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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)

2017 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The following is the first quarterly report for 2017 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**” or “**Fosun Pharma**”, together with its subsidiaries, collectively the “**Group**”) (the “**2017 First 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

27 April 2017

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 (the “**Supervisory Committee**”) of the Company and its directors, supervisors and senior management warrant that the 2017 First 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 2017 First Quarterly Report of the Group.
- 1.3 Chen Qiyu, the person in charge of the Company, Guan Xiaohui, the Chief Financial Officer and 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 2017 First Quarterly Report of the Group.
- 1.4 The 2017 First 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

	31 March 2017	31 December 2016	Ratio of change (%)
Total assets	47,338,126,209.00	43,767,787,265.95	8.16
Equity attributable to owners of the parent	22,803,930,003.69	22,190,215,546.23	2.77
	Jan - Mar 2017	Jan - Mar 2016	Period-on-period change (%)
Net cash flow generated from operating activities	402,267,777.55	383,929,630.45	4.78
	Jan - Mar 2017	Jan - Mar 2016	Period-on-period change (%)
Operating revenue	3,880,454,791.54	3,226,040,690.52	20.29
Net profit attributable to shareholders of the listed company	737,746,682.61	634,231,825.71	16.32
Net profit attributable to shareholders of the listed company after deducting extraordinary gain and loss	517,887,090.33	431,398,425.31	20.05
Weighted average return on net assets (%)	3.30	3.42	Decrease of 0.12 percentage points
Basic earnings per share (RMB/share)	0.32	0.27	18.52
Diluted earnings per share (RMB/share)	0.31	0.27	14.81

Extraordinary items and amounts

Unit: Yuan Currency: RMB

Items	Jan - Mar 2017	Description
Profit or loss on disposal of non-current assets	214,682,161.25	Mainly due to gain or loss arising from the disposal or deemed disposal of non-current asset 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)	6,667,149.15	
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	3,727,918.16	
Non-operating income and expenses other than those stated above	-2,165,011.94	
Impact on minority interests (after tax)	-1,714,379.72	
Effect of income tax	-1,338,244.62	
Total	219,859,592.28	

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				63,561		
The shareholding status of the Top 10 shareholders						
Name of shareholders	Shareholding at the end of the period	Percentage (%)	Number of restricted shares held	Shares pledged or locked up		Capacity
				Status	Number	
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	932,538,780	38.62	0	None	0	Domestic non-state owned legal entity
HKSCC NOMINEES LIMITED (Note 1)	402,622,300 (Note 3)	16.68	0	Unknown	—	Unknown
CHINA LIFE INSURANCE COMPANY LIMITED - TRADITIONAL - ORDINARY INSURANCE PRODUCT - 005L - CT001 SHANGHAI*	53,402,846	2.21	52,401,746	None	0	Unknown
CHINA SECURITIES FINANCE CORPORATION LIMITED*	31,168,433	1.29	0	None	0	Unknown
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	26,328,540	1.09	0	None	0	Unknown
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	1.00	0	None	0	Unknown
XINHUA LIFE INSURANCE CO., LTD. - DIVIDEND - GROUP DIVIDEND - 018L - FH001 SHANGHAI*	22,502,864	0.93	0	None	0	Unknown
FOTIC SPRINGS SELECTED I*	17,100,937	0.71	0	None	0	Unknown
TAIKANG LIFE INSURANCE CO., LTD. - DIVIDEND - INDIVIDUAL DIVIDEND - 019L - FH002 SHANGHAI*	17,003,327	0.70	15,692,445	None	0	Unknown
BANK OF CHINA LIMITED - ORIENT RED RUIHUA SH-HK-SZ FLEXIBLE ALLOCATION MIXED FUND*	15,596,675	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
SHANGHAI FOSUN HIGH TECHNOLOGY (GROUP) COMPANY LIMITED*	932,538,780	RMB ordinary shares	932,538,780
HKSCC NOMINEES LIMITED (Note 1)	402,622,300 (Note 3)	Overseas listed foreign shares	402,622,300 (Note 3)
CHINA SECURITIES FINANCE CORPORATION LIMITED*	31,168,433	RMB ordinary shares	31,168,433
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	26,328,540	RMB ordinary shares	26,328,540
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	RMB ordinary shares	24,067,700
XINHUA LIFE INSURANCE CO., LTD. - DIVIDEND - GROUP DIVIDEND - 018L - FH001 SHANGHAI*	22,502,864	RMB ordinary shares	22,502,864
FOTIC SPRINGS SELECTED I*	17,100,937	RMB ordinary shares	17,100,937
BANK OF CHINA LIMITED - ORIENT RED RUIHUA SH-HK-SZ FLEXIBLE ALLOCATION MIXED FUND*	15,596,675	RMB ordinary shares	15,596,675
BANK NEGARA MALAYSIA	15,120,547	RMB ordinary shares	15,120,547
PING AN TRUST CO., LTD - ELITE INVESTMENT • SPRINGS CAPITAL*	14,750,584	RMB ordinary shares	14,750,584
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.

Note 3: Including 5,173,000 H Shares of the Company held by Fosun Group through HKSCC NOMINEES LIMITED at the end of the Reporting Period, representing 0.21% of the total share capital of the Company.

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	31 March 2017	31 March 2016	Ratio of change	Reasons of changes
Dividends receivable	40,304,682.31	82,208,216.72	-50.97%	Mainly due to the receipt of dividends payment which were declared from the invested companies during the Reporting Period
Receipts in advance	242,872,201.10	385,744,475.33	-37.04%	Mainly due to the recognition of sales for the receipts in advance at the beginning of the year during the Reporting Period
Bonds payable	4,633,745,151.99	3,388,052,593.01	36.77%	Mainly due to the issuance of corporate bonds during the Reporting Period
Long-term payables	966,233,583.74	704,817,152.11	37.09%	Mainly due to the change of consolidation scope which increased the long term borrowing from non-controlling shareholders of a subsidiary during the Reporting Period
Treasury shares	18,766,733.50	26,818,892.30	-30.02%	Mainly due to the completion of the unlocking of the third tranche of the Restricted A Shares under the restricted share incentive scheme I of the Company during the Reporting Period

Unit: Yuan Currency: RMB

Income Statement				
Items	Jan - Mar 2017	Jan - Mar 2016	Ratio of change	Reasons of changes
Tax and surcharges	43,473,028.97	26,138,487.73	66.32%	Mainly due to the Group's execution of the Caikuai [2016] No. 22 Wen which required to reclassify the property tax and stamp tax from administrative expenses to the tax and surcharges during the Reporting Period
Selling expenses	1,023,285,269.05	758,025,326.10	34.99%	Mainly due to the growth in sales of the major products of the Group in the major therapeutic areas and further market expansion during the Reporting Period
R&D expenses	197,813,211.82	143,721,377.65	37.64%	Mainly due to the Group's increase in its investments on R&D during the Reporting Period
Asset impairment losses	13,387,310.69	714,962.75	1,772.45%	Mainly due to the increase of the provisions for inventories during the Reporting Period
Gain or loss from changes in fair value	-158,141.41	-4,713,785.57	96.65%	Mainly due to the change of fair value for the held-for-trading financial assets of the Group during the Reporting Period
Non-operating revenue	19,104,135.25	33,381,355.27	-42.77%	Mainly due to the decrease of the government grants received by the Group
Non-operating expenses	5,724,555.13	892,739.61	541.23%	Mainly due to the loss from the change in the sales agency and the disposal of fixed asset
Other comprehensive income	24,377,519.08	-93,184,270.62	126.16%	Mainly due to 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 - Mar 2017	Jan - Mar 2016	Ratio of change	Reasons of changes
Net cash flow generated from investing activities	-1,509,849,346.26	-913,863,630.30	-65.22%	Mainly due to the increase in investments during the Reporting Period
Net cash flow generated from financing activities	2,723,003,306.99	837,152,421.82	225.27%	Mainly due to the issuance of corporate bonds which will be used to settle the maturing debt during Reporting Period
Effects of exchange rate fluctuations on cash and cash equivalents	-7,132,543.69	2,583,925.33	-376.04%	Mainly due to the exchange rate fluctuations of USD during the Reporting Period

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

- (1) On 12 January 2017, the Company convened the 22nd meeting of the seventh session of the Board and the 1st meeting of the seventh session of the Supervisory Committee for 2017 respectively for the consideration and approval of the resolution in relation to the third unlocking of the restricted A shares under the Restricted Share Incentive Scheme. After consideration of the Board and verification of the Supervisory Committee, the conditions for the third unlocking of the restricted A shares under the incentive scheme I had been satisfied by the 24 participants. As a result, a total of 1,259,360 restricted A shares held by them were unlocked, and trading of all such restricted A shares granted under the incentive scheme I commenced upon the completion of the aforementioned unlocking.
- (2) As two of the grantees of the Restricted A Share Incentive Scheme II of the Company, namely Mr. Bai Huan and Mr. Chen Yi, had resigned from the Company and terminated their employment contracts with the Company, they were no longer fulfilled the conditions for incentives. The Board of the Company decided to buy back and cancel the 37,500 restricted A shares which were granted to them which had not been unlocked at a price of RMB10.54 per share for the buyback. The total consideration for the buyback amounted to RMB395,250. On 23 February 2017, the Company received a written confirmation from the Shanghai Branch of the Securities Depository and Clearing Co., Ltd. in relation to the repurchase, confirming that, among other things, the aforesaid 37,500 restricted A shares had been transferred to the Company's designated securities account for share repurchase. The aforementioned repurchased restricted A shares were cancelled on 24 February 2017.
- (3) The resolution in relation to the issuance of corporate bonds was considered and approved at the first extraordinary general meeting of the Company for 2015. It was agreed that the size of the issuance of corporate bonds of the Company will not be more than RMB5.0 billion. The CSRC issued the "Reply in relation to Approving the Public Issuance of Corporate Bonds of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* to Qualified Investors" (《關於核准上海復星醫藥(集團)股份有限公司向合格投資者公開發行公司債券的批覆》) (Zhengjian Xuke [2015] No. 3154) on 30 December 2015, approving the public issuance of corporate bonds in the amount of not more than RMB5 billion by the Company to qualified investors.

The public issuance of corporate bonds to qualified investors (first tranche) in 2017 of the Company was completed on 14 March 2017. The actual issuance size was RMB1.25 billion with the final coupon rate at 4.50%. The listing date was 23 March 2017.

- (4) The resolutions in relation to the fulfillment of the conditions for the public issuance of corporate bonds of the Company and the plan of public issuance of corporate bonds of the Company were considered and approved at the 28th meeting (extraordinary meeting) of the seventh session of the Board held on 31 March 2017 and the 29th meeting (extraordinary meeting) of the seventh session of the Board held on 18 April 2017. It was agreed that the

size of the issuance of corporate bonds of the Company will not be more than RMB7.0 billion (inclusive) with a maturity period not more than 7 years (inclusive), subject to the relevant requirements on the issuance of corporate bonds.

The resolutions in relation to the fulfillment of the conditions for the public issuance of corporate bonds of the Company and the plan of public issuance of corporate bonds of the Company are subject to consideration and approval at the general meeting.

- (5) On 31 March 2017, the resolution in relation to the share option incentive scheme of Shanghai Henlius Biotech Co., Ltd. (“**Shanghai Henlius**”) was considered and approved at the 28th meeting (extraordinary meeting) of the seventh session of the Board. The resolution in relation to the share option incentive scheme of Shanghai Henlius is subject to consideration and approval at the general meeting.
- (6) On 13 April 2017, the Company issued an announcement in relation to the payment of the principal and interest and the delisting of 2011 corporate bonds (first tranche), mentioning that, among other things, payment for the principal and the interest for the last period (from 25 April 2016 to 24 April 2017) of 11 Fosun Bond* (11復星債) will be made on 25 April 2017, and the bonds will be delisted on 25 April 2017.
- (7) On 24 April 2017, Fosun Pharma, other buyers and KKR Floorline Investments Pte. Ltd (the existing shareholder of Gland Pharma Limited (“**Gland Pharma**”)), the Founder Shareholders and Gland Pharma entered into the Amendment No. 1 to the Share Purchase Agreement to further extend the Termination Date of the transfer of equity interest in Gland Pharma to 27 July 2017.

3.3 Failure to perform undertakings during the Reporting Period

Not applicable

3.4 Warning on any potential loss in the accumulated net profit for the period from the beginning of the year to the end of the next reporting period or any material changes in the accumulated net profit as compared with the corresponding period of the previous year and the reasons thereof

Not applicable

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

Legal Representative: **Chen Qiyu**

27 April 2017

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet 31 March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2017	31 December 2016
Current Assets:		
Cash and bank balances	7,204,136,648.91	5,996,029,734.10
Settlement reserves		
Loans to banks or other financial institutions		
Equity investments at fair value through profit or loss	43,714,810.31	48,488,849.31
Derivative financial assets		
Bills receivable	550,165,125.15	424,856,792.73
Trade receivable	2,242,246,990.17	1,965,005,507.57
Prepayments	250,044,318.39	271,226,977.65
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Interest receivable	3,335,298.81	2,732,501.16
Dividends receivable	40,304,682.31	82,208,216.72
Other receivables	269,775,747.26	230,873,603.01
Purchase and sell-back of financial assets		
Inventories	1,776,451,213.75	1,670,738,356.90
Assets of a disposal group classified as held for sale		
Non-current assets due within one year		
Other current assets	89,019,997.36	72,146,385.02
Total current assets	12,469,194,832.42	10,764,306,924.17
Non-current assets:		
Provision of entrusted loans and advances		
Available-for-sale financial assets	3,133,326,018.71	2,674,435,887.42
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	16,954,671,118.49	16,175,569,879.88
Investment properties		
Fixed assets	5,110,394,970.59	5,140,004,619.24
Construction in progress	1,325,138,675.81	1,159,895,265.22
Project supplies	4,098,891.04	4,831,809.89
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	3,302,768,045.78	3,080,359,300.04
Development expenditures	544,655,912.09	570,204,236.66
Goodwill	3,814,009,254.83	3,473,110,437.16
Long-term deferred expenditures	18,360,394.07	20,747,087.05
Deferred tax assets	135,529,310.76	129,550,558.11
Other non-current assets	525,978,784.41	574,771,261.11
Total non-current assets	34,868,931,376.58	33,003,480,341.78
Total assets	47,338,126,209.00	43,767,787,265.95

Consolidated balance sheet (Continued)

31 March 2017

Items	31 March 2017	31 December 2016
Current liabilities:		
Short-term loans	4,811,692,447.20	3,826,209,697.21
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	104,913,992.34	124,588,073.72
Trade payable	1,049,965,980.99	1,024,791,136.80
Receipts in advance	242,872,201.10	385,744,475.33
Gain on disposal of repurchased financial assets		
Fees and commissions payable		
Wages payable	379,025,819.89	444,193,481.98
Tax payable	452,043,931.33	478,197,923.91
Interest payable	137,745,008.94	176,168,883.26
Dividends payable	615,381.87	1,711,025.08
Other payables	1,352,675,799.95	1,263,652,379.23
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	1,868,271,804.79	1,824,176,663.72
Other current liabilities	574,962,029.31	559,119,926.02
Total current liabilities	10,974,784,397.71	10,108,553,666.26
Non-current liabilities:		
Long-term loans	2,626,791,098.98	2,182,905,032.09
Bonds payable	4,633,745,151.99	3,388,052,593.01
Long-term payables	966,233,583.74	704,817,152.11
Long-term wages payables		
Specific payables		
Accrued liabilities		
Deferred income	347,726,758.05	346,706,123.84
Deferred tax liabilities	1,817,744,795.37	1,786,426,762.64
Other non-current liabilities		
Total non-current liabilities	10,392,241,388.13	8,408,907,663.69
Total liabilities	21,367,025,785.84	18,517,461,329.95

Consolidated balance sheet (Continued)*31 March 2017*

Items	31 March 2017	31 December 2016
Equity:		
Share capital	2,414,474,545.00	2,414,512,045.00
Other equity instruments		
Capital reserve	7,704,345,287.33	7,857,571,615.31
Less: treasury shares	18,766,733.50	26,818,892.30
Other comprehensive income	850,794,236.97	829,614,792.94
Specific reserve		
Surplus reserve	2,121,545,318.81	2,121,545,318.81
General risk provision		
Unappropriated profits	9,731,537,349.08	8,993,790,666.47
Total equity attributable to the owners of the Parent company	22,803,930,003.69	22,190,215,546.23
Non-controlling interests	3,167,170,419.47	3,060,110,389.77
Total equity	25,971,100,423.16	25,250,325,936.00
Total liabilities and equity	47,338,126,209.00	43,767,787,265.95

*Legal Representative:***Chen Qiyu***Chief Financial Officer:***Guan Xiaohui***Director of the Accounting Department:***Yan Jia**

Balance Sheet of the Parent Company

31 March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2017	31 December 2016
Current Assets:		
Cash and bank balances	2,254,067,916.04	1,154,258,008.90
Equity investments at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Trade receivable		
Prepayments		
Interest receivable	74,641,555.44	31,983,331.18
Dividends receivable	8,384,242.29	8,384,242.29
Other receivables	4,182,480,035.99	3,019,964,946.62
Inventories		
Assets of a disposal group classified as held for sale		
Non-current assets due within one year	1,780,000,000.00	1,789,000,000.00
Other current assets	104,000,000.00	95,000,000.00
Total current assets	8,403,573,749.76	6,098,590,528.99
Non-current assets:		
Available-for-sale financial assets	591,431,928.64	582,959,241.71
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	17,153,902,892.25	16,368,117,355.38
Investment properties		
Fixed assets	16,362,673.59	17,031,895.26
Construction in progress		
Project supplies		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	1,904,986.86	1,702,751.28
Development expenditures		
Goodwill		
Long-term deferred expenditures		
Deferred tax assets		
Other non-current assets	4,867,902,251.56	4,957,582,784.05
Total non-current assets	22,631,504,732.90	21,927,394,027.68
Total assets	31,035,078,482.66	28,025,984,556.67

Balance Sheet of the Parent Company (Continued)

31 March 2017

Items	31 March 2017	31 December 2016
Current liabilities:		
Short-term loans	2,432,951,000.00	1,342,590,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable		
Trade payable		
Receipts in advance		
Wages payable	113,070,149.12	130,977,347.62
Tax payable	15,854,106.74	16,483,035.86
Interest payable	123,965,224.88	165,636,061.61
Dividends payable	615,381.88	1,711,025.08
Other payables	628,730,364.85	574,644,342.29
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,567,054,323.35	1,557,743,524.31
Other current liabilities	596,288,320.26	554,015,860.14
Total current liabilities	5,478,528,871.08	4,343,801,196.91
Non-current liabilities:		
Long-term loans	638,974,250.00	301,493,750.00
Bonds payable	4,633,745,151.99	3,388,052,593.01
Long-term payables		
Long-term wages payables		
Specific payables		
Accrued liabilities		
Deferred income	3,996,840.62	4,020,100.62
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79
Other non-current liabilities		
Total non-current liabilities	6,427,735,116.40	4,844,585,317.42
Total liabilities	11,906,263,987.48	9,188,386,514.33
Equity:		
Share capital	2,414,474,545.00	2,414,512,045.00
Other equity instruments		
Capital reserve	9,996,150,545.02	9,993,919,018.03
Less: treasury shares	18,766,733.50	26,818,892.30
Other comprehensive income	92,387,421.44	101,181,474.56
Specific reserve		
Surplus reserve	1,207,256,022.50	1,207,256,022.50
Unappropriated profits	5,437,312,694.72	5,147,548,374.55
Total equity	19,128,814,495.18	18,837,598,042.34
Total liabilities and equity	31,035,078,482.66	28,025,984,556.67

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Consolidated Income Statement

January - March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan - Mar 2017	Jan - Mar 2016
I. Total operating revenue	3,880,454,791.54	3,226,040,690.52
Including: Operating revenue	3,880,454,791.54	3,226,040,690.52
Interest income		
Earned premiums		
Fees and commission income		
II. Total operating costs	3,489,037,156.53	2,888,139,056.90
Including: Operating costs	1,733,097,970.44	1,560,156,697.00
Interest expenses		
Fees and commission expenses		
Premiums refund		
Compensation payout, net		
Net provision drawn for insurance contract		
Policy dividend payment		
Amortized reinsurance expenditures		
Tax and surcharges	43,473,028.97	26,138,487.73
Selling and distribution expenses	1,023,285,269.05	758,025,326.10
Administrative expenses	553,116,423.82	442,287,426.30
Finance costs	122,677,153.56	100,816,157.02
Asset impairment losses	13,387,310.69	714,962.75
Plus: Gains from changes in fair value (“-” indicating loss)	-158,141.41	-4,713,785.57
Investment income (“-” indicating loss)	548,741,983.64	491,892,235.07
Including: Gains from investments in associated companies and joint ventures	311,799,191.25	276,926,240.79
Foreign exchange gains (“-” indicating loss)		
III. Operating profit (“-” indicating loss)	940,001,477.24	825,080,083.12
Plus: Non-operating revenue	19,104,135.25	33,381,355.27
Including: Gains from disposal of non-current assets	1,151,768.61	73,095.82
Less: Non-operating expenses	5,724,555.13	892,739.61
Including: Loss on disposal of non-current assets	1,717,264.60	160,554.36
IV. Total profit (“-” indicating total loss)	953,381,057.36	857,568,698.78
Less: Income tax expenses	117,416,637.53	95,758,837.62
V. Net profit (“-” indicating net loss)	835,964,419.83	761,809,861.16
Profit for the period attributable to the owners of the Parent company	737,746,682.61	634,231,825.71
Profit for the period attributable to non-controlling interests	98,217,737.22	127,578,035.45

Consolidated Income Statement (Continued)

January - March 2017

Items	Jan - Mar 2017	Jan - Mar 2016
VI. Other comprehensive income	24,377,519.08	-93,184,270.62
Other comprehensive income attributable to the owners of the Parent company	21,179,444.03	-102,793,548.55
(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	21,179,444.03	-102,793,548.55
1. Share of other comprehensive income of associates	-566,058.83	
2. Changes in fair value of available for sale investments, net of tax	-1,493,886.00	-111,582,191.46
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	23,239,388.86	8,788,642.91
6. Others		
Other comprehensive income after tax attributable to non-controlling interests, net	3,198,075.05	9,609,277.93
VII. Total comprehensive income for the period	860,341,938.91	668,625,590.54
Total comprehensive income for the period attributable to the owners of the Parent company	758,926,126.64	531,438,277.16
Total comprehensive income for the period attributable to non-controlling interests	101,415,812.27	137,187,313.38
VIII. Earnings per share:		
(1) basic earnings per share (yuan/share)	0.32	0.27
(2) diluted earnings per share (yuan/share)	0.31	0.27

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Income Statement of the Parent Company

January - March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan - Mar 2017	Jan - Mar 2016
I. Operating revenue		
Less: Operating costs		
Tax and surcharges	1,129,135.27	
Selling and distribution expenses		
Administrative expenses	54,734,240.74	50,483,894.70
Finance costs	13,268,728.26	25,035,044.50
Asset impairment losses		
Plus: Gains from changes in fair value (“-” indicating loss)		
Investment income (“-” indicating loss)	358,821,424.44	279,697,128.95
Including: Gains from investments in associated companies and joint ventures	352,310,036.72	280,384,302.92
II. Operating profit (“-” indicating loss)	289,689,320.17	204,178,189.75
Plus: Non-operating revenue	75,000.00	75,000.00
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)	289,764,320.17	204,253,189.75
Less: Income tax expenses		
IV. Net profit (“-” indicating net loss)	289,764,320.17	204,253,189.75
V. Other comprehensive income	-8,794,053.12	-48,007,853.66
(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	-8,794,053.12	-48,007,853.66
1. Share of other comprehensive income of associates		
2. Changes in fair value of available for sale investments, net of tax	-8,794,053.12	-48,007,853.66
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	280,970,267.05	156,245,336.09
VII. Earnings per share:		
(1) basic earnings per share (yuan/share)	Not Applicable	Not Applicable
(2) diluted earnings per share (yuan/share)	Not Applicable	Not Applicable

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

Consolidated Statement of Cash Flow

January - March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan - Mar 2017	Jan - Mar 2016
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	4,389,563,139.79	4,299,883,223.07
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	14,761,764.22	23,093,454.73
Other cash received relating to operating activities	77,708,847.30	35,187,787.61
Sub-total of cash inflow generated from operating activities	4,482,033,751.31	4,358,164,465.41
Cash paid for purchasing goods and receiving services	2,262,211,032.61	2,313,547,525.87
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	710,385,783.40	586,541,327.73
Cash paid for all types of taxes	440,072,187.15	316,472,895.17
Other cash paid relating to operating activities	667,096,970.60	757,673,086.19
Sub-total of cash outflow generated from operating activities	4,079,765,973.76	3,974,234,834.96
Net cash flow generated from operating activities	402,267,777.55	383,929,630.45
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	37,379,307.58	189,710,464.93
Cash received from returns on investments	68,940,138.87	7,218,840.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,224,356.33	27,887,220.44
Net cash received from disposal of subsidiaries and other operating segments		
Other cash received relating to investing activities	102,334,835.00	33,213,460.32
Sub-total of cash inflow generated from investing activities	209,878,637.78	258,029,985.84
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	401,972,907.76	518,543,984.11
Cash paid for investments	779,745,461.34	563,268,495.80
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other operating segments	523,353,317.87	2,488,680.53
Other cash paid relating to investing activities	14,656,297.07	87,592,455.70
Sub-total of cash outflow generated from investing activities	1,719,727,984.04	1,171,893,616.14
Net cash flow generated from investing activities	-1,509,849,346.26	-913,863,630.30

Consolidated Statement of Cash Flow (Continued)
January - March 2017

Items	Jan - Mar 2017	Jan - Mar 2016
III. Cash flow generated from financing activities:		
Cash received from capital contribution	5,298,471.46	61,599,724.40
Including: cash received by subsidiaries from investments of non-controlling interests	5,298,471.46	61,599,724.40
Cash received from borrowings	3,242,175,326.50	1,210,785,592.46
Cash received from issuing bonds	1,244,375,000.00	2,985,000,000.00
Other cash received relating to financing activities	261,766,177.04	25,353,724.02
Sub-total of cash inflow generated from financing activities	4,753,614,975.00	4,282,739,040.88
Cash paid for debts settlement	1,752,480,331.17	3,158,783,392.48
Cash paid for the distribution of dividends, profits or interest	182,715,819.62	179,029,660.82
Including: dividends and profits paid by subsidiaries to non-controlling interests	560,000.00	4,181,660.91
Other cash paid relating to financing activities	95,415,517.22	107,773,565.76
Sub-total of cash outflow generated from financing activities	2,030,611,668.01	3,445,586,619.06
Net cash flow generated from financing activities	2,723,003,306.99	837,152,421.82
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-7,132,543.69	2,583,925.33
V. Net increase of cash and cash equivalents	1,608,289,194.59	309,802,347.30
Plus: Opening balance of cash and cash equivalents	4,538,036,620.20	3,348,593,521.11
VI. Closing balance of cash and cash equivalents	6,146,325,814.79	3,658,395,868.41

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 - March 2017

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan - Mar 2017	Jan - Mar 2016
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services		
Refund of taxes and levies		
Other cash received relating to operating activities	37,669,024.80	6,626,471.03
Sub-total of cash inflow generated from operating activities	37,669,024.80	6,626,471.03
Cash paid for purchasing goods and receiving services		
Cash paid to and on behalf of employees	61,385,736.97	42,278,121.91
Cash paid for all types of taxes	10,527,554.88	12,873,778.83
Other cash paid relating to operating activities	7,676,848.16	46,066,272.56
Sub-total of cash outflow generated from operating activities	79,590,140.01	101,218,173.30
Net cash flow generated from operating activities	-41,921,115.21	-94,591,702.27
II. Cash flow generated from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments	8,639,654.81	2,590,752.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
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	8,639,654.81	22,590,752.07
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		105,870.00
Cash paid for investments	25,395,007.16	16,678,233.92
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	25,395,007.16	16,784,103.92
Net cash flow generated from investing activities	-16,755,352.35	5,806,648.15
III. Cash flow generated from financing activities:		
Cash received from capital contribution		
Cash received from borrowings	2,290,224,000.00	849,144,800.00
Cash received from issuing bonds	1,244,375,000.00	2,985,000,000.00
Other cash received relating to financing activities	511,611,275.00	874,959,246.23
Sub-total of cash inflow generated from financing activities	4,046,210,275.00	4,709,104,046.23
Cash paid for debts settlement	850,224,000.00	2,300,000,000.00
Cash paid for the distribution of dividends, profits or interest	120,323,378.81	120,185,019.12
Other cash paid relating to financing activities	1,882,569,743.16	1,613,372,308.20
Sub-total of cash outflow generated from financing activities	2,853,117,121.97	4,033,557,327.32
Net cash flow generated from financing activities	1,193,093,153.03	675,546,718.91
IV. Effects of exchange rate fluctuations on cash and cash equivalents	78,221.67	1,416,810.62
V. Net increase of cash and cash equivalents	1,134,494,907.14	588,178,475.41
Plus: Opening balance of cash and cash equivalents	669,573,008.90	380,637,225.09
VI. Closing balance of cash and cash equivalents	1,804,067,916.04	968,815,700.50

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Yan Jia

4.2 Audited Report

Not applicable