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上海醫藥集團股份有限公司
Shanghai Pharmaceuticals Holding Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02607)

2017 FIRST QUARTERLY REPORT

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following is the first quarterly report for 2017 of Shanghai Pharmaceuticals Holding Co., Ltd.. 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 Pharmaceuticals Holding Co., Ltd.*
ZHOU Jun
Chairman

Shanghai, the PRC, 28 April 2017

As at the date of this announcement, the executive directors of the Company are Mr. CHO Man, Mr. LI Yongzhong and Mr. SHEN Bo; the non-executive directors are Mr. ZHOU Jun and Ms. LI An; and the independent non-executive directors are Mr. WAN Kam To, Mr. TSE Cho Che, Edward, Mr. CAI Jiangnan and Mr. HONG Liang.

* For identification purpose only

I. IMPORTANT NOTICE

- 1.1** The board of directors and the board of supervisors of the Company and the directors, supervisors and senior management shall warrant that the contents of this quarterly report is true, accurate and complete and contains no false information, misleading statement or material omission and assume several and joint legal responsibilities therefor.
- 1.2** All directors of the Company attended the sixth meeting of the sixth session of the board of directors held on 27 April 2017, at which resolutions including the first quarterly results of the Company for the three months ended 31 March 2017 were approved.
- 1.3** ZHOU Jun, the person in charge of the Company, CHO Man, the principal in charge of accounting and SHEN Bo, head of the accounting department (Chief Financial Officer), hereby declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4** The first quarterly report of the Company was unaudited.

1.5 Definitions

In this report, unless the context otherwise requires, the following terms shall have the following meanings, and all the relevant financial information have been prepared in accordance with the requirements of the PRC Accounting Standards:

“Group”, “Company” or “Shanghai Pharmaceuticals”	Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司), a joint stock company incorporated in the PRC with limited liability (the shares of which are listed on the Shanghai Stock Exchange with stock code 601607; and on the Main Board of The Stock Exchange of Hong Kong Limited with stock code 02607) or Shanghai Pharmaceuticals Holding Co., Ltd. and its subsidiaries (where applicable)
“the Reporting Period” “Reporting Period” or the “Period”	the 3-month period from 1 January 2017 to 31 March 2017
“YOY”	year-on-year
“PRC” or “China”	the People’s Republic of China, unless the context otherwise requires, references to the “PRC” or “China” herein do not include Hong Kong, Macau and Taiwan

“Shares”	shares of Shanghai Pharmaceuticals with a nominal value of RMB1.00 each, comprising both A Shares and H Shares
“A Shares”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“H Shares”	foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SIIC”	Shanghai Industrial Investment (Holdings) Co., Ltd. (上海實業(集團)有限公司)
“Shanghai Shangshi”	Shanghai Shangshi (Group) Co., Ltd. (上海上實(集團)有限公司)
“Shanghai Pharmaceutical (Group)”	Shanghai Pharmaceutical (Group) Co., Ltd. (上海醫藥(集團)有限公司)
“Shanghai Guosheng”	Shanghai Guosheng Group Co., Ltd. (上海國盛(集團)有限公司)
“Shanghai Shengrui”	Shanghai Shengrui Investment Co., Ltd. (上海盛睿投資有限公司)
“Shenergy Group”	Shenergy (Group) Co., Ltd. (申能(集團)有限公司)

II. GENERAL INFORMATION

2.1 Major financial data

Unit: RMB

	As at the end of the Reporting Period	As at the end of previous year	Increase/decrease as at the end of the Reporting Period as compared with the end of previous year (%)
Total assets	88,868,767,879.88	82,742,718,053.46	7.40
Net assets attributable to equity holders of the listed company	32,676,203,957.26	31,622,553,105.97	3.33
	Beginning of the year to the end of the Reporting Period	Beginning of previous year to the end of the reporting period of previous year	Increase/decrease as compared with the corresponding period of previous year (%)
Net cash flows from operating activities	376,240,280.79	327,698,478.25	14.81
	Beginning of the year to the end of the Reporting Period	Beginning of previous year to the end of the reporting period of previous year	Increase/decrease as compared with the corresponding period of previous year (%)
Operating revenue	33,129,488,088.64	29,275,638,566.92	13.16
Net profit attributable to equity holders of the listed company	999,386,794.18	889,406,880.39	12.37
Net profit attributable to equity holders of the listed company after deduction of non-recurring profit or loss	938,744,427.69	776,971,759.64	20.82
Weighted average return on net assets (%)	3.11	2.93	Increased by 0.18 percentage point
Basic earnings per share (RMB/Share)	0.3717	0.3308	12.37
Diluted earnings per share (RMB/Share)	0.3717	0.3308	12.37

Non-recurring profit or loss items and amounts

√Applicable □Not applicable

Unit: RMB

Items	Amount for the Period
Profit or loss on disposal of non-current assets	-3,343,549.24
Government grants recognized in profit or loss for the current period excluding those closely related to the Company's normal operations and granted on an ongoing basis under the national policies according to certain fixed quota of amount or volume	78,120,714.93
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading, financial liabilities held for trading and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets	4,885,694.22
Reversal of provisions on receivables assessed for impairment on an individual basis	33,692,913.31
Other non-operating income and expenses other than the aforesaid items	-41,756,906.85
Effect on minority interests (after tax)	9,643,714.20
Effect on income tax	-20,600,214.08
Total	60,642,366.49

Analysis on operation and results of the Company during the Reporting Period

From January to March 2017, the Company's operating revenue was RMB33.129 billion, (Unit: RMB, following the same), representing an increase of 13.16% on a YOY basis. Net profit attributable to the equity holders of the listed company was RMB0.999 billion, representing a YOY increase of 12.37%. Net profit attributable to the equity holders of the listed company after deduction of non-recurring profit or loss was RMB0.939 billion, representing a YOY increase of 20.82%, achieved earnings per share RMB0.3717, earnings per share after deduction of non-recurring profit or loss was RMB0.3491. During the Reporting Period, the Company's net cash flow from operating activities was RMB0.376 billion, representing a YOY increase of 14.81%, fulfilling the budget target for the first quarter.

During the Reporting Period, the Company achieved operating revenue of RMB3.794 billion in its pharmaceutical manufacturing business, representing a YOY increase of 19.94% and a gross profit margin of 50.61%, representing a decrease of 0.34 percentage point as compared with the corresponding period of last year. The operating profit margin after deducting the costs of sales and administration was 14.14%, representing an increase of 1.33 percentage points as compared with the corresponding period of last year. In particular, sales revenue generated from its 60 key products increased by 15.07% on a YOY basis to RMB1.893 billion, accounting for 49.90% of the manufacturing sales. Average gross profit margin of key products was 69.82%, representing an increase of 1.81 percentage points as compared with the corresponding period of last year. Among the key products, there are 26 categories were expected to record sales revenue of more than RMB100 million over the year.

During the Reporting Period, the Company achieved operating revenue of RMB29.485 billion in its pharmaceutical distribution business, representing a YOY increase of 12.93% and a gross profit margin of 6.15%, representing an increase of 0.16 percentage point as compared with the corresponding period of last year. The operating profit margin after deducting the costs of sales and administration was 2.64%, representing an increase of 0.02 percentage point as compared with the corresponding period of last year.

During the Reporting Period, the operating revenue from the pharmaceutical retail business amounted to RMB1.280 billion, representing a YOY increase of 4.30% and a gross profit margin of 15.88%, representing an increase of 0.34 percentage point as compared with the corresponding period of last year. The operating profit margin after deducting the costs of sales and administration was 0.26%, representing a decrease of 1.1 percentage points as compared with the corresponding period of last year.

During the Reporting Period, the subsidiary of the Company, Shanghai Pharma Co., Ltd. (上藥控股有限公司) basically completed the layout of market in North Jiangsu through merger and acquisition of Xuzhou Pharmaceutical Co., Ltd. (徐州醫藥股份有限公司) and Xuzhou Huaihai Pharmaceutical Co., Ltd. (徐州淮海藥業有限公司). The Company continued to manage the stock equity and enhance the competitiveness of Company in Guangdong region through transferring 31.593% equity of Guangzhou Z. S. Y Pharmaceutical Co., Ltd (廣東中山醫藥有限公司) held by Guangzhou Zhongda Industry Group Co., Ltd (廣州中大產業集團有限公司).

2.2 Total number of shareholders, top 10 shareholders and top 10 shareholders in circulation (or without trade restriction) and their shareholdings at the end of the Reporting Period

Unit: Share

Total number of shareholders			67,437			
Shareholdings of top ten shareholders						
Name of shareholder (in full)	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Number of trade restricted Shares held	Pledged or frozen		Nature of shareholders
				Status	Number	
HKSCC NOMINEES LIMITED	746,791,220	27.77	0	Unknown		Foreign shareholder
Shanghai Pharmaceutical (Group)	716,516,039	26.65	0	Nil		State-owned legal person
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi	238,586,198	8.87	0	Unknown		State-owned legal person and foreign shareholder
China Securities Finance Corporation Limited	40,196,889	1.49	0	Unknown		Unknown
Shanghai Guosheng and Shanghai Shengrui	37,212,947	1.38	0	Unknown		State-owned legal person
Central Huijin Investment Ltd.	24,891,300	0.93	0	Unknown		Unknown
NSSF 604 Combination	23,795,177	0.88	0	Unknown		Unknown
Shenergy Group	23,199,520	0.86	0	Unknown		State-owned legal person
Industrial and Commercial Bank of China Limited-CSI Shanghai State-owned Exchange Traded Index-based Investment Fund	18,371,737	0.68	0	Unknown		Unknown
Hong Kong Central Clearing Limited	15,268,825	0.57	0	Unknown		Foreign shareholder

Shareholdings of top ten shareholders without trade restrictions			
Name of shareholder	Number of Shares in circulation without trade restrictions	Class and number of Shares	
		Class	Number of Shares
HKSCC NOMINEES LIMITED	746,791,220	Overseas listed foreign shares	746,791,220
Shanghai Pharmaceutical (Group)	716,516,039	RMB ordinary shares	716,516,039
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi	238,586,198	RMB ordinary shares	222,301,798
		Overseas listed foreign shares	16,284,400
China Securities Finance Corporation Limited	40,196,889	RMB ordinary shares	40,196,889
Shanghai Guosheng and Shanghai Shengrui	37,212,947	RMB ordinary shares	35,828,447
		Overseas listed foreign shares	1,384,500
Central Huijin Investment Ltd.	24,891,300	RMB ordinary shares	24,891,300
NSSF 604 Combination	23,795,177	RMB ordinary shares	23,795,177
Shenergy Group	23,199,520	RMB ordinary shares	23,199,520
Industrial and Commercial Bank of China Limited-CSI Shanghai State-owned Exchange Traded Index-based Investment Fund	18,371,737	RMB ordinary shares	18,371,737
Hong Kong Central Clearing Limited	15,268,825	RMB ordinary shares	15,268,825
Note on connected relations or concerted actions of the above shareholders	Shanghai Industrial Investment (Holdings) Co., Ltd. is the de facto controller of Shanghai Shangshi (Group) Co., Ltd., which is a controlling shareholder of Shanghai Pharmaceutical (Group) Co., Ltd.. Shanghai Guosheng (Group) Co., Ltd. is a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government. Shanghai Shengrui Investment Co., Ltd. is a wholly-owned subsidiary of Shanghai Guosheng (Group) Co., Ltd.. The Company is not aware of any affiliation among other shareholders or whether they are persons acting in concert as stipulated under the “Administrative Measures on Disclosure of Changes in Shareholders’ Shareholdings in Listed Companies”.		
Note on shareholders of preference Shares with voting rights restored and number of shares held	/		

Note 1: Of the total number of 67,437 shareholders as of the end of the Reporting Period, there were 65,133 A Shares and 2,304 H Shares.

Note 2: Shares held by HKSCC NOMINEES LIMITED are held on behalf of its clients and the number of Shares it holds as shown in the table above excludes the 16,284,400 H Shares held by Shanghai Industrial Investment (Holdings) Co., Ltd. and its wholly-owned subsidiaries and 1,384,500 H Shares held by Shanghai Guosheng through Southbound Trading. As the relevant rules of the Hong Kong Stock Exchange do not require clients to report whether the shares that they hold are pledged or frozen, HKSCC NOMINEES LIMITED is unable to provide statistics on the number of shares that have been pledged or frozen.

Note 3: Hong Kong Central Clearing Limited is the nominal holder of RMB ordinary shares of Northbound Trading.

2.3 The aggregate number of preference shareholders, and the shareholding status of top ten preference shareholders and top ten shareholders holding preference shares without trade restrictions as of the end of the Reporting Period

☐ Applicable ☒ Not applicable

III. IMPORTANT NOTICE

3.1 Details of and reasons for material changes in major accounting items and financial indicators of the Company

☒ Applicable ☐ Not applicable

Unit: RMB

Consolidated balance sheet items	31 March 2017	31 December 2016	Change	Reason for change
Financial assets at fair value with changes recognised in current profit or loss	1,281,154.20	4,060,270.54	-68.45%	Decrease in fair value on financial assets due to exchange rate fluctuation during the Reporting Period
Dividends receivable	3,411,830.87	2,606,115.48	30.92%	Increase in dividends receivable due from Joint Venture during the Reporting Period
Development disbursement	25,486,342.02	16,218,892.97	57.14%	Increase in capitalized R&D investment during the Reporting Period
Financial liabilities at fair value with changes recognised in current profit or loss	5,094,433.13	869,871.15	485.65%	Increase in fair value on financial liabilities due to exchange rate fluctuation during the Reporting Period
Interests payable	58,397,516.89	94,637,405.49	-38.29%	Due to the increase in bond interests payable during the Reporting Period
Accrued liabilities	36,635,831.30	6,635,831.30	452.09%	Increase in contingency expenses during the Reporting Period
Other comprehensive Income	108,810,847.41	21,199,086.34	413.28%	Increase in exchange differences on foreign currency statements during the Reporting Period
Consolidated income statement items	January to March 2017	Amount for the same period of previous year	Change	Reason for change
Asset impairment loss	4,226,499.39	45,253,819.54	-90.66%	The recovery of receivables of provision for bad debts during the Reporting Period
Investment income	237,292,246.84	181,385,519.28	30.82%	Increase in gains on Joint Venture investments during the Reporting Period
Non-operating income	87,686,230.46	295,227,022.45	-70.30%	Decrease in gains on disposal of non-current assets during the Reporting Period
Consolidated cash flow statement items	January to March 2017	Amount for the same period of previous year	Change	Reason for change
Net cash flows from operating activities	376,240,280.79	327,698,478.25	14.81%	The regular collection of receivables during the Reporting Period
Net cash flows from investing activities	-801,977,510.57	-137,854,937.40	-481.75%	Increase in expense for mergers and acquisitions during the Reporting Period
Net cash flows from financing activities	1,995,577,528.28	318,104,667.02	527.33%	Increase in borrowings acquired and decrease in repayments of debts during the Reporting Period

3.2 Progress of major events and their effects and analysis of solutions

√Applicable □Not applicable

1. Zhangzhou Pien Tze Huang Pharmaceutical Co., Ltd. (hereinafter referred to as “Pien Tze Huang”) sued Xiamen Traditional Chinese Medicine Co., Ltd. (hereinafter referred to as “Xiamen Traditional Chinese Medicine”), Xiamen Evening News Media Development Co., Ltd. and Xiamen Daily at Zhangzhou Municipal Intermediate People’s Court (hereinafter referred to as “Zhangzhou Intermediate Court”) for unfair competition. Xiamen Traditional Chinese Medicine filed an application for objection to jurisdiction to Zhangzhou Intermediate Court on 13 March 2014. On 4 April 2014, Xiamen Traditional Chinese Medicine received Civil Judgment (2014) Zhang Min Chu Zi No. 35-3, in which Zhangzhou Intermediate Court rejected the objection to the case’s jurisdiction by Xiamen Traditional Chinese Medicine at first instance. On 13 April 2014, Xiamen Traditional Chinese Medicine appealed to Fujian Provincial Higher People’s Court (hereinafter referred to as “Fujian Higher Court”) for objection to jurisdiction. On 23 June 2014, Fujian Higher Court issued Civil Judgment (2014) Min Min Zhong Zi No. 660 to revoke Civil Judgment (2014) Zhang Min Chu Zi No. 35-3 issued by Zhangzhou Intermediate Court at final instance and transferred the case to the jurisdiction of Xiamen Municipal Intermediate People’s Court (hereinafter referred to as “Xiamen Intermediate Court”). On 18 August 2014, Xiamen Traditional Chinese Medicine received Notice from Xiamen Municipal Intermediate People’s Court, Fujian Province (2014) Xia Min Chu Zi No. 937. It was noted that Fujian Higher Court further transferred the case to the jurisdiction of Fuzhou Municipal Intermediate People’s Court (hereinafter referred to as “Fuzhou Intermediate Court”). On 22 October 2014, Xiamen Traditional Chinese Medicine received notice from Fuzhou Intermediate Court that the time period for producing evidence on the case was extended to 7 November 2014. On 5 December 2014, Xiamen Traditional Chinese Medicine received Notice on Members of Collegial Panel from Fuzhou Intermediate Court and the Statement of Claim submitted by Pien Tze Huang. Pien Tze Huang made some amendments to the original statement of claim. On 19 December 2014, Xiamen Traditional Chinese Medicine filed an objection to the jurisdiction of Fuzhou Intermediate Court for the reason that the amended claims of the plaintiff were beyond its scope of jurisdiction. According to the Civil Judgment (2014) Rong Min Chu Zi No. 1431-1 received by Xiamen Traditional Chinese Medicine on 9 January 2015, its objection to the jurisdiction was rejected by the Fuzhou Intermediate Court at the first instance. On 19 January 2015, Xiamen Traditional Chinese Medicine further submitted its appeal for objection to the jurisdiction to the Fujian Higher Court. On 4 March 2015, the Civil Judgment (2015) Min Min Zhong Zi No. 446 was issued by the Fujian Higher Court as a final verdict, which repealed the aforesaid appeal and affirmed that the lawsuit shall be governed by the Fuzhou Intermediate Court. On 8 May 2015, Fuzhou Intermediate Court convened pretrial conference against the case. On 3 August 2015, Fuzhou Intermediate Court convened pretrial conference against the case again. On 31 August 2015, Fuzhou Intermediate Court convened the third pretrial conference against the case. The case was separately judged by Fuzhou Intermediate Court on 22 December 2015 and 5 January 2016. On 20 March 2017, Xiamen Traditional Chinese Medicine received the Judgment (2014) Rong Min Chu Zi No. 1431 from Fuzhou Intermediate Court, which supported part of litigation request of Pien Tze Huang. On 1 April 2017, Xiamen Traditional Chinese Medicine filed an appeal to the Fujian Higher Court during the appeal period.

2. On 18 June 2014, Xiamen Traditional Chinese Medicine applied to Trademark Bureau of State Administration for Industry and Commerce of the People's Republic of China (referred to as "Trademark Bureau of State Administration for Industry and Commerce") for registering trademarks of "Pill of Eight Treasures Pien Tze Huang" ("八寶丹片仔癯") (Application No: 11683990) and "Pien Tze Huang Pill of Eight Treasures" ("片仔癯八寶丹") (Application No: 11683929) on items under the fifth category of "traditional Chinese medicine" on 1 November 2012 in respect of Pien Tze Huang, asking for the rejection of registering these two contentious trademarks according to relevant regulations. On 30 October 2015, Trademark Bureau of State Administration for Industry and Commerce made decisions that trademarks were not allowed to register, including trademark of "Pill of Eight Treasures Pien Tze Huang" No.11683990 [(2015) Shang Biao Yi Zi No.0000052574] and trademark of "Pien Tze Huang Pill of Eight Treasures" No.11683929 [(2015) Shang Biao Yi Zi No.0000052569], and the registration of the two trademarks of Pien Tze Huang was rejected. On 21 March 2016, Xiamen Traditional Chinese Medicine received the review application for the above decision of non-registration submitted by Pien Tze Huang, which was sent by the Trademark Appraisal Committee of the State Administration for Industry and Commerce. On 18 April 2016, Xiamen Traditional Chinese Medicine submitted the defense materials in relation to review of decision of non-registration against Pien Tze Huang to the Trademark Appraisal Committee of the State Administration for Industry and Commerce. On 3 March 2017, the Trademark Appraisal Committee of the Trademark Bureau of State Administration for Industry and Commerce made the review decision that trademarks were not allowed to register, including trademark of "Pill of Eight Treasures Pien Tze Huang" No.11683990 [(2017) Shang Ping Zi No. 0000018006] and trademark of "Pien Tze Huang Pill of Eight Treasures" No.11683929 [(2017) Shang Ping Zi No. 0000018011], and the registration of the two trademarks of Pien Tze Huang was rejected.

3. On 17 August 2015, Xiamen Traditional Chinese Medicine filed with Fuzhou Intermediate Court to claim against Pien Tze Huang, Railway Station Pharmacy of Fuzhou Huichun Medicine Chain Co., Ltd. (referred to as “Huichun Medicine Railway Station Pharmacy”), Fuzhou Huichun Medicine Chain Co., Ltd. (referred to as “Huichun Medicine”) for unfair competition, demanding to issue an order to Pien Tze Huang to stop infringing false propaganda on “Babaodan” series products of Xiamen Traditional Chinese Medicine; compensate economic loss and reasonable rights fee totaling RMB2.997 million to Xiamen Traditional Chinese Medicine; to issue a public statement on provincial press and its official website for consecutive six months clarifying the facts and eliminating adverse effects to Xiamen Traditional Chinese Medicine arising from its false propaganda; to issue an order to Huichun Medicine Railway Station Pharmacy and Huichun Medicine to jointly compensate Xiamen Traditional Chinese Medicine an economic loss of RMB3,000; and to issue an order to the three defendants to jointly assume all the legal costs to the case. Fuzhou Intermediate Court accepted the case with case (2015) Rong Min Chu Zi No.1518 on that day. Pien Tze Huang submitted its objection to the jurisdiction to the Fuzhou Intermediate Court, claiming Fuzhou Intermediate Court was beyond its scope of jurisdiction and asking for transfer the case to Zhangzhou Municipal Intermediate People’s Court (hereinafter referred to as “Zhangzhou Intermediate Court”). On 22 September 2015, Fuzhou Intermediate Court issued Civil Judgment (2015) Rong Min Chu Zi No.1518 and rejected the objection to the jurisdiction of Pien Tze Huang. Pien Tze Huang was not satisfied with the judgment, and appealed to Fujian Provincial Higher People’s Court (referred to as “Fujian Higher Court”). On 7 December 2015, Fujian Higher Court issued Civil Judgment (2015) Min Min Zhong Zi No. 2095 to revoke Fuzhou Intermediate Court’s Civil Judgment and transferred the litigation involving Pien Tze Huang in the case to the jurisdiction of Zhangzhou Intermediate Court, and the litigations involving Huichun Medicine and Huichun Medicine Railway Station Pharmacy were still under trial by Fuzhou Intermediate Court. On 14 June 2016, the litigation involving Huichun Medicine and Huichun Medicine Railway Station Pharmacy was heard by Fuzhou Intermediate Court; on 14 October 2016, Fuzhou Intermediate Court issued Civil Judgment (2015) Rong Min Chu Zi No.1518 and rejected the claim of Xiamen Traditional Chinese Medicine. Xiamen Traditional Chinese Medicine filed an appeal afterwards during the appeal period. On 1 March 2017, Fujian Higher Court Civil Judgment (2017) Min Min Zhong Zi No. 37 to revoke Fuzhou Intermediate Court’s Civil Judgment (2015) Rong Min Chu Zi No.1518 and instructed that the litigation involving Huichun Medicine and Huichun Medicine Railway Station Pharmacy be under trial by Fuzhou Intermediate Court, and the evidence exchange of the litigation involving Pien Tze Huang be held by Zhangzhou Intermediate Court on 18 September 2016 and heard on 13 October 2016. Zhangzhou Intermediate Court issued a civil judgment on the preservation of evidence related to the case on the same day.

4. Mr. Ren Jian has submitted a written report to the Board of Directors on 27 April 2017 to cease to serve as the vice president of the Company and all the positions in the Company's holding and shareholding enterprises, and will hold relevant positions in Shanghai Pharmaceutical (Group) Co., Ltd., the controlling shareholder of the Company, with immediate effect from that day due to job adjustment. Mr. Ren Jian has confirmed that there is no disagreement with the board of directors of the Company and that no other matters relating to his resignation should be brought to the attention of the shareholders of the Company.

3.3 Commitment overdue and unfulfilled during the Reporting Period

☒Applicable ☐Not applicable

The Announcement of Shanghai Pharmaceuticals Holding Co., Ltd. in relation to the Amendments to the Commitment regarding the Shares held by Employees and the Employee Share Ownership Committee (details refer to the Company's announcement Lin No. 2017-012) was passed at the 5th meeting of the sixth session of the board of directors held on 21 March 2017 by the Company.

3.4 Warning in respect of the forecast of a probable loss or a significant change as compared with that of the corresponding period of previous year in the accumulated net profit from the beginning of the year to the end of the next reporting period and its reasons

☐Applicable ☒Not applicable

Name of the Company	Shanghai Pharmaceuticals Holding Co., Ltd.
Legal representative	ZHOU Jun
Date	27 April 2017

IV. APPENDIX

4.1 Financial statements

CONSOLIDATED BALANCE SHEET

31 March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Ending Balance	Beginning Balance
Current assets:		
Monetary funds	13,814,215,571.74	11,966,824,292.56
Deposit reservation for balance		
Lending funds		
Financial assets at fair value with changes recognised in current profit or loss	1,281,154.20	4,060,270.54
Derivative financial assets		
Notes receivable	1,743,448,847.69	1,586,533,454.66
Accounts receivable	30,916,697,321.87	27,292,754,755.34
Advances to suppliers	1,447,216,804.45	1,148,563,572.06
Premiums receivable		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Interest receivable	1,785,708.56	2,525,803.98
Dividends receivable	3,411,830.87	2,606,115.48
Other receivables	1,136,277,820.79	949,121,530.40
Redemptory monetary capital for sale		
Inventories	15,487,039,069.52	16,415,757,412.14
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	695,959,316.85	898,150,273.05
Total current assets	65,247,333,446.54	60,266,897,480.21

Items	Ending Balance	Beginning Balance
Non-current assets:		
Issuing of loans and advances		
Available-for-sale financial assets	322,169,112.85	269,366,340.75
Held-to-maturity investments		
Long-term receivables	453,652,990.95	425,362,273.51
Long-term equity investments	4,524,377,354.31	4,227,206,159.43
Investment properties	351,037,618.86	328,971,544.40
Fixed assets	5,436,258,809.69	5,252,961,272.94
Construction in progress	1,400,229,518.15	1,308,125,663.10
Construction materials		
Disposal of fixed assets		
Bearer biological assets	407,016,934.80	404,945,821.86
Oil-and-gas assets		
Intangible assets	2,648,171,183.22	2,750,893,639.94
Development disbursement	25,486,342.02	16,218,892.97
Goodwill	6,449,525,636.78	5,847,987,408.43
Long-term prepaid expenses	241,328,538.38	234,656,439.21
Deferred income tax assets	475,744,167.10	468,315,914.93
Other non-current assets	886,436,226.23	940,809,201.78
Total non-current assets	23,621,434,433.34	22,475,820,573.25
Total assets	88,868,767,879.88	82,742,718,053.46

Items	Ending Balance	Beginning Balance
Current liabilities:		
Short-term borrowings	12,355,411,182.33	9,627,798,513.11
Borrowing from the Central Bank		
Absorbing deposit and inter-bank deposit		
Borrowing funds		
Financial liabilities at fair value with changes recognised in current profit or loss	5,094,433.13	869,871.15
Derivative financial liabilities		
Notes payable	3,977,708,711.70	3,677,957,804.62
Accounts payable	24,450,927,351.10	22,307,164,401.79
Advances from customers	549,429,411.62	737,864,087.00
Financial assets sold for repurchase		
Fees and commissions payable		
Employee emolument payable	512,410,847.56	636,940,134.36
Taxes payable	554,201,364.76	642,458,444.88
Interest payable	58,397,516.89	94,637,405.49
Dividends payable	65,484,869.55	65,203,301.48
Other payables	3,528,058,247.99	3,303,531,891.80
Reinsurance accounts payable		
Provision for insurance contracts		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year	18,930,860.37	18,930,860.37
Other current liabilities		
Total current liabilities	46,076,054,797.00	41,113,356,716.05

Items	Ending Balance	Beginning Balance
Non-current liabilities:		
Long-term borrowings	836,507,804.83	837,692,373.74
Bonds payable	1,998,755,971.56	1,998,591,596.54
Including: Preference shares		
Perpetual bonds		
Long-term payables	691,905,850.13	692,536,892.13
Long-term employee emolument payable	58,965,554.33	61,203,646.01
Payables for specific projects		
Accrued liabilities	36,635,831.30	6,635,831.30
Deferred income	636,082,533.60	589,680,096.86
Deferred income tax liabilities	515,615,095.58	492,061,453.87
Other non-current liabilities	95,380,214.00	116,494,117.15
Total non-current liabilities	4,869,848,855.33	4,794,896,007.60
Total liabilities	50,945,903,652.33	45,908,252,723.65
Owners' equity:		
Share capital	2,688,910,538.00	2,688,910,538.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	13,525,784,406.08	13,558,187,213.40
Less: Treasury shares		
Other comprehensive income	108,810,847.41	21,199,086.34
Specific reserves		
Surplus reserves	1,215,837,037.33	1,215,837,037.33
General risk provisions		
Undistributed profits	15,136,861,128.44	14,138,419,230.90
Total equity attributable to owners of the parent company	32,676,203,957.26	31,622,553,105.97
Minority interests	5,246,660,270.29	5,211,912,223.84
Total owners' equity	37,922,864,227.55	36,834,465,329.81
Total liabilities and owners' equity	88,868,767,879.88	82,742,718,053.46

Legal representative: ZHOU Jun

Principal in charge of accounting: CHO Man

Head of accounting department: SHEN Bo

BALANCE SHEET OF PARENT COMPANY

As at 31 March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Ending Balance	Beginning Balance
Current assets:		
Monetary funds	2,540,695,664.78	2,559,202,235.71
Financial assets at fair value with changes recognised in current profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Advances to suppliers	758,544.33	4,896,622.23
Interest receivable	34,320,672.54	33,459,726.51
Dividends receivable	252,942,126.39	253,318,642.03
Other receivables	7,175,291,795.75	6,855,887,025.57
Inventories		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	15,038,457.75	15,603,159.86
Total current assets	10,019,047,261.54	9,722,367,411.91
Non-current assets:		
Available-for-sale financial assets	19,979,629.86	20,804,005.12
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	19,171,591,030.52	18,632,837,604.62
Investment properties		
Fixed assets	55,275,842.43	53,294,772.32
Construction in progress	43,137,141.37	41,718,832.58
Construction materials		
Disposal of fixed assets		
Bearer biological assets		
Oil-and-gas assets		
Intangible assets	56,854,260.43	55,960,239.72
Development disbursement		
Goodwill		

Items	Ending Balance	Beginning Balance
Long-term prepaid expenses	2,712,335.51	2,997,587.45
Deferred income tax assets		
Other non-current assets		
Total non-current assets	19,349,550,240.12	18,807,613,041.81
Total assets	29,368,597,501.66	28,529,980,453.72
Current liabilities:		
Short-term borrowings	2,100,000,000.00	1,600,000,000.00
Financial liabilities at fair value with changes recognised in current profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	7,142,672.77	7,068,439.21
Advances from customers	4,207,189.17	4,207,189.17
Employee benefits payable	8,439,913.75	25,000,000.00
Taxes payable	4,284,255.86	1,054,966.67
Interest payable	13,101,773.61	58,235,527.77
Dividends payable		
Other payables	3,145,172,938.86	2,843,088,281.11
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	5,282,348,744.02	4,538,654,403.93
Non-current liabilities:		
Long-term borrowings		
Bonds payable	1,998,755,971.56	1,998,591,596.54
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term employee emolument payable		
Payables for specific projects		
Accrued liabilities		
Deferred income	67,371,931.17	30,480,911.43
Deferred income tax liabilities	10,455,382.31	10,661,476.13
Other non-current liabilities		
Total non-current liabilities	2,076,583,285.04	2,039,733,984.10
Total liabilities	7,358,932,029.06	6,578,388,388.03

Items	Ending Balance	Beginning Balance
Owners' equity:		
Share capital	2,688,910,538.00	2,688,910,538.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	16,466,294,537.33	16,466,294,537.33
Less: Treasury shares		
Other comprehensive income	15,507,654.99	15,360,614.46
Specific reserves		
Surplus reserves	844,727,812.23	844,727,812.23
Undistributed profits	1,994,224,930.05	1,936,298,563.67
Total owners' equity	22,009,665,472.60	21,951,592,065.69
Total liabilities and owners' equity	29,368,597,501.66	28,529,980,453.72

Legal representative: ZHOU Jun

Principal in charge of accounting: CHO Man

Head of accounting department: SHEN Bo

COMBINED INCOME STATEMENT

January-March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Amount for the current period	Amount for the corresponding period of last year
I. Total revenue of operation	33,129,488,088.64	29,275,638,566.92
Including: Operating revenue	33,129,488,088.64	29,275,638,566.92
Interest income		
Earned premium		
Service charges and commission income		
II. Total cost of operation	31,991,062,741.39	28,332,194,745.22
Including: Cost of operation	29,027,649,336.18	25,731,908,295.17
Interest payments		
Service charges and commission fee		
Surrender charge fee		
Net pay spending		
Extraction of insurance contract net reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Business taxes and surcharges	101,480,688.46	82,714,085.07
Selling expenses	1,761,414,591.70	1,505,110,060.56
Administrative expenses	920,937,867.17	822,873,668.50
Financial expenses	175,353,758.49	144,334,816.38
Asset impairment losses	4,226,499.39	45,253,819.54
Add: Profit arising from changes in fair value (loss indicated by “-”)	-121,459.80	-93,508.80
Investment income (loss indicated by “-”)	237,292,246.84	181,385,519.28
Including: Share of investment profit of associates and joint ventures	231,646,404.16	179,598,781.88
Exchange earnings (loss indicated by “-”)		
III. Operating profit (loss indicated by “-”)	1,375,596,134.29	1,124,735,832.18
Add: Non-operating income	87,686,230.46	295,227,022.45
Including: Gain on disposal of non-current assets	597,900.68	207,503,003.70
Less: Non-operating expenses	50,177,269.67	60,537,257.87
Including: Losses on disposal of non-current assets	4,421,001.84	1,366,708.44
IV. Total profit (total loss indicated by “-”)	1,413,105,095.08	1,359,425,596.76
Less: Income tax expenses	272,291,296.57	255,991,472.88
V. Net profit (net loss indicated by “-”)	1,140,813,798.51	1,103,434,123.88
Net profit attributable to owners of the parent company	999,386,794.18	889,406,880.39
Minority interest	141,427,004.33	214,027,243.49

Items	Amount for the current period	Amount for the corresponding period of last year
VI. Other comprehensive income, net of tax	120,560,938.61	-7,586,898.67
Other comprehensive income attributable to owners of the parent company, net of tax	87,611,761.07	-7,449,719.01
(1) Other comprehensive income that will not be reclassified subsequently to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investees accounted for using equity method, which will not be reclassified to profit or loss		
(2) Other comprehensive income that will be reclassified subsequently to profit or loss	87,611,761.07	-7,449,719.01
1. Share of other comprehensive income of investees accounted for using equity method, which will be reclassified subsequently to profit or loss	794,937.28	
2. Profit or loss arising from changes in fair value of available for-sale financial assets	38,546,681.81	-14,687,630.07
3. Gain or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of gain or loss arising from cash flow hedging instruments	-4,129,331.11	
5. Exchange differences on translation of financial statements denominated in foreign currencies	52,399,473.09	7,237,911.06
6. Others		
Other comprehensive income attributable to minority shareholders, net of tax	32,949,177.54	-137,179.66
VII. Total comprehensive income	1,261,374,737.12	1,095,847,225.21
Total comprehensive income attributable to owners of the parent company	1,086,998,555.25	881,957,161.38
Total comprehensive income attributable to minority shareholders	174,376,181.87	213,890,063.83
VIII. Earnings per share		
(1) Basic earnings per share (RMB/share)	0.3717	0.3308
(2) Diluted earnings per share (RMB/share)	0.3717	0.3308

The net profit of the acquiree in a business combination involving enterprises under common control prior to its combination was RMB0 during the current period, the net profit of the acquiree was RMB0 during the previous period.

Legal representative: ZHOU Jun Principal in charge of accounting: CHO Man
Head of accounting department: SHEN Bo

INCOME STATEMENT OF PARENT COMPANY

January-March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Amount for the current period	Amount for the corresponding period of last year
I. Operating revenue	1,020,918.20	1,447,869.08
Less: Cost of operation		
Business taxes and surcharges	350,004.50	2,542,622.19
Selling expenses		
Administrative expenses	53,520,286.34	45,059,991.57
Financial expenses	-27,616,043.16	-25,027,387.10
Asset impairment losses	-1,837.58	-551,234.50
Add: Profit arising from changes in fair value (loss indicated by “-”)		
Investment income (loss indicated by “-”)	81,995,257.94	94,334,019.76
Including: Share of investment profit of associates and joint ventures	76,988,103.92	92,547,282.36
II. Operating profit (loss indicated by “-”)	56,763,766.04	73,757,896.68
Add: Non-operating income	1,618,563.26	8,046,798.90
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	455,962.92	1,525,449.47
Including: Losses on disposal of non-current assets	5,962.92	25,449.47
III. Total profit (total loss indicated by “-”)	57,926,366.38	80,279,246.11
Less: Income tax expenses		
IV. Net profit (net loss indicated by “-”)	57,926,366.38	80,279,246.11

Items	Amount for the current period	Amount for the corresponding period of last year
V. Other comprehensive income, net of tax	147,040.53	-2,712,414.02
(1) Other comprehensive income that will not be reclassified subsequently to profit or loss		
1. Changes in net liabilities or net assets arising from the remeasurement of defined benefit plans		
2. Share of other comprehensive income of investees accounted for using equity method, which will not be reclassified to profit or loss		
(2) Other comprehensive income that will be reclassified subsequently to profit or loss	147,040.53	-2,712,414.02
1. Share of other comprehensive income of investees accounted for using equity method, which will be reclassified subsequently to profit or loss	765,321.97	
2. Profit or loss arising from changes in fair value of available-for-sale financial assets	-618,281.44	-2,712,414.02
3. Gain or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of gain or loss arising from cash flow hedging instruments		
5. Exchange differences on translation of financial statements denominated in foreign currencies		
6. Others		
VI. Total comprehensive income	58,073,406.91	77,566,832.09
VII. Earnings per share		
(1) Basic earnings per share (RMB/share)	N/A	N/A
(2) Diluted earnings per share (RMB/share)	N/A	N/A

Legal representative: ZHOU Jun

Principal in charge of accounting: CHO Man

Head of accounting department: SHEN Bo

CONSOLIDATED CASH FLOWS STATEMENTS

January-March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Amount for the current period	Amount for the corresponding period of last year
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	34,868,793,708.70	31,216,259,735.32
Net increase in customer deposits and inter-bank deposit payment		
Net increase in borrowing from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the receipt of the original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposit of the insured and investment fund		
Net increase in disposal of financial assets at fair value with changes recognised in current profit or loss		
Interest, fees and commission in cash		
Net increase in funds borrowed		
Net increase in capital for repurchase business		
Refund of taxes received	16,358,977.42	9,910,820.88
Cash received relating to other operating activities	362,068,932.23	226,403,239.08
Sub-total of cash inflows from operating activities	35,247,221,618.35	31,452,573,795.28
Cash paid for goods and services	30,924,151,065.50	27,830,632,031.94
Net increase in customer loans and advances		
Net increase in placements with Central Bank and other financial institutions		
Cash paid for claims on original insurance contract		
Cash paid for interest, fees and commissions		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	1,264,058,477.02	1,145,916,813.97
Payments of taxes and surcharges	1,080,345,050.84	778,775,754.91
Cash paid relating to other operating activities	1,602,426,744.20	1,369,550,716.21
Sub-total of cash outflows from operating activities	34,870,981,337.56	31,124,875,317.03
Net cash flows from operating activities	376,240,280.79	327,698,478.25

Items	Amount for the current period	Amount for the corresponding period of last year
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,405,307,583.26	1,001,786,737.40
Cash received from returns on investments	6,256,115.48	40,019,905.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	35,713,028.42	186,704,599.45
Net cash received from disposal of subsidiaries and other business units		12,395,560.00
Cash received relating to other investing activities	82,103,543.72	21,482,147.83
Sub-total of cash inflows from investing activities	1,529,380,270.88	1,262,388,950.55
Cash paid to acquire fixed assets, intangible assets and other long-term assets	414,911,198.15	386,826,430.61
Cash paid to acquire investments	1,400,000,000.00	1,050,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	485,156,578.00	-90,178,336.67
Cash paid relating to other investing activities	31,290,005.30	53,595,794.01
Sub-total of cash outflows from investing activities	2,331,357,781.45	1,400,243,887.95
Net cash flows from investing activities	-801,977,510.57	-137,854,937.40
III. Cash flows from financing activities:		
Cash received from capital contributions		135,000,000.00
Including: Cash received from capital contributions of minority shareholders of subsidiaries		135,000,000.00
Cash received from borrowings	6,142,142,080.23	4,323,651,330.13
Cash received from issue of bonds		1,998,000,000.00
Cash received relating to other financing activities	66,609,318.64	
Sub-total of cash inflows from financing activities	6,208,751,398.87	6,456,651,330.13
Cash paid for repayments of debts	3,752,407,894.39	5,892,606,121.27
Cash paid for distribution of dividends, profits or interest payment	236,733,209.15	162,397,104.55
Including: Dividends and profits paid to minority shareholders by subsidiaries	19,918,918.80	16,471,910.90
Cash paid relating to other financing activities	224,032,767.05	83,543,437.29
Sub-total of cash outflows from financing activities	4,213,173,870.59	6,138,546,663.11
Net cash flows from financing activities	1,995,577,528.28	318,104,667.02

Items	Amount for the current period	Amount for the corresponding period of last year
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-6,187,767.89	-1,485,501.07
V. Net increase in cash and cash equivalents	1,563,652,530.61	506,462,706.80
Add: Cash and cash equivalents at beginning of the Reporting Period	10,979,743,874.12	11,277,854,942.41
VI. Cash and cash equivalents at the end of the Reporting Period	12,543,396,404.73	11,784,317,649.21

Legal representative: ZHOU Jun

Principal in charge of accounting: CHO Man

Head of accounting department: SHEN Bo

CASH FLOWS STATEMENTS OF PARENT COMPANY

January-March 2017

Name of enterprise: Shanghai Pharmaceuticals Holding Co., Ltd.

Unit: RMB Type Of Audit: Unaudited

Items	Amount for the current period	Amount for the corresponding period of last year
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,010,560.00	1,953,324.40
Refund of taxes received		
Cash received relating to other operating activities	234,883,986.48	247,583,878.90
Sub-total of cash inflows from operating activities	235,894,546.48	249,537,203.30
Cash paid for goods and services	9,890,412.73	10,665,601.07
Cash paid to and on behalf of employees	37,156,302.23	32,913,630.31
Payments of taxes and surcharges	1,015,261.80	4,778,199.79
Cash paid relating to other operating activities	28,845,994.93	22,834,318.44
Sub-total of cash outflows from operating activities	76,907,971.69	71,191,749.61
Net cash flows from operating activities	158,986,574.79	178,345,453.69
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,405,307,583.26	1,001,786,737.40
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,200.00	109,962,894.17
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	60,471,377.23	44,017,872.13
Sub-total of cash inflows from investing activities	1,465,780,160.49	1,155,767,503.70
Cash paid to acquire fixed assets, intangible assets and other long-term assets	5,112,737.65	8,015,210.46
Cash paid to acquire investments	1,400,000,000.00	1,050,000,000.00
Net cash paid to acquire subsidiaries and other business units	75,331,300.00	
Cash paid relating to other investing activities	586,000,000.00	2,065,000,000.00
Sub-total of cash outflows from investing activities	2,066,444,037.65	3,123,015,210.46
Net cash flows from investing activities	-600,663,877.16	-1,967,247,706.76

Items	Amount for the current period	Amount for the corresponding period of last year
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	500,000,000.00	10,000,000.00
Cash received from issue of bonds		1,998,000,000.00
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	500,000,000.00	2,008,000,000.00
Cash paid for repayments of debts		20,000,830.35
Cash paid for distribution of dividends, profits or interest payment	76,829,188.27	13,208,035.22
Cash paid relating to other financing activities		
Sub-total of cash outflows from financing activities	76,829,188.27	33,208,865.57
Net cash flows from financing activities	423,170,811.73	1,974,791,134.43
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-80.29	6.09
V. Net increase in cash and cash equivalents	-18,506,570.93	185,888,887.45
Add: Cash and cash equivalents at the beginning of the Reporting Period	2,559,202,235.71	4,278,042,722.29
VI. Cash and cash equivalents at the end of the Reporting Period	2,540,695,664.78	4,463,931,609.74

Legal representative: ZHOU Jun Principal in charge of accounting: CHO Man
Head of accounting department: SHEN Bo

4.2 Auditors' report

☐ Applicable ☒ Not applicable