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

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

**2023 FIRST QUARTERLY REPORT**

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

The following is the first quarterly report for 2023 of Shanghai Pharmaceuticals Holding Co., Ltd.. The financial report therein is prepared in accordance with the PRC Accounting Standards for Business Enterprises and has not been audited.

By order of the Board  
**Shanghai Pharmaceuticals Holding Co., Ltd.\***  
**ZHOU Jun**  
*Chairman*

Shanghai, the PRC, 27 April 2023

*As at the date of this announcement, the executive directors of the Company are Mr. CHO Man, Mr. LI Yongzhong and Mr. SHEN Bo; the non-executive directors are Mr. ZHOU Jun, Mr. GE Dawei and Ms. LI An; and the independent non-executive directors are Mr. CAI Jiangnan, Mr. HONG Liang, Mr. GU Zhaoyang and Mr. Manson FOK.*

\* *For identification purpose only*

## I. IMPORTANT NOTICE

The board of directors and the board of supervisors of the Company and the directors, supervisors and senior management shall warrant that the contents of this quarterly report are true, accurate and complete and contain no false information, misleading statement or material omission and assume several and joint legal responsibilities therefor.

The person in charge of the Company, the principal in charge of accounting and head of the accounting department (chief financial officer) hereby declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

Whether the first quarterly financial statements were audited

Yes  No

## II. DEFINITIONS

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

“the Group”, “Group”, “the Company” or “Company” or “Shanghai Pharmaceuticals”	Shanghai Pharmaceuticals Holding Co., Ltd.* (上海醫藥集團股份有限公司), a joint stock company incorporated in the PRC with limited liability (the Shares of which are listed on the Shanghai Stock Exchange with stock code 601607, and on the Main Board of the Hong Kong Stock Exchange with stock code 02607) or Shanghai Pharmaceuticals Holding Co., Ltd.* and its subsidiaries, where applicable
“the Reporting Period”, “Reporting Period” or “Period”	the 3-month period from 1 January 2023 to 31 March 2023
“YOY” or “year-on-year”	compared with the same period of previous year
“the PRC” or “China”	the People’s Republic of China; unless the context otherwise requires, references to the PRC or China in this report do not include Hong Kong, Macau and Taiwan
“Shares”	shares of Shanghai Pharmaceuticals with a nominal value of RMB1.00 each, comprising both A Shares and H Shares

“A Share(s)”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“H Share(s)”	foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SIIC”	Shanghai Industrial Investment (Holdings) Co., Ltd. (上海實業(集團)有限公司)
“Shanghai Shangshi”	Shanghai Shangshi (Group) Co., Ltd. (上海上實(集團)有限公司)
“Shanghai Pharmaceutical (Group)”	Shanghai Pharmaceutical (Group) Co., Ltd. (上海醫藥(集團)有限公司)
“Guosheng Group”	Shanghai Guosheng Group Co., Ltd. (上海國盛(集團)有限公司) and its wholly-owned subsidiaries Shanghai Shengrui Investment Co., Ltd. (上海盛睿投資有限公司) and Shanghai Guosheng Group Assets Co., Ltd. (上海國盛集團資產有限公司)
“Yunnan Baiyao”	Yunnan Baiyao Group Co., Ltd. (雲南白藥集團股份有限公司)
“CDE”	Center For Drug Evaluation of NMPA (中華人民共和國國家藥品監督管理局藥品審評中心)
“IND”	investigational new drug
“Akeso”	Akeso, Inc. (康方生物科技(開曼)有限公司)

“SPH Thailand”	Shanghai Pharma (Thailand) Co., Ltd. (上藥泰國有限責任公司)
“Zynexis Healthcare”	Zynexis Healthcare Private Ltd.
“Huqingyutang”	Hangzhou Huqingyutang Pharmaceutical Co., Ltd. (杭州胡慶餘堂藥業有限公司)
“Leiyunshang Pharmaceutical”	Shanghai Leiyunshang Pharmaceutical Co., Ltd. (上海雷允上藥業有限公司)
“Xiamen TCM”	Xiamen TCM Factory Co., Ltd. (廈門中藥廠有限公司)
“SPH TCM”	Shanghai Traditional Chinese Medicine Co., Ltd. (上海市藥材有限公司)
“Qingdao Guofeng”	SPH Qingdao Guofeng Pharmaceutical Co., Ltd. (上海醫藥集團青島國風藥業股份有限公司)
“Chiatai Qingchunbao”	Chiatai Qingchunbao Pharmaceutical Co., Ltd. (正大青春寶藥業有限公司)
“SPH Zhonghua”	Shanghai Zhonghua Pharmaceutical Co., Ltd. (上海中華藥業有限公司)
“Liaoning Herbex”	Liaoning Herbex Pharmaceutical (Group) Co., Ltd. (遼寧上藥好護士藥業(集團)有限公司)

### III. MANAGEMENT DISCUSSION AND ANALYSIS

#### (I) Performance Overview

**During the Reporting Period, the Company achieved operating income of RMB66.226 billion, representing a year-on-year increase of 16.39%.** In particular: the pharmaceutical manufacturing achieved sales revenue of RMB7.801 billion, up 12.60% year-on-year (of which, sales revenue of RMB4.604 billion for 60 key varieties, up 13.84% year-on-year); the pharmaceutical service achieved sales revenue of RMB58.425 billion, up 16.92% year-on-year.

**During the Reporting Period, the Company recorded RMB1.518 billion of net profit attributable to shareholders of the listed company, representing a year-on-year increase of 21.31%.** Of which, the pharmaceutical manufacturing contributed profits of RMB708 million, representing a year-on-year increase of 19.07%, the pharmaceutical services contributed profits of RMB861 million, representing a year-on-year increase of 15.39% and shareholding enterprises contributed profits of RMB177 million, representing a year-on-year decrease of 15.12%. The net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company amounted to RMB1.357 billion, representing a year-on-year increase of 8.60%.

**During the Reporting Period, the Company's R&D investment reached RMB547 million, representing a year-on-year increase of 15.80%,** of which, the R&D expenses amounted to RMB541 million, representing a year-on-year increase of 20.82%.

#### (II) Operating Highlights

Recently, policies such as the “14th Five-Year” Plan for the Development of Pharmaceutical Industry, the “14th Five-Year” Plan for the Development of Bioeconomy and the Opinions of Shanghai Municipality on Promoting the Healthy Development of Biomedical Industry have been promulgated in succession. The Company keeps pace with the times, accelerates independent research and development, cooperates in introducing scientific and technological innovations and institutional innovations, **makes further studies and new changes, and firmly establishes as a national policy.**

#### *Research and Development · Years of Cultivation, Innovative Drug Pipelines Entering the Harvest Period*

In recent years, the Company has continuously increased its R&D investment from RMB670 million in 2016 to RMB2.8 billion in 2022, and the R&D investment has increased nearly five times in six years, ranking forefront in the pharmaceutical industry in China. As of the end of the Reporting Period, there were 64 new drug pipelines (52 innovative drugs and 12 improved new drugs) for clinical application acceptance and entering the clinical study stage, of which 3 have been applied for pre-NDA or marketing and 5 are in pivotal studies or clinical Phase III.

**I001 tablet (i.e. SPH3127, a new generation of oral non-peptide small molecule renin inhibitor)** is the first class 1.1 new drug independently developed by the Company. At present, **three indications are in the middle and late stages of clinical trials**, among which **the unblinding of the Phase III clinical trial for hypertension indication has been completed**, and the statistical results showed that the main end point had been reached. Topline results confirmed that the non-inferiority effect was established, and **the trial achieved the expected results**, which is expected to provide more abundant treatment methods for the patients with mild and moderate hypertension. Pharmacological and translational medicine studies show that I001 **also has significant effects on inflammatory bowel disease and diabetic nephropathy**, and Phase II clinical trials have been carried out for both indications.

In addition, the Company independently developed a new class 1.1 drug, **I008-A**, for the chronic abnormal immune indication of AIDS, and **submitted an application for pre-NDA/conditional marketing communication**, which is expected to fill the clinical gap. Another class 1.1 new drug for the indication of liposarcoma, **I022 (SPH4336)**, independently developed by the Company, obtained the **Orphan-drug Designation by the FDA of the United States**. At present, the Company is conducting Phase I clinical trials for advanced solid tumors in China and Phase II clinical trials for locally advanced or metastatic liposarcoma in the United States. In March 2023, I022 **reached the new drug combination cooperation with the Cadonilimab Injection<sup>®</sup>** of Akeso. The Company and Akeso jointly developed the combination therapy of I022 tablets and the Cadonilimab Injection<sup>®</sup> in China for tumor indications such as well-differentiated liposarcoma (WDLS)/ dedifferentiated liposarcoma (DDLs).

### ***Manufacturing · Historical Accumulation and Value Reproduction of Traditional Chinese Medicine Business Sector***

In recent years, the Party and the State have attached great importance to the development of the traditional Chinese medicine industry, and have intensively promulgated policies such as the “14th Five-Year” Plan for the Development of Traditional Chinese Medicine, the “14th Five-Year” Plan for Talents Development of Traditional Chinese Medicine and the “14th Five-Year” Plan for the Informatization Development of Traditional Chinese Medicine, which shows the great support for the traditional Chinese medicine industry. After years of accumulation, the Company has gathered eight core traditional Chinese medicine enterprises, and will continue to deeply dig the hidden value of the traditional Chinese medicine sector in the future to build a vanguard of traditional Chinese medicine.

**Xiamen TCM** of the Company was formed by merging a number of time-honored pharmacies, including Zhenghe Pill Store, which was first opened in 1632, Huaideju Pharmacy, which was opened in 1726, and Hanyuan Tea House in the early years of Qing Daoguang, with a **history of nearly 400 years**. At present, Xiamen TCM has four national secret formulas and four national protected varieties of traditional Chinese medicine. **Babaodan**, an exclusive variety of Xiamen TCM, which is widely known in the market, is a national secret variety, originated from the secret recipe of the Ming Dynasty, and is made of natural and precious Chinese herbal medicines. The **“Dinglu” brand** of Xiamen TCM was selected as the most historical and cultural brand list of Rupert Hoogewerf China in 2021.

**Leiyunshang Pharmaceutical** of the Company can be traced back to 1734 and was founded by the famous doctor Lei Dasheng of Wumen. In 1862, **Leishi Liushen Pill**, a national medicine treasure, was developed. **Leishi Liushen Pill** is a national secret product, and its production skills were selected into the national intangible cultural heritage and the first batch of national traditional craft revitalization catalogue. **The “Leishi”, a Chinese time-honored brand** of Leiyunshang Pharmaceutical was selected as the first batch of “Shanghai Good Trademarks” in Shanghai.

The predecessor of **Huqingyutang** of the Company can be traced back to the Huqingyutang Xueji National Pharmacy founded by Hu Xueyan, a red-topped businessman in Qing Dynasty in 1874 (13th year of Tongzhi reign of Qing Dynasty), which is one of the oldest and largest traditional national pharmacy in China. **Weifuchun and Angong Niuhuang Pills** produced by Huqingyutang won the title of “Boutique Made in Zhejiang”, and the health products Tiepi Fengdou Crystal and Propolis Capsule of Huqingyutang were rated as famous products in the Shanghai health product industry. **The brand of “Huqingyutang”** has been successively rated as a reliable consumer brand in Zhejiang Province, the “Huqingyutang” trademark has been recognized as a well-known trademark in China, and the traditional Chinese medicine culture of “Huqingyutang” has become a national intangible cultural heritage.

In addition, **ChiataiQingchunbao** of the Company was originated from the rubber-making workshop of “Huqingyutang”, a century-old shop. Mr. Feng Gensheng, the founder, was born in a family of transitional Chinese medicine and was the final disciple of “Huqingyutang”. The star products of ChiataiQingchunbao include **Guanxinning and anti-aging tablets**, etc. **SPH Zhonghua** of the Company owns the **brand of “Dragon and Tiger”** which was founded in 1911, and its products such as Dragon and Tiger Rendan and **Dragon and Tiger Cool Oil** are well-known at home and abroad. **SPH TCM** of the Company holds core brands such as “Shenxiang”, one of the earliest registered trademarks of Chinese herbal medicines in China, and “Tianbao”, a well-known brand trademark in China. Qingdao Guofeng and Liaoning Herbpep of the Company also have their own characteristics and specialize in their own fields.

## *Sales · Acceleration of the Internationalization Process of Industrial and Commercial Linkage*

Following the establishment of SPH Thailand and Zynexis Healthcare, a joint venture in Singapore, the Company continued its journey of “Philippines, Vietnam, Singapore, Malaysia, Thailand” this year. During the Reporting Period, the Company established a subsidiary in the Philippines, and **four specifications of rosuvastatin calcium tablets** of Changzhou Pharmaceutical Factory of the Company **were approved for marketing in the Philippines**. In the future, the Company will continue to deeply cultivate the Southeast Asian market, and rely on the rich product pipelines of Shanghai Pharmaceuticals to expand overseas registration and sales, expand the global business map of Shanghai Pharmaceuticals and accelerate its internationalization process.

In the pharmaceutical distribution sector, the Company strove to build **an innovative pharmaceutical service platform**, providing one-stop management services of the whole supply chain covering four major areas of pre-marketing cooperation, import and export services, nationwide distribution and innovation and value-added for innovative products of pharmaceutical enterprises around the world. In the first quarter of 2023, the sales of innovative drugs sector increased by about 28% year-on-year, and the Company successfully introduced 7 imported varieties under general agency.

The general agency business of imported vaccines continued to expand downstream. In 2022, the Company started the construction of the **terminal promotion team for imported vaccines**. During the Reporting Period, the number of the members of the terminal promotion team has increased to 340. In the future, the Company will continue to deeply cultivate the imported vaccine business, continue to strive to import a number of vaccine varieties with high growth potential, and continuously improve the profitability and self-hematopoietic capacity of the vaccine sector.

During the Reporting Period, the Company’s sales of non-pharmaceutical businesses such as devices and big health amounted to about RMB10.4 billion, representing a year-on-year increase of about 38%. The Company actively explored the expansion of new non-pharmaceutical businesses such as devices, medical beauty and health food, sped up the basic layout of the national device business, improved the service level of the whole value chain, created a professional platform for segmentation, and further promoted its diversified, multi-variety and multi-channel development.



#### IV. MAJOR FINANCIAL DATA

##### (I) Major accounting data and financial indicators

*Unit: Yuan Currency: RMB*

<b>Items</b>	<b>Reporting Period</b>	<b>Increase/decrease during the Reporting Period as compared to the corresponding period of last year (%)</b>
Operating revenue	66,226,461,496.33	16.39
Net profit attributable to equity holders of the listed company	1,517,649,326.44	21.31
Net profit after deduction of non-recurring profit or loss attributable to equity holders of the listed company	1,357,018,486.99	8.60
Net cash flows from operating activities	-2,623,322,412.29	Not applicable
Basic earnings per Share (RMB per share)	0.41	-6.75
Diluted earnings per Share (RMB per share)	0.41	-6.76
Weighted average return on net assets (%)	2.24	Decreased by 0.26 percentage point

	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)</b>
Total assets	206,035,799,280.43	198,134,901,498.95	3.99
Owners' equity attributable to equity holders of the listed company	68,567,457,618.33	67,063,005,889.23	2.24

**(II) Non-recurring profit or loss items and amounts***Unit: Yuan Currency: RMB*

<b>Items</b>	<b>Amount for the Period</b>
Profit or loss on disposal of non-current assets	19,439,296.45
Government grants recognised in profit or loss for the current period excluding those closely related to the Company's ordinary operations and granted on an ongoing basis under the national policies according to certain fixed quota of amount or volume	79,580,954.95
Except for the effective hedging activities related to the Company's ordinary operations, profit or loss arising from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	89,401,955.32
Reversal of provisions on impairment of receivables and contract assets assessed for impairment on an individual basis	8,106,630.05
Other non-operating income and expenses other than the aforesaid items	1,302,582.33
Less: Effect on income tax	27,997,422.84
Effect on minority interests (after tax)	9,203,156.81
<b>Total</b>	<b>160,630,839.45</b>

Explanation on the fact that the non-recurring profit or loss items illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Losses were defined as its recurring profit or loss items

Applicable  Not applicable

**(III) Changes in major accounting data and financial indicators and the reasons thereof**✓ Applicable     Not applicable

<b>Items</b>	<b>Change (%)</b>	<b>Main reason</b>
Advances to suppliers	45.20	Increase in prepayments for goods during the Reporting Period
Other current assets	-31.65	Decrease in tax deductible during the Reporting Period
Other equity instruments investment	-47.90	Decrease in fair value of financial assets during the Reporting Period
Derivative financial liabilities	-36.73	Decrease in fair value of derivative financial liabilities held during the Reporting Period
Non-current liabilities due within one year	-34.48	Decrease in the long-term borrowings due within one year during the Reporting Period
Long-term borrowings	37.32	Increase in bank borrowings during the Reporting Period
Other income	178.59	Increase in government grants received during the Reporting Period
Profit arising from changes in fair value	Not applicable	Increase in profit of fair value of financial assets during the Reporting Period
Impairment loss of assets	Not applicable	Increase in provision for decline in value of inventories during the Reporting Period
Gains on assets disposal	188.72	Increase in gains from relocation compensation during the Reporting Period
Non-operating income	202.29	Increase in compensation received during the Reporting Period
Net cash flows from operating activities	-5.35	Increase in cash paid for goods and services during the Reporting Period
Net cash flows from investing activities	-233.74	Increase in investment in the structured deposit during the Reporting Period
Net cash flows from financing activities	-75.49	Increase in cash received from non-public issuance of shares during the same period of previous year

## V. INFORMATION ON SHAREHOLDERS

### (I) Total number of shareholders of ordinary Shares and shareholders of preference Shares with restored voting rights and shareholdings of the top ten shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the Reporting Period <sup>①</sup>	78,061	Total number of shareholders of preference Shares with voting right restored as at the end of the Reporting Period (if any)	0			
<b>Shareholdings of the top ten shareholders</b>						
Name of shareholders	Nature of shareholders	Number of Shares held	Shareholding percentage (%)	Number of trade-restricted Shares held	Pledged, labelled or frozen	
					Status	Number
Shanghai Pharmaceutical (Group)	State-owned legal person	716,516,039	19.373	0	Nil	
HKSCC NOMINEES LIMITED <sup>②</sup>	Foreign legal person	689,221,624	18.635	0	Unknown	
Yunnan Baiyao	Domestic non-state-owned person	665,626,796	17.997	665,626,796	Nil	
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi and its wholly-owned subsidiaries <sup>③</sup>	State-owned legal person	614,731,798	16.621	187,000,000	Nil	
Hong Kong Securities Clearing Company Limited <sup>④</sup>	Foreign legal person	65,939,329	1.783	0	Unknown	
China Securities Finance Corporation Limited	Unknown	58,555,443	1.583	0	Unknown	
Guosheng Group	State-owned legal person	44,632,100	1.207	0	Nil	
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	Unknown	11,707,922	0.317	0	Unknown	
Bank of Ningbo Co., Ltd. – Zhongtai Xingyuan Value Selected Flexible Allocation Mixed Securities Investment Fund	Unknown	10,507,167	0.284	0	Unknown	
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	Unknown	9,986,887	0.270	0	Unknown	

Shareholdings of top ten shareholders without trade restrictions			
Name of shareholders	Number of Shares in circulation without trade restrictions	Class and number of Shares	
		Class	Number
Shanghai Pharmaceutical (Group)	716,516,039	RMB ordinary Shares	716,516,039
HKSCC NOMINEES LIMITED	689,221,624	Overseas listed foreign Shares	689,221,624
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi	427,731,798	RMB ordinary Shares	222,301,798
		Overseas listed foreign Shares	205,430,000
Hong Kong Securities Clearing Company Limited	65,939,329	RMB ordinary Shares	65,939,329
China Securities Finance Corporation Limited	58,555,443	RMB ordinary Shares	58,555,443
Guosheng Group	44,632,100	RMB ordinary Shares	21,117,000
		Overseas listed foreign Shares	23,515,100
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	11,707,922	RMB ordinary Shares	11,707,922
Bank of Ningbo Co., Ltd. – Zhongtai Xingyuan Value Selected Flexible Allocation Mixed Securities Investment Fund	10,507,167	RMB ordinary Shares	10,507,167
Harvest Fund – Agricultural Bank – Harvest China Securities and Financial Assets Management Program	9,986,887	RMB ordinary Shares	9,986,887
Dacheng Fund– Agricultural Bank – Dacheng China Securities and Financial Assets Management Program	9,715,325	RMB ordinary Shares	9,715,325
Note on connected relations or concerted actions of the above shareholders	SIIC is the de facto controller of Shanghai Shangshi, which is a controlling shareholder of Shanghai Pharmaceutical (Group). Shanghai Guosheng (Group) Co. Ltd. is a wholly-owned subsidiary of Shanghai SASAC. Shanghai Shengrui Investment Co., Ltd. and Shanghai Guosheng Group Assets Co., Ltd. are wholly-owned subsidiaries of Shanghai Guosheng (Group) Co. Ltd.. The Company is not aware of any affiliation among other shareholders or whether they are persons acting in concert as stipulated under the “Administrative Measures for the Acquisition of Listed Companies”.		
Note on the top ten shareholders and top ten shareholders without trade restrictions who participated in margin financing and securities lending and refinancing business (if any)	/		

*Notes:*

- ① Among the 78,061 shareholders as at the end of the Reporting Period, 76,303 were A shareholders and 1,758 were H shareholders;
- ② Shares held by HKSCC NOMINEES LIMITED are held on behalf of its clients and the number of Shares it holds as shown in the table above excludes the 205,430,000 H Shares held and controlled by SIIC's wholly-owned subsidiaries and 23,515,100 H Shares held by Guosheng Group through Southbound Trading;
- ③ The 187,000,000 A Shares held by Shanghai Tandong Enterprise Consulting Services Co., Ltd. were included in the number of Shares held by Shanghai Shangshi and its wholly-owned subsidiaries;
- ④ Hong Kong Securities Clearing Company Limited is the nominee holder of the RMB ordinary Shares under Shanghai-Hong Kong Stock Connect;
- ⑤ As at the end of the Reporting Period, the total issued Shares of the Company amounted to 3,698,499,159, comprising 2,779,426,455 A Shares and 919,072,704 H Shares.

## **VI. OTHER REMINDERS**

Other important information in relation to the operation of the Company during the Reporting Period that needs to be brought to the attention of the investors

Applicable     Not applicable

## **VII. QUARTERLY FINANCIAL STATEMENTS**

### **(I) Type of audit opinion**

Applicable     Not applicable

**(II) Financial Statements****CONSOLIDATED BALANCE SHEET**

31 March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Current assets:</b>		
Monetary funds	27,040,490,007.31	27,401,395,968.43
Deposit reservation for balance		
Lending funds		
Financial assets held for trading	11,069,131,143.25	9,613,554,659.84
Derivative financial assets	5,221,726.92	4,820,057.40
Notes receivable	1,392,602,573.15	1,799,584,411.55
Accounts receivable	74,889,839,253.65	66,759,853,950.45
Receivables financing	1,553,187,140.94	1,627,386,138.71
Advances to suppliers	5,615,816,099.73	3,867,582,698.57
Premiums receivable		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Other receivables	2,461,918,036.27	2,574,814,141.06
Including: Interests receivable		
Dividends receivable	54,058,025.13	54,397,245.21
Financial assets purchased for resale		
Inventories	32,147,922,901.52	34,460,216,765.02
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	161,663,554.22	185,619,908.99
Other current asset	832,586,860.88	1,218,041,919.77
Total current assets	157,170,379,297.84	149,512,870,619.79

<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Non-current assets:</b>		
Issuing of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	204,349,642.80	212,299,836.32
Long-term equity investments	9,399,302,765.44	9,232,643,602.19
Other equity instrument investments	52,873,747.88	101,487,525.55
Other non-current financial assets	2,163,929,013.84	2,143,040,116.40
Investment properties	225,929,641.08	246,415,460.32
Fixed assets	11,389,327,284.48	11,539,289,437.00
Construction in progress	3,166,963,224.09	2,777,363,094.05
Bearer biological assets	135,143,149.25	137,191,760.75
Oil-and-gas assets		
Right-of-use assets	1,920,101,932.51	1,868,659,922.65
Intangible assets	6,110,167,521.49	6,244,139,954.44
Development disbursement	337,966,185.04	342,605,253.63
Goodwill	11,334,049,532.07	11,335,926,625.48
Long-term prepaid expenses	473,156,550.76	462,438,552.91
Deferred income tax assets	1,548,366,925.10	1,534,728,993.68
Other non-current assets	403,792,866.76	443,800,743.79
Total non-current assets	48,865,419,982.59	48,622,030,879.16
Total assets	206,035,799,280.43	198,134,901,498.95



<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Current liabilities:</b>		
Short-term borrowings	32,318,083,153.00	27,750,588,556.87
Borrowing from the Central Bank		
Borrowing funds		
Financial liabilities held for trading		
Derivative financial liabilities	993,324.11	1,569,907.10
Bills payable	6,199,842,236.69	5,961,723,663.49
Accounts payable	47,311,519,105.68	45,603,805,328.17
Advances from customers		
Contract liabilities	1,965,922,893.70	2,242,823,457.63
Financial assets sold for repurchase		
Absorbing deposit and interbank deposit		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee benefits payable	1,153,659,606.43	1,580,488,152.99
Taxes payable	1,273,633,414.65	1,440,823,418.19
Other payables	15,735,904,924.23	16,474,855,895.13
Including: Interests payable		
Dividends payable	278,016,660.21	373,125,954.77
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	2,129,027,173.24	3,249,433,102.21
Other current liabilities	6,213,349,723.59	6,384,934,548.00
Total current liabilities	114,301,935,555.32	110,691,046,029.78

Items	31 March 2023	31 December 2022
<b>Non-current liabilities:</b>		
Provision for insurance contracts		
Long-term borrowings	8,596,134,663.56	6,259,799,370.32
Bonds payable	–	–
Including: Preference shares		
Perpetual bonds		
Lease liabilities	1,401,988,160.65	1,301,611,079.90
Long-term payables	8,440,638.86	7,995,923.88
Long-term employee benefits payable	38,050,189.89	38,911,958.10
Accrued liabilities	24,005,518.40	23,978,898.02
Deferred income	563,422,030.08	534,581,050.48
Deferred income tax liabilities	983,167,003.58	1,049,237,452.75
Other non-current liabilities	237,788,627.89	225,288,678.29
Total non-current liabilities	11,852,996,832.91	9,441,404,411.74
Total liabilities	126,154,932,388.23	120,132,450,441.52
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	3,698,499,159.00	3,697,546,172.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	29,114,509,187.93	29,098,103,770.87
Less: Treasury shares		
Other comprehensive income	-401,879,665.32	-371,323,663.92
Special reserves		
Surplus reserves	2,158,807,271.16	2,158,807,271.16
General risk provisions		
Undistributed profits	33,997,521,665.56	32,479,872,339.12
Total owners' equity (or shareholders' equity) attributable to the parent company	68,567,457,618.33	67,063,005,889.23
Minority interests	11,313,409,273.87	10,939,445,168.20
Total owners' equity (or shareholders' equity)	79,880,866,892.20	78,002,451,057.43
Total liabilities and owners' equity (or shareholders' equity)	206,035,799,280.43	198,134,901,498.95

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

## CONSOLIDATED INCOME STATEMENT

January – March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan    Currency: RMB    Type of Audit: Unaudited*

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Total revenue of operation</b>	66,226,461,496.33	56,898,217,119.51
Including: Operating revenue	66,226,461,496.33	56,898,217,119.51
Interest income		
Earned premium		
Service charges and commission		
<b>II. Total cost of operation</b>	64,033,665,635.78	55,062,320,681.76
Including: Cost of operation	57,591,613,688.60	49,568,028,910.38
Interest payments		
Service charges and commission fee		
Surrender charge fee		
Net payments for insurance claims		
Extraction of insurance obligation net reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Business taxes and surcharges	192,736,250.31	183,052,156.24
Selling expenses	3,911,471,344.04	3,313,362,545.70
Administrative expenses	1,378,976,910.57	1,191,845,133.12
R&D expenses	540,690,450.55	447,500,726.70
Financial expenses	418,176,991.71	358,531,209.62
Including: Interest expenses	491,988,154.94	407,817,513.45
Interest income	108,813,600.36	79,806,925.73
Add: Other income	201,324,877.07	72,265,509.56
Investment income (loss indicated by “-”)	155,164,823.74	179,726,649.63

Items	The first quarter of 2023	The first quarter of 2022
Including: Share of investment income of associates and joint ventures	201,684,330.22	199,235,575.91
Gains from derecognition of financial assets measured at amortised cost	-31,743,448.32	-6,907,859.01
Exchange earnings (loss indicated by “-”)		
Net gains from hedging exposure (loss indicated by “-”)		
Profit arising from changes in fair value (loss indicated by “-”)	89,401,955.32	-63,561,676.83
Impairment loss of credit (loss indicated by “-”)	-67,133,352.31	-70,477,946.05
Impairment loss of assets (loss indicated by “-”)	-102,740,729.45	33,730,915.32
Gains on assets disposal (loss indicated by “-”)	21,780,574.08	7,543,923.08
<b>III. Operating profit (loss indicated by “-”)</b>	<b>2,490,594,009.00</b>	<b>1,995,123,812.46</b>
Add: Non-operating income	13,949,249.64	4,614,452.17
Less: Non-operating expenses	12,646,667.31	13,160,994.69
<b>IV. Total profit (total loss indicated by “-”)</b>	<b>2,491,896,591.33</b>	<b>1,986,577,269.94</b>
Less: Income tax expenses	538,850,896.70	454,245,727.36
<b>V. Net profit (net loss indicated by “-”)</b>	<b>1,953,045,694.63</b>	<b>1,532,331,542.58</b>
(1) Classified by continuity of operations		
1. Net profit from continuing operations (net loss indicated by “-”)	1,953,045,694.63	1,532,331,542.58
2. Net profit from discontinued operations (net loss indicated by “-”)		
(2) Classified by ownership of the equity		
1. Net profit attributable to equity holders of the parent company (net loss indicated by “-”)	1,517,649,326.44	1,251,018,657.92
2. Minority interests (net loss indicated by “-”)	435,396,368.19	281,312,884.66

Items	The first quarter of 2023	The first quarter of 2022
<b>VI. Other comprehensive income, net of tax</b>	-31,353,262.71	-38,200,691.45
(1) Other comprehensive income attributable to owners of the parent company, net of tax	-30,556,001.40	-40,509,242.91
1. Other comprehensive income that will not be reclassified to profit or loss	-48,613,777.67	-20,384,942.49
(1) Changes in the re-measurement of defined benefit plans		
(2) Other comprehensive income accounted for using equity method, which will not be reclassified to profit or loss		
(3) Changes in fair value of investments in other equity instruments	-48,613,777.67	-20,384,942.49
(4) Changes in fair value arising from the enterprise's credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	18,057,776.27	-20,124,300.42
(1) Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss	-70,470.64	10,912.64
(2) Changes in fair value of other debt investments		
(3) Other comprehensive income arising from reclassifying financial assets		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserve	1,047,198.86	-4,236,049.27
(6) Exchange differences on translation of financial statements denominated in foreign currencies	17,063,250.30	-16,226,739.89
(7) Others	17,797.75	327,576.10
(2) Other comprehensive income attributable to minority shareholders, net of tax	-797,261.31	2,308,551.46

Items	The first quarter of 2023	The first quarter of 2022
<b>VII. Total comprehensive income</b>	1,921,692,431.92	1,494,130,851.13
(1) Total comprehensive income attributable to owners of the parent company	1,487,093,325.04	1,210,509,415.01
(2) Total comprehensive income attributable to minority shareholders	434,599,106.88	283,621,436.12
<b>VIII. Earnings per Share:</b>		
(1) Basic earnings per Share (RMB/Share)	0.41	0.44
(2) Diluted earnings per Share (RMB/Share)	0.41	0.44

For business combination involving enterprises under common control during the Period, the net profit realized by the acquiree before the business combination is RMB0 as compared to RMB0 for the last period.

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

## CONSOLIDATED CASH FLOW STATEMENT

January – March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	63,290,789,704.39	55,300,239,230.32
Net increase in customer deposits and interbank deposit payment		
Net increase in borrowing from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the receipt of the original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposit of the insured and investment fund		
Interest, fees and commissions in cash		
Net increase in funds borrowed		
Net increase in capital for repurchase business		
Net cash received from customer for acting as securities trading agent		
Refund of taxes received	96,565,172.08	46,375,664.96
Cash received relating to other operating activities	887,443,149.47	566,877,206.62
Sub-total of cash inflows from operating activities	64,274,798,025.94	55,913,492,101.90
Cash paid for goods and services	58,532,385,462.83	50,812,849,418.04
Net increase in customer loans and advances		
Net increase in placements with Central Bank and interbank		
Cash paid for claims on original insurance contract		
Net increase in lending funds		
Cash paid for interest, fees and commissions		

<b>Items</b>	<b>The first quarter of 2023</b>	<b>The first quarter of 2022</b>
Cash paid for policy dividend		
Cash paid to and on behalf of employees	2,595,719,194.21	2,351,387,645.22
Payments of taxes	2,010,859,495.28	2,107,415,362.61
Cash paid relating to other operating activities	3,759,156,285.91	3,131,967,200.27
Sub-total of cash outflows from operating activities	66,898,120,438.23	58,403,619,626.14
Net cash flows from operating activities	-2,623,322,412.29	-2,490,127,524.24
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	9,226,650,000.00	–
Cash received from returns on investments	116,045,884.59	300,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	20,215,544.66	62,992,887.98
Net cash received from disposal of subsidiaries and other business units	5,616,030.38	–
Cash received relating to other investing activities	195,781,000.00	117,290,000.00
Sub-total of cash inflows from investing activities	9,564,308,459.63	180,582,887.98
Cash paid to acquire fixed assets, intangible assets and other long-term assets	692,118,377.20	579,507,288.07
Cash paid to acquire investments	10,726,650,000.00	–
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	132,075,928.25	170,000,000.00
Cash paid relating to other investing activities	119,681,620.89	62,173,821.45
Sub-total of cash outflows from investing activities	11,670,525,926.34	811,681,109.52
Net cash flows from investing activities	-2,106,217,466.71	-631,098,221.54



Items	The first quarter of 2023	The first quarter of 2022
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contributions	156,812,130.67	13,958,714,248.59
Including: Cash received from capital contributions of minority shareholders of subsidiaries	139,267,640.00	11,520,000.00
Cash received from borrowings	20,235,395,821.94	14,464,996,316.75
Cash received from issue of bonds	5,999,608,333.33	5,997,487,411.90
Cash received relating to other financing activities	95,630,130.83	325,570,749.49
Sub-total of cash inflows from financing activities	26,487,446,416.77	34,746,768,726.73
Cash paid for repayments of debts	20,411,095,330.39	15,441,399,221.37
Cash paid for distribution of dividends, profits or interest payment	971,885,204.72	491,553,924.22
Including: Dividends and profits paid to minority shareholders by subsidiaries	333,773,431.04	112,600,747.79
Cash paid relating to other financing activities	791,417,137.74	1,219,587,737.51
Sub-total of cash outflows from financing activities	22,174,397,672.85	17,152,540,883.10
Net cash flows from financing activities	4,313,048,743.92	17,594,227,843.63
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	-12,668,704.92	698,351.20
<b>V. Net increase in cash and cash equivalents</b>	-429,159,840.00	14,473,700,449.05
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	24,533,891,305.82	20,137,500,219.76
<b>VI. Balance of cash and cash equivalents at the end of the Reporting Period</b>	24,104,731,465.82	34,611,200,668.81

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

## BALANCE SHEET OF THE PARENT COMPANY

31 March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

Items	31 March 2023	31 December 2022
<b>Current assets:</b>		
Monetary funds	7,608,318,151.27	8,896,325,941.88
Financial assets held for trading	11,069,131,143.25	9,613,554,659.84
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Advances to suppliers	11,224,176.54	9,345,489.16
Other receivables	15,459,796,116.35	14,647,589,803.23
Including: Interests receivable		
Dividends receivable	811,846,033.13	843,498,975.48
Inventories		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	8,931,006.90	10,366,305.70
Other current asset	5,277,908.81	763,269.11
Total current assets	34,162,678,503.12	33,177,945,468.92
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables	38,755,577.57	37,320,278.77
Long-term equity investments	29,063,331,556.67	27,646,745,649.54
Other equity instrument investments		
Other non-current financial assets	1,803,706,771.15	1,787,298,345.06
Investment properties		
Fixed assets	101,491,723.72	100,582,376.49
Construction in progress	46,501,346.81	35,354,623.28

<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Bearer biological assets		
Oil-and-gas assets		
Right-of-use assets	78,708,363.06	86,593,287.17
Intangible assets	54,218,936.79	68,262,180.37
Development disbursement	77,703,026.05	76,703,026.05
Goodwill		
Long-term prepaid expenses	19,415,652.13	18,064,854.14
Deferred income tax assets		
Other non-current assets	8,215,692.50	9,319,539.50
Total non-current assets	31,292,048,646.45	29,866,244,160.37
Total assets	65,454,727,149.57	63,044,189,629.29
<b>Current liabilities:</b>		
Short-term borrowings	1,300,942,638.89	1,300,997,638.89
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	68,926,337.90	61,884,185.13
Advances from customers		
Contract liabilities	20,097,189.17	33,097,189.17
Employee benefits payable	35,167,994.16	90,700,319.82
Taxes payable	8,598,724.64	1,867,369.51
Other payables	13,396,598,528.16	13,518,512,556.02
Including: Interests payable		
Dividends payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	34,341,356.01	932,166,278.43
Other current liabilities	6,020,995,890.41	6,060,361,643.84
Total current liabilities	20,885,668,659.34	21,999,587,180.81

<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	3,539,360,000.00	139,360,000.00
Bonds payable	–	–
Including: Preference shares		
Perpetual bonds		
Lease liabilities	55,000,620.87	59,390,904.05
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	116,467,330.39	83,641,136.76
Deferred income tax liabilities	5,859,736.77	5,859,736.77
Other non-current liabilities		
Total non-current liabilities	3,716,687,688.03	288,251,777.58
Total liabilities	24,602,356,347.37	22,287,838,958.39
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	3,698,499,159.00	3,697,546,172.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	32,292,039,520.58	32,275,668,338.76
Less: Treasury shares		
Other comprehensive income	-349,031.83	-302,235.46
Special reserves		
Surplus reserves	1,783,016,468.98	1,783,016,468.98
Undistributed profits	3,079,164,685.47	3,000,421,926.62
Total owners' equity (or shareholders' equity)	40,852,370,802.20	40,756,350,670.90
Total liabilities and owners' equity (or shareholders' equity)	65,454,727,149.57	63,044,189,629.29

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

## INCOME STATEMENT OF THE PARENT COMPANY

January – March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Operating revenue</b>	5,492,871.33	204,000.00
Less: Cost of operation	4,441,590.58	14,601.91
Business taxes and surcharges	193,766.01	61,101.42
Selling expenses		
Administrative expenses	51,903,077.59	41,346,921.44
R&D expenses	124,552,189.62	106,026,867.46
Financial expenses	57,188,926.70	80,460,137.77
Including: Interest expenses	67,462,267.81	86,599,306.25
Interest income	21,647,626.82	11,334,919.66
Add: Other income	7,075,647.40	8,427,963.71
Investment income (loss indicated by “-”)	225,801,358.48	192,498,159.54
Including: Share of investment income of associates and joint ventures	29,086,547.48	4,950,169.80
Gains from derecognition of financial assets measured at amortised cost		
Net gains from hedging exposure (loss indicated by “-”)		
Profit arising from changes in fair value (loss indicated by “-”)	79,294,551.02	2,762,629.43
Impairment loss of credit (loss indicated by “-”)	-2,757,213.18	614,400.73
Impairment loss of assets (loss indicated by “-”)		
Gains on assets disposal (loss indicated by “-”)	3,575,094.30	-
<b>II. Operating profit (loss indicated by “-”)</b>	80,202,758.85	-23,402,476.59
Add: Non-operating income	40,000.00	10,710.00
Less: Non-operating expenses	1,500,000.00	58,889.91

Items	The first quarter of 2023	The first quarter of 2022
<b>III. Total profit (total loss indicated by “-”)</b>	78,742,758.85	-23,450,656.50
Less: Income tax expenses		
<b>IV. Net profit (net loss indicated by “-”)</b>	78,742,758.85	-23,450,656.50
(1) Net profit from continuing operations (net loss indicated by “-”)	78,742,758.85	-23,450,656.50
(2) Net profit from discontinued operations (net loss indicated by “-”)		
<b>V. Other comprehensive income, net of tax</b>	-46,796.37	7,246.21
(1) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in the re-measurement of defined benefit plans		
2. Other comprehensive income accounted for using equity method, which will not be reclassified to profit or loss		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value arising from the enterprise’s credit risk		
(2) Other comprehensive income that will be reclassified to profit or loss	-46,796.37	7,246.21
1. Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss	-46,796.37	7,246.21
2. Changes in fair value of other debt investments		
3. Other comprehensive income arising from reclassifying financial assets		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences on translation of financial statements denominated in foreign currencies		
7. Others		

Items	The first quarter of 2023	The first quarter of 2022
<b>VI. Total comprehensive income</b>	78,695,962.48	-23,443,410.29
<b>VII. Earnings per Share:</b>		
(1) Basic earnings per Share (RMB/Share)	Not applicable	Not applicable
(2) Diluted earnings per Share (RMB/Share)	Not applicable	Not applicable

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

## CASH FLOW STATEMENT OF THE PARENT COMPANY

January – March 2023

Prepared by: Shanghai Pharmaceuticals Holding Co., Ltd.\*

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

Items	The first quarter of 2023	The first quarter of 2022
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	3,638,135.00	20,250,745.00
Refund of taxes received		
Cash received relating to other operating activities	71,580,717.85	18,249,758.32
Sub-total of cash inflows from operating activities	75,218,852.85	38,500,503.32
Cash paid for goods and services	27,034,181.59	33,083,539.35
Cash paid to and on behalf of employees	99,277,904.46	84,909,419.84
Payments of taxes	194,966.01	29,950.79
Cash paid relating to other operating activities	102,268,634.23	62,928,489.86
Sub-total of cash outflows from operating activities	228,775,686.29	180,951,399.84
Net cash flows from operating activities	-153,556,833.44	-142,450,896.52
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	9,226,650,000.00	–
Cash received from returns on investments	282,650,136.08	107,706,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	1,799,600,382.13	2,656,472,014.59
Sub-total of cash inflows from investing activities	11,308,900,518.21	2,764,178,014.59
Cash paid to acquire fixed assets, intangible assets and other long-term assets	21,668,166.29	11,169,511.59
Cash paid to acquire investments	10,726,650,000.00	–
Net cash paid to acquire subsidiaries and other business units	312,500,000.00	170,000,000.00
Cash paid relating to other investing activities	4,229,065,412.57	452,636,853.02



Items	The first quarter of 2023	The first quarter of 2022
Sub-total of cash outflows from investing activities	15,289,883,578.86	633,806,364.61
Net cash flows from investing activities	-3,980,983,060.65	2,130,371,649.98
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contributions	17,544,490.67	13,947,194,248.59
Cash received from borrowings	3,700,000,000.00	600,000,000.00
Cash received from issue of bonds	5,999,608,333.33	5,997,487,411.90
Cash received relating to other financing activities	438,250,296.16	537,393,118.71
Sub-total of cash inflows from financing activities	10,155,403,120.16	21,082,074,779.20
Cash paid for repayments of debts	7,200,000,000.00	6,600,000,000.00
Cash paid for distribution of dividends, profits or interest payment	104,070,664.76	107,484,331.10
Cash paid relating to other financing activities	4,800,675.28	1,009,909,961.02
Sub-total of cash outflows from financing activities	7,308,871,340.04	7,717,394,292.12
Net cash flows from financing activities	2,846,531,780.12	13,364,680,487.08
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	323.36	-20.72
<b>V. Net increase in cash and cash equivalents</b>	-1,288,007,790.61	15,352,601,219.82
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	8,596,322,955.64	4,716,238,699.67
<b>VI. Balance of cash and cash equivalents at the end of the Reporting Period</b>	7,308,315,165.03	20,068,839,919.49

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

**(III) Particulars in relation to adjustments made to the financial statements as at the beginning of the year upon initial adoption of New Accounting Standard or interpretation of standards since 2023**

Applicable  Not applicable

It is hereby announced.

**The Board of Shanghai Pharmaceuticals Holding Co., Ltd.\***  
26 April 2023