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FOSUN PHARMA

复星医药

上海復星醫藥（集團）股份有限公司

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

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

(Stock Code: 02196)

2019 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 2019 of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) (the “**2019 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

29 October 2019

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

* *for identification purposes only*

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”) and the supervisory committee (the “**Supervisory Committee**”) of the Company and its directors, supervisors and senior management warrant that the 2019 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 2019 Third Quarterly Report of the Group.
- 1.3 Chen Qiyu, the person in charge of the Company, Guan Xiaohui, the Chief Financial Officer, and Chen Zhanyu, 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 2019 Third Quarterly Report of the Group.
- 1.4 The 2019 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 2019	31 December 2018	Ratio of change (%)
Total assets	78,569,297,725.65	70,551,361,387.48	11.36
Net assets attributable to shareholders of the listed company	30,633,746,877.27	27,977,736,427.49	9.49
	Jan – Sept 2019	Jan – Sept 2018	Period-on-period change (%)
Net cash flow generated from operating activities	2,328,355,784.17	2,087,826,458.74	11.52
	Jan – Sept 2019	Jan – Sept 2018	Period-on-period change (%)
Operating Revenue	21,227,618,679.11	18,142,384,871.95	17.01
Net profit attributable to shareholders of the listed company	2,063,704,147.99	2,094,152,353.81	-1.45
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss	1,722,388,028.34	1,591,668,096.39	8.21
Weighted average return on net assets (%)	7.21	8.00	Decrease of 0.79 percentage points
Basic earnings per share (RMB/share)	0.81	0.83	-2.41
Diluted earnings per share (RMB/share)	0.81	0.83	-2.41

Note: In the third quarter of 2019, products such as febusostat tablets (You Li Tong), pitavastatin calcium tablets (Bang Zhi), enoxaparin injection and daptomycin maintained sound growth in sales volume, and the sales of Intuitive Fosun's Da Vinci robotic equipment began to accelerate. The net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss of the Group for the current quarter was RMB554.7841 million, representing an increase of RMB163.7726 million from the same period of the previous year and a year-on-year increase of 41.88%. The net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss in aggregate during the Reporting Period was RMB1,722.388 million, representing an increase of RMB130.7199 million from the same period of the previous year and a year-on-year increase of 8.21%.

Due to the progress of the disposal of assets intended to be disposed of and the changes in the fair value of certain financial assets held, the extraordinary gain or loss for the current quarter was RMB-7.1998 million, representing a decrease of RMB149.8699 million from the same period of the previous year; the extraordinary gain or loss in aggregate during the Reporting Period was RMB341.3161 million, representing a decrease of RMB161.1681 million from the same period of the previous year and a year-on-year decrease of 32.07%.

Based on the above factors, the net profit attributable to shareholders of the listed company during the Reporting Period decreased by RMB30.4482 million as compared to the same period of the previous year, representing a year-on-year decrease of 1.45%.

During the Reporting Period, the accumulated investment in research and development of the Group amounted to RMB2,253.454 million, representing an increase of RMB386.4802 million from the same period of the previous year and a year-on-year increase of 20.70%; the cash flow from operating activities further increased, and the net cash flow generated from operating activities amounted to RMB2,328.3558 million, representing an increase of 11.52% as compared to the corresponding period of 2018.

Extraordinary gain or loss items and amounts

Unit: Yuan Currency: RMB

Items	Jul – Sept 2019	Jan – Sept 2019
Gain or loss on disposal of non-current assets	6,698,974.15	54,877,229.54
Government grant included in profit or loss for the current period (excluding government grant closely related to the Company's normal operation, and entitled in fixed amounts or quantities on a continuous basis according to national standards)	64,610,828.53	123,804,343.06
Profit or loss arising from changes in the fair value of holding held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, except effective hedging business related to the Company's normal operations	-95,402,673.43	231,996,093.58
Non-operating income and expenses other than those stated above	48,756,541.22	27,391,712.25
Impact on minority interests (after tax)	-15,445,568.08	-33,058,160.48
Effect of income tax	-16,417,943.49	-63,695,098.30
Total	-7,199,841.10	341,316,119.65

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				127,272		
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*	938,095,290	36.60	0	None	0	Domestic non-state owned legal entity
HKSCC NOMINEES LIMITED (Note 1)	551,255,448	21.51	0	Unknown	—	Unknown
CHINA LIFE INSURANCE COMPANY LIMITED — TRADITIONAL — ORDINARY INSURANCE PRODUCT — 005L — CT001 SHANGHAI*	52,401,746	2.04	52,401,746	None	0	Others
CHINA SECURITIES FINANCE CORPORATION LIMITED*	38,736,157	1.51	0	None	0	Others
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	36,199,707	1.41	0	None	0	Unknown
NATIONAL SOCIAL SECURITY FUND 113 PORTFOLIO*	28,066,210	1.10	0	None	0	Others
BASIC PENSION INSURANCE FUND 802 PORTFOLIO*	25,824,892	1.01	0	None	0	Others
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	0.94	0	None	0	State owned legal entity
TAIKANG LIFE INSURANCE CO., LTD. — DIVIDEND — INDIVIDUAL DIVIDEND — 019L — FH002 SHANGHAI*	15,692,501	0.61	15,692,445	None	0	Others
NATIONAL SOCIAL SECURITY FUND 110 PORTFOLIO*	15,358,518	0.60	0	None	0	Others

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*	938,095,290	RMB ordinary shares	938,095,290
HKSCC NOMINEES LIMITED (Note 1)	551,255,448	Overseas listed foreign shares	551,255,448
CHINA SECURITIES FINANCE CORPORATION LIMITED*	38,736,157	RMB ordinary shares	38,736,157
HONG KONG SECURITIES CLEARING COMPANY LIMITED (Note 2)	36,199,707	RMB ordinary shares	36,199,707
NATIONAL SOCIAL SECURITY FUND 113 PORTFOLIO*	28,066,210	RMB ordinary shares	28,066,210
BASIC PENSION INSURANCE FUND 802 PORTFOLIO*	25,824,892	RMB ordinary shares	25,824,892
CENTRAL HUIJIN ASSET MANAGEMENT LTD.*	24,067,700	RMB ordinary shares	24,067,700
NATIONAL SOCIAL SECURITY FUND 110 PORTFOLIO*	15,358,518	RMB ordinary shares	15,358,518
ABU DHABI INVESTMENT AUTHORITY	13,790,532	RMB ordinary shares	13,790,532
CHINA CONSTRUCTION BANK CORPORATION – CHINA-EUROPE VALUE DISCOVERY EQUITY SECURITIES INVESTMENT FUND*	10,198,273	RMB ordinary shares	10,198,273
Description of the related relationship or concerted action of the above shareholders	The Company does not know if any related relationship or concerted action exists between the abovementioned shareholders of tradable shares.		
Description of resumed voting rights and shareholdings of 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; shares held by it at the end of the Reporting Period includes 34,993,500 H shares of the Company held by Shanghai Fosun High Technology (Group) Co., Ltd.* (“**Fosun High Tech**”) through it, representing approximately 1.37% of the total share capital of the Company at the end of the Reporting Period.

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

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

Not applicable

3. SIGNIFICANT EVENTS

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

(1) Balance Sheet

Unit: Yuan Currency: RMB

Balance Sheet				
Items	30 September 2019	31 December 2018	Ratio of change	Reasons of changes
Financial assets held for trading	1,344,673,568.10	616,123,764.39	118.25%	Mainly due to the increase in investment in financial assets during the Reporting Period
Bills receivable	258,620,513.78	712,510,581.95	-63.70%	Mainly due to the bank acceptance bills expected to be used for discounts being reclassified to “receivables financing” during the Reporting Period
Receivables financing	471,597,865.70	—	N/A	Mainly due to the bank acceptance bills expected to be used for discounts being reclassified to “receivables financing” in accordance with the reporting format disclosure requirements of the Ministry of Finance of the People’s Republic of China (the “MOF”) during the Reporting Period
Assets held for sale	1,162,820,637.56	—	N/A	Mainly due to the transfer of part of the long-term equity investments to “assets held for sale” as a result of uncompleted transfer of shares of Healthy Harmony Holdings L.P. intended to be transferred by Fosun Industrial Co., Limited, a controlling subsidiary, as at the end of the Reporting Period
Debt investment	117,956,750.00	67,562,000.00	74.59%	Mainly due to the increase in entrusted loans provided by the Group to a joint venture, Fosun Kite Biotechnology Co., Ltd., during the Reporting Period
Construction in progress	2,942,095,697.03	2,039,800,319.91	44.23%	Mainly due to the increase in investment in construction projects during the Reporting Period
Right-of-use assets	433,996,758.51	—	N/A	Mainly due to the implementation of the Accounting Standards for Business Enterprises No. 21 — Leases (the “New Lease Standards”) by the Group during the Reporting Period, which recognises the right to use the leased assets during the lease term as “right-of-use assets”
Development expenditures	2,676,735,574.42	2,040,773,501.88	31.16%	Mainly due to increased investment in research and development during the Reporting Period
Deferred tax assets	242,021,035.79	173,134,814.17	39.79%	Mainly due to the increase in deferred tax assets recognised as deductible losses during the Reporting Period
Short-term loans	7,440,018,220.78	5,607,192,955.63	32.69%	Mainly due to the increase in short-term bank loans during the Reporting Period
Bills payable	266,942,486.20	149,003,072.96	79.15%	Mainly due to increased purchases during the Reporting Period
Non-current liabilities due within one year	2,206,056,772.37	4,929,603,365.34	-55.25%	Mainly due to (1) the transfer of part of the expired and renewed amount of the RMB3 billion corporate bonds with repurchase option (“16 Fosun Pharma 01”) on 4 March 2019 from “non-current liabilities due within one year” to “bonds payable” for accounting during the Reporting Period; (2) the reclassification of the RMB1.25 billion corporate bonds with repurchase option (“17 Fosun Pharma 01”) to “non-current liabilities due within one year” for accounting during the Reporting Period; and (3) repayment of long-term loans due within one year

Balance Sheet				
Items	30 September 2019	31 December 2018	Ratio of change	Reasons of changes
Other current liabilities	1,599,149,293.47	227,445,337.32	603.09%	Mainly due to the issuance of the RMB1.3 billion super short-term commercial papers by the Company during the Reporting Period
Bonds payable	5,781,204,728.90	4,039,456,986.21	43.12%	Mainly due to the reclassification of the RMB1.25 billion corporate bonds with repurchase option (“17 Fosun Pharma 01”) to “non-current liabilities due within one year” and the renewal of the RMB3 billion corporate bonds (“16 Fosun Pharma 01”) during the Reporting Period
Long-term payables	252,679,111.96	416,889,805.19	-39.39%	Mainly due to the reclassification of equity purchases to be paid within one year to current liabilities during the Reporting Period
Lease liabilities	307,212,833.42	—	N/A	Mainly due to the implementation of the New Leasing Standards by the Group during the Reporting Period, which recognises the present value of the discounted future lease payments to such item

(2) Income Statement

Unit: Yuan Currency: RMB

Income Statement				
Items	Jan – Sept 2019	Jan – Sept 2018	Ratio of change	Reasons of changes
Finance costs	654,189,966.72	494,570,957.17	32.27%	Mainly due to the increase in average interest-bearing debts and the increase in exchange loss due to fluctuations in exchange rates during the Reporting Period
Assets impairment losses	-12,987,296.67	-31,199,630.87	58.37%	Mainly due to the provision for depreciation of some slow-moving inventory in the same period of last year
Other gains	177,190,761.04	129,096,628.40	37.25%	Mainly due to the increase in government grants received during the Reporting Period
Investment income	1,537,475,096.34	1,156,571,580.67	32.93%	Mainly due to the year-on-year growth in operating results of associates such as Sinopharm Industrial Investment Co., Ltd., the increase of the Group’s share in associates’ income and the disposal of equity/interest in companies such as Simcere Holding Limited (“SHL”) and CMF Health Investment, L.P. (“CMF”) during the Reporting Period
Gains from changes in fair value	-130,280,259.91	341,302,256.57	-138.17%	Mainly due to changes in the fair value of financial assets held during the Reporting Period
Gains from disposal of assets	18,274,543.61	-720,880.05	2,635.03%	Mainly due to the gains from disposal of long-term asset during the Reporting Period
Non-operating revenue	60,837,112.62	9,582,556.69	534.87%	Mainly due to the increase in payments that are not required to be paid during the Reporting Period
Non-operating expenses	33,445,400.37	20,412,260.76	63.85%	Mainly due to the increase in public welfare donations during the Reporting Period
Profit and loss attributable to non-controlling interests	391,892,841.31	244,884,168.27	60.03%	Mainly due to the increase in profit of non-wholly-owned subsidiaries during the Reporting Period
Other comprehensive income, net of tax	34,958,479.93	-532,197,468.31	106.57%	Mainly due to the increase in foreign currency translation difference arising from fluctuations in foreign currency exchange rates

(3) Statement of Cash Flow

Unit: Yuan Currency: RMB

Statement of Cash Flow				
Items	Jan – Sept 2019	Jan – Sept 2018	Ratio of change	Reasons of changes
Net cash flow generated from investing activities	-2,560,243,375.55	-4,338,289,449.60	40.98%	Mainly due to the increase in the cash inflows from investing activities due to the disposal of SHL and CMF equity/interest and the increase in dividends received during the Reporting Period
Effects of exchange rate fluctuations on cash and cash equivalents	47,762,255.60	-31,014,791.25	254.00%	Mainly due to the exchange rate fluctuations during the Reporting Period

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

1. The 2016 annual general meeting of the Company considered and approved the resolution in relation to the mandate to issue inter-bank market debt financing instruments, and agreed to the Company's issuance and registration of new debt financing instruments amounting to no more than RMB10 billion. The Notices of Acceptance of Registration (Zhong Shi Xie Zhu [2018] MTN No. 208 and Zhong Shi Xie Zhu [2018] SCP No. 90) were issued by the National Association of Financial Market Institutional Investors on 17 April 2018, pursuant to which, the Company's registration of mid-term notes and super short-term commercial papers were accepted in registered amounts of RMB5 billion respectively. The maximum registered amount shall take effect within 2 years commencing from the date of the notices. Mid-term notes and super short-term commercial papers may be issued in tranches within the period of registration.

The issuance of the second tranche of super short-term commercial papers of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* for 2019 was completed by the Company on 29 July 2019 with an actual issuing amount of RMB300 million in total and a final coupon rate at 3.00%.

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

As at the end of the Reporting Period, Fosun High Tech acquired a total of 2,560,000 H shares of the Company for an aggregate amount equivalent to approximately RMB53.54 million since the implementation of the above shareholding increase plan, representing approximately 0.10% of the total issued shares of the Company as at 19 September 2019.

3. On 27 November 2018, the 2018 first extraordinary general meeting of the Company considered and approved, among other matters, the spin-off of Shanghai Henlius Biotech, Inc. (“**Shanghai Henlius**”), a controlling subsidiary, and its initial public offering of overseas listed foreign shares (H shares) which would be listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”).

On 25 September 2019, as approved by the Hong Kong Stock Exchange, the H shares of Shanghai Henlius were listed and traded on the Main Board of the Hong Kong Stock Exchange. Shanghai Henlius offered a total of 64,695,400 H shares at an offer price of HK\$49.60 per share under the Global Offering (before the exercise of over-allotment option) for proceeds amounting to HK\$3,208.89 million. As at 30 September 2019, the equity interests in Shanghai Henlius held by the Company (through its controlling subsidiary) was approximately 53.76%.

On 17 October 2019, Shanghai Henlius exercised the over-allotment option in part, and allotted and issued a total of 4,366,400 H shares at HK\$49.60 per share with a total proceeds amounting to HK\$210.49 million. Upon exercise of the above over-allotment option, the equity interests in Shanghai Henlius held by the Company (through its controlling subsidiary) was approximately 53.33%.

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**

29 October 2019

4. APPENDICES

4.1 Financial statements

Consolidated balance sheet 30 September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

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

Consolidated balance sheet (Continued)
30 September 2019

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

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Balance Sheet of the Parent Company

30 September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	1,106,498,344.52	850,102,168.54
Financial assets held for trading		
Prepayments		
Other receivables	6,407,634,690.21	6,914,735,852.92
Including: Interest receivable	299,410,098.84	230,691,574.83
Dividends receivable	354,609,680.05	307,409,680.05
Inventories	—	—
Non-current assets due within one year	2,536,000,000.00	1,625,000,000.00
Other current assets	239,000,000.00	158,570,000.00
Total current assets	10,289,133,034.73	9,548,408,021.46
Non-current assets:		
Debt investments	6,011,804,080.60	5,465,151,645.71
Long-term equity investments	23,961,991,164.92	22,999,277,541.00
Other equity instrument investments	37,689,534.30	37,626,487.24
Other non-current financial assets	147,179,403.98	184,188,803.45
Fixed assets	6,217,807.54	7,158,298.77
Construction in progress	2,305,418.41	2,305,418.41
Intangible assets	1,398,139.68	1,840,272.04
Development expenditures		
Goodwill		
Long-term deferred expenditures		
Deferred tax assets		
Total non-current assets	30,168,585,549.43	28,697,548,466.62
Total assets	40,457,718,584.16	38,245,956,488.08

Balance Sheet of the Parent Company (Continued)
30 September 2019

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term loans	3,825,000,000.00	2,959,000,000.00
Bills and trade payable		
Receipts in advance		
Contract liabilities		
Wages payable	94,480,035.63	124,637,901.93
Tax payable	25,239,506.72	43,694,651.68
Other payables	1,715,449,403.09	1,357,247,173.94
Including: Interest payable	213,542,735.45	172,658,261.16
Dividends payable	229,468.00	229,468.00
Non-current liabilities due within one year	1,267,088,795.71	3,769,010,861.94
Other current liabilities	1,304,675,980.01	5,313,103.87
Total current liabilities	8,231,933,721.16	8,258,903,693.36
Non-current liabilities:		
Long-term loans	346,740,000.00	66,740,000.00
Bonds payable	5,781,204,728.90	4,039,456,986.21
Long-term payables		
Deferred income	325,000.00	550,000.00
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79
Other non-current liabilities		
Total non-current liabilities	7,279,288,602.69	5,257,765,860.00
Total liabilities	15,511,222,323.85	13,516,669,553.36
Equity:		
Paid-in capital (or share capital)	2,562,898,545.00	2,563,060,895.00
Capital reserve	14,247,927,508.28	14,231,054,756.04
Less: Treasury shares	—	1,711,169.00
Other comprehensive income	-327,370,661.53	-279,100,142.24
Surplus reserve	1,247,565,522.50	1,247,565,522.50
Unappropriated profits	7,215,475,346.06	6,968,417,072.42
Total equity (or shareholders' interests)	24,946,496,260.31	24,729,286,934.72
Total liabilities and equity (or shareholders' interests)	40,457,718,584.16	38,245,956,488.08

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Consolidated Income Statement

January – September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	July – Sept 2019	July – Sept 2018	Jan – Sept 2019	Jan – Sept 2018
I. Total operating revenue	7,054,850,058.34	6,283,385,304.74	21,227,618,679.11	18,142,384,871.95
Including: Operating revenue	7,054,850,058.34	6,283,385,304.74	21,227,618,679.11	18,142,384,871.95
II. Total operating costs	6,709,469,373.75	5,992,960,058.43	19,857,997,730.00	16,934,362,208.60
Including: Operating costs	2,937,674,384.28	2,624,459,330.67	8,536,657,487.53	7,570,324,025.58
Tax and surcharges	53,919,704.29	65,311,065.96	170,438,628.37	185,482,861.22
Selling and distribution expenses	2,407,588,465.78	2,156,969,593.90	7,406,036,962.51	5,961,359,845.63
General and Administrative expenses	681,653,157.36	598,132,921.36	1,800,645,744.87	1,608,430,292.39
Research and development expenses	440,645,827.79	405,212,249.70	1,290,028,940.00	1,114,194,226.61
Finance costs	187,987,834.25	142,874,896.84	654,189,966.72	494,570,957.17
Including: Interest expenses	267,342,824.99	238,066,883.62	814,282,689.11	679,536,564.65
Interest income	45,987,049.19	54,089,208.49	132,636,755.70	114,163,045.81
Plus: Other gains	84,990,199.69	28,459,091.62	177,190,761.04	129,096,628.40
Investment income (“-” indicating loss)	492,820,817.87	309,370,221.74	1,537,475,096.34	1,156,571,580.67
Including: Investment income from associates and joint ventures	384,381,017.29	275,274,409.00	1,118,502,973.12	983,033,071.20
Gains from changes in fair value (“-” indicating loss)	-194,390,143.06	136,653,366.35	-130,280,259.91	341,302,256.57
Credit impairment losses (“-” indicating loss)	-6,117,802.93	-13,819,607.15	-28,035,808.23	-22,913,138.18
Asset impairment losses (“-” indicating loss)	-8,750,217.11	-11,293,243.39	-12,987,296.67	-31,199,630.87
Gains from disposal of assets (“-” indicating loss)	-190,207.72	1,776,207.44	18,274,543.61	-720,880.05
III. Operating profit (“-” indicating loss)	713,743,331.33	741,571,282.92	2,931,257,985.29	2,780,159,479.89
Plus: Non-operating revenue	54,994,149.90	4,696,894.76	60,837,112.62	9,582,556.69
Less: Non-operating expenses	6,237,608.68	14,635,097.08	33,445,400.37	20,412,260.76
IV. Total profit (“-” indicating total loss)	762,499,872.55	731,633,080.60	2,958,649,697.54	2,769,329,775.82
Less: Income tax expenses	126,531,824.99	130,548,371.47	503,052,708.24	430,293,253.74
V. Net profit (“-” indicating net loss)	635,968,047.56	601,084,709.13	2,455,596,989.30	2,339,036,522.08
(i) Classification according to the continuity of operation				
1. Net profit from continuing operation (“-” indicating net loss)	635,968,047.56	601,084,709.13	2,455,596,989.30	2,339,036,522.08
2. Net profit from discontinued operation (“-” indicating net loss)	—	—	—	—
(ii) Classification according to ownership				
1. Net profit attributable to the owners of the parent company (“-” indicating net loss)	547,584,301.04	533,681,587.48	2,063,704,147.99	2,094,152,353.81
2. Profit and loss attributable to non-controlling interests (“-” indicating net loss)	88,383,746.52	67,403,121.65	391,892,841.31	244,884,168.27

Consolidated Income Statement (Continued)

January – September 2019

Items	July – Sept 2019	July – Sept 2018	Jan – Sept 2019	Jan – Sept 2018
VI. Other comprehensive income, net of tax	-9,016,755.16	-122,010,941.32	34,958,479.93	-532,197,468.31
Other comprehensive income attributable to the owners of the parent company, net of tax	7,142,372.12	-173,180,224.69	35,946,029.37	-571,964,925.72
(i) Other comprehensive income not reclassified subsequently to profit or loss	144,152.81	3,756,815.51	-26,694,169.11	-101,521,914.06
1. Changes as a result of remeasurement of net defined benefit plan liability or asset	—	—	—	—
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	—	—	—
3. Changes in fair value of other equity instrument investments	144,152.81	3,756,815.51	-26,694,169.11	-101,521,914.06
4. Changes in fair value of credit risk	—	—	—	—
(ii) Other comprehensive income reclassified subsequently to profit or loss	6,998,219.31	-176,937,040.20	62,640,198.48	-470,443,011.66
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	-27,514,726.87	22,492,035.64	-57,540,529.80	29,149,580.97
2. Difference in translation of foreign currency	34,512,946.18	-199,429,075.84	120,180,728.28	-499,592,592.63
Other comprehensive income attributable to non-controlling interests, net of tax	-16,159,127.28	51,169,283.37	-987,549.44	39,767,457.41
VII. Total comprehensive income	626,951,292.40	479,073,767.81	2,490,555,469.23	1,806,839,053.77
Total comprehensive income attributable to the owners of the parent company	554,726,673.16	360,501,362.79	2,099,650,177.36	1,522,187,428.09
Total comprehensive income attributable to non-controlling interests	72,224,619.24	118,572,405.02	390,905,291.87	284,651,625.68
VIII. Earnings per share:				
(i) Basic earnings per share (yuan/share)	0.22	0.20	0.81	0.83
(ii) Diluted earnings per share (yuan/share)	0.22	0.20	0.81	0.83

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Income Statement of the Parent Company

January – September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	July – Sept 2019	July – Sept 2018	Jan – Sept 2019	Jan – Sept 2018
I. Operating revenue	3,815,974.06	—	5,685,313.69	9,433.96
Less: Operating costs	—	—	—	—
Tax and surcharges	1,138,885.77	—	2,411,699.94	43,754.06
Selling and distribution expenses	—	—	—	—
General and Administrative expenses	65,458,328.69	72,278,881.00	136,505,943.90	151,588,516.01
Research and development expenses	1,400,270.20	—	2,952,245.60	—
Finance costs	24,847,472.18	29,794,031.27	105,319,187.87	78,043,266.55
Including: Interest expenses	143,806,935.92	120,916,769.27	411,681,720.73	331,017,960.01
Interest income	110,395,009.96	101,566,901.47	300,636,180.35	266,631,390.40
Asset impairment losses	—	—	—	—
Credit impairment losses	—	—	—	—
Plus: Other gains	110,486.49	75,000.00	300,849.09	225,000.00
Investment income (“–” indicating loss)	438,727,482.59	409,853,353.52	1,342,948,533.13	1,328,284,941.99
Including: Investment income from associates and joint ventures	430,736,612.25	389,199,792.25	1,250,403,969.29	1,156,577,651.49
Gains on net exposure hedges (“–” indicating loss)	—	—	—	—
Gains from changes in fair value (“–” indicating loss)	-14,794,694.59	66,221,631.43	-36,067,868.78	90,531,856.25
Gains from disposal of property (“–” indicating loss)	7,349.80	-886.58	7,349.80	-886.58
II. Operating profit (“–” indicating loss)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
Plus: Non-operating revenue	—	—	—	—
Less: Non-operating expenses	—	—	—	—
III. Total profit (“–” indicating total loss)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
Less: Income tax expenses	—	—	—	—
IV. Net profit (“–” indicating net loss)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
(i) Net profit from continuing operation (“–” indicating net loss)	335,021,641.51	374,076,186.10	1,065,685,099.62	1,189,374,809.00
(ii) Net profit from discontinued operation (“–” indicating net loss)	—	—	—	—

Income Statement of the Parent Company (Continued)

January – September 2019

Items	July – Sept 2019	July – Sept 2018	Jan – Sept 2019	Jan – Sept 2018
V. Other comprehensive income, net of tax	-30,978,219.40	1,596,449.47	-48,270,519.29	-115,534,833.82
(i) Other comprehensive income not reclassified subsequently to profit or loss	—	1,264,185.94	63,047.06	-116,409,314.46
1. Changes as a result of remeasurement of net defined benefit plan liability or asset	—	—	—	—
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	—	—	—
3. Changes in fair value of other equity instrument investments	—	1,264,185.94	63,047.06	-116,409,314.46
4. Changes in fair value of credit risk	—	—	—	—
(ii) Other comprehensive income reclassified subsequently to profit or loss	-30,978,219.40	332,263.53	-48,333,566.35	874,480.64
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	-30,978,219.40	332,263.53	-48,333,566.35	874,480.64
VI. Total comprehensive income	304,043,422.11	375,672,635.57	1,017,414,580.33	1,073,839,975.18
VII. Earnings per share:				
(i) Basic earnings per share (yuan/share)	N/A	N/A	N/A	N/A
(ii) Diluted earnings per share (yuan/share)	N/A	N/A	N/A	N/A

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Consolidated Statement of Cash Flow

January – September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Sept 2019	Jan – Sept 2018
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	21,655,886,335.03	20,097,929,402.20
Refund of taxes and levies	181,938,713.48	219,724,939.49
Other cash received relating to operating activities	473,120,676.89	405,858,901.76
Sub-total of cash inflow generated from operating activities	22,310,945,725.40	20,723,513,243.45
Cash paid for purchasing goods and receiving services	7,899,513,858.29	7,945,500,381.01
Cash paid to and on behalf of employees	3,513,316,315.77	2,868,329,271.36
Cash paid for all types of taxes	1,987,996,156.33	1,974,454,283.07
Other cash paid relating to operating activities	6,581,763,610.84	5,847,402,849.27
Sub-total of cash outflow generated from operating activities	19,982,589,941.23	18,635,686,784.71
Net cash flow generated from operating activities	2,328,355,784.17	2,087,826,458.74
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	1,091,156,660.35	600,426,960.47
Cash received from returns on investments	547,605,619.99	83,808,192.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	35,482,068.71	9,290,619.50
Net cash received from disposal of subsidiaries and other operating segments	3,409,710.63	—
Other cash received relating to investing activities	733,863,748.49	230,377,820.31
Sub-total of cash inflow generated from investing activities	2,411,517,808.17	923,903,592.85
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,865,016,735.54	2,399,855,434.16
Cash paid for investments	474,828,641.34	2,351,951,063.74
Net cash paid for acquisition of subsidiaries and other operating segments	707,546,724.68	338,075,000.00
Other cash paid relating to investing activities	924,369,082.16	172,311,544.55
Sub-total of cash outflow generated from investing activities	4,971,761,183.72	5,262,193,042.45
Net cash flow generated from investing activities	-2,560,243,375.55	-4,338,289,449.60

Consolidated Statement of Cash Flow (Continued)

January – September 2019

Items	Jan – Sept 2019	Jan – Sept 2018
III. Cash flow generated from financing activities:		
Cash received from capital contribution	2,975,118,171.03	3,749,775,920.43
Including: cash received by subsidiaries from investments of non-controlling interests	2,975,118,171.03	1,525,201,443.54
Cash received from borrowings	8,596,315,233.75	8,956,218,175.94
Other cash received relating to financing activities	49,944,000.92	176,630,352.44
Sub-total of cash inflow generated from financing activities	11,621,377,405.70	12,882,624,448.81
Cash paid for debts settlement	6,760,545,407.43	6,603,405,794.05
Cash paid for the distribution of dividends, profits or interest	1,765,161,894.66	1,750,487,330.64
Including: dividends and profits paid by subsidiaries to non-controlling interests	190,472,777.69	187,760,804.83
Other cash paid relating to financing activities	431,687,464.08	1,817,960,976.25
Sub-total of cash outflow generated from financing activities	8,957,394,766.17	10,171,854,100.94
Net cash flow generated from financing activities	2,663,982,639.53	2,710,770,347.87
IV. Effects of exchange rate fluctuations on cash and cash equivalents	47,762,255.60	-31,014,791.25
V. Net increase of cash and cash equivalents	2,479,857,303.75	429,292,565.76
Plus: Opening balance of cash and cash equivalents	7,175,005,107.37	6,350,319,352.85
VI. Closing balance of cash and cash equivalents	9,654,862,411.12	6,779,611,918.61

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

Statement of Cash Flow of the Parent Company

January – September 2019

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

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	Jan – Sept 2019	Jan – Sept 2018
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	5,149,342.00	—
Refund of taxes and levies	—	—
Other cash received relating to operating activities	128,222,247.72	154,188,704.89
Sub-total of cash inflow generated from operating activities	133,371,589.72	154,188,704.89
Cash paid for purchasing goods and receiving services	—	—
Cash paid to and on behalf of employees	167,820,218.62	212,751,905.92
Cash paid for all types of taxes	28,739,071.01	15,825,313.36
Other cash paid relating to operating activities	24,225,610.78	141,856,539.30
Sub-total of cash outflow generated from operating activities	220,784,900.41	370,433,758.58
Net cash flow generated from operating activities	-87,413,310.69	-216,245,053.69
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	2,700,000.00	213,535,700.00
Cash received from returns on investments	559,642,923.39	55,717,267.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	119,450.00	63,750.00
Net cash received from disposal of subsidiaries and other operating segments	—	—
Other cash received relating to investing activities	—	—
Sub-total of cash inflow generated from investing activities	562,462,373.39	269,316,717.57
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	588,665.00	1,727,928.16
Cash paid for investments	201,134,710.66	394,612,908.47
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	201,723,375.66	396,340,836.63
Net cash flow generated from investing activities	360,738,997.73	-127,024,119.06

Statement of Cash Flow of the Parent Company (Continued)

January – September 2019

Items	Jan – Sept 2019	Jan – Sept 2018
III. Cash flow generated from financing activities:		
Cash received from capital contribution	—	2,224,574,476.89
Cash received from borrowings	5,568,766,507.00	6,909,000,000.00
Other cash received relating to financing activities	6,954,926,338.94	4,568,750,040.83
Sub-total of cash inflow generated from financing activities	12,523,692,845.94	13,702,324,517.72
Cash paid for debts settlement	3,883,257,655.50	4,101,524,000.00
Cash paid for the distribution of dividends, profits or interest	1,179,657,342.95	1,319,245,087.48
Other cash paid relating to financing activities	7,370,819,258.74	7,967,617,380.44
Sub-total of cash outflow generated from financing activities	12,433,734,257.19	13,388,386,467.92
Net cash flow generated from financing activities	89,958,588.75	313,938,049.80
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-26,475.30	16,059,449.02
V. Net increase of cash and cash equivalents	363,257,800.49	-13,271,673.93
Plus: Opening balance of cash and cash equivalents	455,240,544.03	254,541,196.34
VI. Closing balance of cash and cash equivalents	818,498,344.52	241,269,522.41

Legal Representative:
Chen Qiyu

Chief Financial Officer:
Guan Xiaohui

Director of the Accounting Department:
Chen Zhanyu

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

Consolidated balance sheet

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	8,546,521,777.04	8,546,521,777.04	
Held-for-trading financial assets	616,123,764.39	616,123,764.39	
Bills receivable	712,510,581.95	712,510,581.95	
Trade receivable	3,623,640,740.82	3,623,640,740.82	
Prepayments	472,144,580.30	472,144,580.30	
Other receivables	447,434,579.55	447,434,579.55	
Including: Interest receivable	11,660,016.68	11,660,016.68	
Dividends receivable	19,731,451.25	19,731,451.25	
Inventories	3,287,392,199.46	3,287,392,199.46	
Other current assets	295,958,970.62	295,958,970.62	
Total current assets	18,001,727,194.13	18,001,727,194.13	
Non-current assets:			
Debt investments	67,562,000.00	67,562,000.00	
Long-term equity investments	21,427,527,810.80	21,427,527,810.80	
Other equity instrument investments	126,313,106.69	126,313,106.69	
Other non-current financial assets	2,505,806,955.75	2,505,806,955.75	
Fixed assets	7,083,251,505.14	7,059,034,965.39	24,216,539.75
Construction in progress	2,039,800,319.91	2,039,800,319.91	
Right-of-use asset	—	413,868,418.38	-413,868,418.38
Intangible assets	7,151,343,109.87	7,151,343,109.87	
Development expenditures	2,040,773,501.88	2,040,773,501.88	
Goodwill	8,853,913,413.52	8,853,913,413.52	
Long-term deferred expenditures	95,198,631.30	95,198,631.30	
Deferred tax assets	173,134,814.17	173,134,814.17	
Other non-current assets	985,009,024.32	985,009,024.32	
Total non-current assets	52,549,634,193.35	52,939,286,071.98	-389,651,878.63
Total assets	70,551,361,387.48	70,941,013,266.11	-389,651,878.63
Current liabilities:			
Short-term loans	5,607,192,955.63	5,607,192,955.63	
Bills payable	149,003,072.96	149,003,072.96	
Trade payable	2,184,280,272.14	2,184,280,272.14	
Wages payable	578,701,499.77	578,701,499.77	
Tax payable	478,905,270.26	478,905,270.26	
Other payables	3,237,217,890.12	3,237,217,890.12	
Including: Interest payable	187,344,429.18	187,344,429.18	
Dividends payable	125,420,505.60	125,420,505.60	
Contract liabilities	530,896,724.79	530,896,724.79	
Non-current liabilities due within one year	4,929,603,365.34	5,012,057,040.64	-82,453,675.30
Other current liabilities	227,445,337.32	227,445,337.32	
Total current liabilities	17,923,246,388.33	18,005,700,063.63	-82,453,675.30

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term loans	8,630,661,547.43	8,630,661,547.43	
Bonds payable	4,039,456,986.21	4,039,456,986.21	
Including: Preferred shares	—	—	
Perpetual bonds	—	—	
Lease liabilities	—	325,992,167.00	-325,992,167.00
Long-term payables	416,889,805.19	398,095,841.52	18,793,963.67
Deferred income	363,489,177.57	363,489,177.57	
Deferred tax liabilities	2,908,359,008.27	2,908,359,008.27	
Other non-current liabilities	2,676,545,098.82	2,676,545,098.82	
Total non-current liabilities	19,035,401,623.49	19,342,599,826.82	-307,198,203.33
Total liabilities	36,958,648,011.82	37,348,299,890.45	-389,651,878.63
Equity (or shareholders' interests):			
Paid-in capital (or share capital)	2,563,060,895.00	2,563,060,895.00	
Capital reserve	10,544,648,359.54	10,544,648,359.54	
Less: treasury shares	1,711,169.00	1,711,169.00	
Other comprehensive income	-274,779,732.99	-274,779,732.99	
Surplus reserve	2,374,999,312.51	2,374,999,312.51	
Unappropriated profits	12,771,518,762.43	12,771,518,762.43	
Total equity attributable to the owners of the parent company	27,977,736,427.49	27,977,736,427.49	
Non-controlling interests	5,614,976,948.17	5,614,976,948.17	
Total Equity (or shareholders' interests)	33,592,713,375.66	33,592,713,375.66	
Total liabilities and equity (or shareholders' interests)	70,551,361,387.48	70,941,013,266.11	-389,651,878.63

Explanation on each adjustment:

From 1 January 2019, the Group implemented the New Lease Standards as revised and issued by the MOF.

In accordance with the transition requirements of the New Lease Standards, the financial statements of the Group shall be disclosed according to the requirements of the New Lease Standards starting from 2019. The implementation of the aforementioned new standards does not have significant impacts on the Group's financial position, operating results and cash flow.

Balance Sheet of the Parent Company

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	850,102,168.54	850,102,168.54	
Other receivables	6,914,735,852.92	6,914,735,852.92	
Including: Interest receivable	230,691,574.83	230,691,574.83	
Dividends receivable	307,409,680.05	307,409,680.05	
Non-current assets due within one year	1,625,000,000.00	1,625,000,000.00	
Other current assets	158,570,000.00	158,570,000.00	
Total current assets	9,548,408,021.46	9,548,408,021.46	
Non-current assets:			
Debt investments	5,465,151,645.71	5,465,151,645.71	
Long-term equity investments	22,999,277,541.00	22,999,277,541.00	
Other equity instrument investments	37,626,487.24	37,626,487.24	
Other non-current financial assets	184,188,803.45	184,188,803.45	
Fixed assets	7,158,298.77	7,158,298.77	
Construction in progress	2,305,418.41	2,305,418.41	
Intangible assets	1,840,272.04	1,840,272.04	
Total non-current assets	28,697,548,466.62	28,697,548,466.62	
Total assets	38,245,956,488.08	38,245,956,488.08	
Current liabilities:			
Short-term loans	2,959,000,000.00	2,959,000,000.00	
Wages payable	124,637,901.93	124,637,901.93	
Tax payable	43,694,651.68	43,694,651.68	
Other payables	1,357,247,173.94	1,357,247,173.94	
Including: Interest payable	172,658,261.16	172,658,261.16	
Dividends payable	229,468.00	229,468.00	
Non-current liabilities due within one year	3,769,010,861.94	3,769,010,861.94	
Other current liabilities	5,313,103.87	5,313,103.87	
Total current liabilities	8,258,903,693.36	8,258,903,693.36	

Items	31 December 2018	1 January 2019	Adjustment
Non-current liabilities:			
Long-term loans	66,740,000.00	66,740,000.00	
Bonds payable	4,039,456,986.21	4,039,456,986.21	
Including: Preferred shares	—	—	
Perpetual bonds	—	—	
Deferred income	550,000.00	550,000.00	
Deferred tax liabilities	1,151,018,873.79	1,151,018,873.79	
Total non-current liabilities	5,257,765,860.00	5,257,765,860.00	
Total liabilities	13,516,669,553.36	13,516,669,553.36	
Equity (or shareholders' interests):			
Paid-in capital (or share capital)	2,563,060,895.00	2,563,060,895.00	
Capital reserve	14,231,054,756.04	14,231,054,756.04	
Less: treasury shares	1,711,169.00	1,711,169.00	
Other comprehensive income	-279,100,142.24	-279,100,142.24	
Surplus reserve	1,247,565,522.50	1,247,565,522.50	
Unappropriated profits	6,968,417,072.42	6,968,417,072.42	
Total equity (or shareholders' interests)	24,729,286,934.72	24,729,286,934.72	
Total liabilities and equity (or shareholders' interests)	38,245,956,488.08	38,245,956,488.08	

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

From 1 January 2019, the Group implemented the New Lease Standards as revised and issued by the MOF.

In accordance with the transition requirements of the New Lease Standards, the financial statements of the Group shall be disclosed according to the requirements of the New Lease Standards starting from 2019. The implementation of the aforementioned new standards does not have significant impacts on the Group's financial position, operating results and cash flow.

4.4 Audited report

Not applicable