interests, net	6,010,681.35	2,369,642.95	8,380,356.39	2,755,198.54
VII. Total comprehensive income for the period	693,319,752.63	157,117,103.71	2,363,743,565.05	1,897,755,696.77
Total comprehensive income for the period attributable to the owners of the Parent company	579,750,023.53	81,440,708.74	1,999,445,079.90	1,609,072,739.39
Total comprehensive income for the period attributable to non-controlling interests	113,569,729.10	75,676,394.97	364,298,485.15	288,682,957.38
VIII. Earnings per share:				
(1) basic earnings per share (yuan/share)	0.29	0.25	0.94	0.82
(2) diluted earnings per share (yuan/share)	0.29	0.25	0.94	0.82

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Income Statement of the Parent Company

January – September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jul – Sep 2016	Jul – Sep 2015	Jan – Sep 2016	Jan – Sep 2015
I. Operating revenue			450,000.00	450,000.00
Less: Operating costs				
Business tax and surcharges			24,214.29	25,425.00
Selling and distribution expenses				
Administrative expenses	41,137,984.81	38,273,497.51	141,601,505.87	153,998,456.65
Finance costs	29,876,357.22	45,169,199.26	44,059,879.64	79,619,649.34
Asset impairment losses				
Plus: Gains from changes in fair value ("–" indicating loss)				
Investment income ("–" indicating loss)	352,137,699.41	1,019,979,052.94	1,135,311,453.96	2,234,223,841.43
Including: Gains from investments in associated companies and joint ventures	307,986,783.86	261,017,292.48	1,076,781,540.32	891,923,640.39
II. Operating profit ("–" indicating loss)	281,123,357.38	936,536,356.17	950,075,854.16	2,001,030,310.44
Plus: Non-operating revenue	90,411.90	100,000.00	440,411.90	425,000.00
Including: Gains on disposal of non-current assets				
Less: Non-operating expenses				
Including: Loss on disposal of non-current assets				
III. Total profit ("–" indicating total loss)	281,213,769.28	936,636,356.17	950,516,266.06	2,001,455,310.44
Less: Income tax expenses				
IV. Net profit ("–" indicating net loss)	281,213,769.28	936,636,356.17	950,516,266.06	2,001,455,310.44

Income Statement of the Parent Company (Continued)

January – September 2016

Items	Jul – Sep 2016	Jul – Sep 2015	Jan – Sep 2016	Jan – Sep 2015
V. Other comprehensive income	1,188,593.39	-49,164,637.50	4,838,179.19	-168,941,859.53
(i) Other comprehensive income not reclassified subsequently to profit or loss				
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				
(ii) Other comprehensive income reclassified subsequently to profit or loss	1,188,593.39	-49,164,637.50	4,838,179.19	-168,941,859.53
1. Share of other comprehensive income of associates	3,821,493.68		55,875,917.49	-195,015,489.53
2. Changes in fair value of available for sale investments, net of tax	-2,632,900.29	-49,164,637.50	-51,037,738.30	26,073,630.00
3. Gains or loss arising from reclassification of held to maturity investments to available-for-sale financial assets				
4. Effective hedging portion of gains or losses arising from cash flow				
5. Exchange differences on translation of foreign operations				
6. Others				
VI. Total comprehensive income	282,402,362.67	887,471,718.67	955,354,445.25	1,832,513,450.91
VII. Earnings per share:				
(1) basic earnings per share (yuan/share)				
(2) diluted earnings per share (yuan/share)				

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Consolidated Statement of Cash Flow

January – September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Sep 2016	Jan – Sep 2015
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	14,047,212,730.58	11,787,872,270.19
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 at fair value through profit or loss		
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	65,822,243.48	30,317,198.52
Other cash received relating to operating activities	261,947,508.43	97,662,080.84
Sub-total of cash inflow generated from operating activities	14,374,982,482.49	11,915,851,549.55
Cash paid for purchasing goods and receiving services	7,108,584,289.19	6,127,603,506.07
Net increase of customers' loans and advances		
Net increase of deposits in the central bank and inter-bank deposits		
Cash paid for compensation payout under original insurance contracts		
Cash paid for interest, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	1,605,231,386.07	1,406,092,878.78
Cash paid for all types of taxes	1,248,457,696.44	1,055,403,620.12
Other cash paid relating to operating activities	2,889,222,938.04	2,164,800,017.59
Sub-total of cash outflow generated from operating activities	12,851,496,309.74	10,753,900,022.56
Net cash flow generated from operating activities	1,523,486,172.75	1,161,951,526.99

Consolidated Statement of Cash Flow (Continued)

January – September 2016

Items	Jan – Sep 2016	Jan – Sep 2015
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	830,059,580.36	856,889,234.08
Cash received from returns on investments	426,695,654.62	100,352,896.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	153,050,509.61	9,861,620.38
Net cash received from disposal of subsidiaries and other operating segments	–	315,852,788.57
Other cash received relating to investing activities	51,433,460.32	107,075,600.48
Sub-total of cash inflow generated from investing activities	1,461,239,204.91	1,390,032,140.22
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,314,828,775.22	738,403,167.55
Cash paid for investments	1,111,362,522.43	2,327,525,471.23
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other operating segments	106,723,047.40	45,071,121.94
Other cash paid relating to investing activities	461,618,681.36	182,668,212.99
Sub-total of cash outflow generated from investing activities	2,994,533,026.41	3,293,667,973.71
Net cash flow generated from investing activities	–1,533,293,821.50	–1,903,635,833.49
III. Cash flow generated from financing activities:		
Cash received from capital contribution	450,123,971.05	87,721,195.00
Including: cash received by subsidiaries from investments of non-controlling interests	450,123,971.05	87,721,195.00
Cash received from borrowings	7,045,141,346.45	5,110,056,682.54
Cash received from issuing bonds	2,985,000,000.00	398,929,000.00
Other cash received relating to financing activities	36,888,315.43	40,140,014.05
Sub-total of cash inflow generated from financing activities	10,517,153,632.93	5,636,846,891.59
Cash paid for debts settlement	7,857,660,707.24	3,519,139,442.58
Cash paid for the distribution of dividends, profits or interest	1,216,328,617.87	1,114,614,719.91
Including: dividends and profits paid by subsidiaries to non-controlling interests	78,803,905.18	268,686,768.21
Other cash paid relating to financing activities	406,169,720.91	238,690,425.98
Sub-total of cash outflow generated from financing activities	9,480,159,046.02	4,872,444,588.47
Net cash flow generated from financing activities	1,036,994,586.91	764,402,303.12
IV. Effects of exchange rate fluctuations on cash and cash equivalents	28,756,750.21	5,949,548.99
V. Net increase of cash and cash equivalents	1,055,943,688.37	28,667,545.61
Plus: Opening balance of cash and cash equivalents	3,348,593,521.11	3,010,155,391.08
VI. Closing balance of cash and cash equivalents	4,404,537,209.48	3,038,822,936.69

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Statement of Cash Flow of the Parent Company

January – September 2016

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Sep 2016	Jan – Sep 2015
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	450,000.00	450,000.00
Refund of taxes and levies		
Other cash received relating to operating activities	19,956,450.40	17,027,016.02
Sub-total of cash inflow generated from operating activities	20,406,450.40	17,477,016.02
Cash paid for purchasing goods and receiving services		
Cash paid to and on behalf of employees	108,470,232.59	76,034,052.14
Cash paid for all types of taxes	20,890,225.59	34,051,409.56
Other cash paid relating to operating activities	40,026,551.80	46,784,926.39
Sub-total of cash outflow generated from operating activities	169,387,009.98	156,870,388.09
Net cash flow generated from operating activities	-148,980,559.58	-139,393,372.07
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	67,037,903.29	246,952,337.32
Cash received from returns on investments	414,667,626.28	341,508,734.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	49,588.10	-
Net cash received from disposal of subsidiaries and other operating segments		
Other cash received relating to investing activities	20,000,000.00	-
Sub-total of cash inflow generated from investing activities	501,755,117.67	588,461,072.04
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,928,453.36	1,023,410.77
Cash paid for investments	264,854,662.65	1,286,782,424.70
Net cash paid for acquisition of subsidiaries and other operating segments		
Other cash paid relating to investing activities		
Sub-total of cash outflow generated from investing activities	266,783,116.01	1,287,805,835.47
Net cash flow generated from investing activities	234,972,001.66	-699,344,763.43

Statement of Cash Flow of the Parent Company (Continued)

January – September 2016

Items	Jan – Sep 2016	Jan – Sep 2015
III. Cash flow generated from financing activities:		
Cash received from capital contribution		
Cash received from borrowings	3,684,116,600.00	2,281,014,000.00
Cash received from issuing bonds	2,985,000,000.00	398,929,000.00
Other cash received relating to financing activities	3,199,191,140.54	4,785,211,767.92
Sub-total of cash inflow generated from financing activities	9,868,307,740.54	7,465,154,767.92
Cash paid for debts settlement	4,635,484,740.00	1,345,000,000.00
Cash paid for the distribution of dividends, profits or interest	1,007,505,487.67	880,988,031.73
Other cash paid relating to financing activities	4,127,701,883.20	4,263,390,819.81
Sub-total of cash outflow generated from financing activities	9,770,692,110.87	6,489,378,851.54
Net cash flow generated from financing activities	97,615,629.67	975,775,916.38
IV. Effects of exchange rate fluctuations on cash and cash equivalents	1,651,513.49	-4,232,440.84
V. Net increase of cash and cash equivalents	185,258,585.24	132,805,340.04
Plus: Opening balance of cash and cash equivalents	380,637,225.09	506,943,460.86
VI. Closing balance of cash and cash equivalents	565,895,810.33	639,748,800.90

Legal Representative:

Chen Qiyu

Chief Financial Officer:

Guan Xiaohui

Director of the Accounting Department:

Yan Jia

4.2 Audited Report

Not applicable