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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)

2024 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 2024 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.*
YANG Qiuhua
Chairman

Shanghai, the PRC, 26 April 2024

As of the date of this announcement, the executive Directors of the Company are Mr. YANG Qiuhua, Mr. SHEN Bo, Mr. LI Yongzhong and Mr. DONG Ming; the non-executive Director is Mr. CHEN Fashu; and the independent non-executive Directors are Mr. GU Zhaoyang, Mr. Manson FOK and Mr. WANG Zhong.

** For identification purpose only*

The board of directors of the Company and all directors warrant that there are no false representations, or misleading statements or material omissions contained in this announcement, and assume legal liabilities for the truthfulness, accuracy and completeness thereof.

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

I. DEFINITIONS

“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 Stock Exchange of Hong Kong Limited with stock code 02607) or Shanghai Pharmaceuticals Holding Co., Ltd.* and its subsidiaries, where applicable
“the Reporting Period”, “Reporting Period” or “Period”	the 3-month period from 1 January 2024 to 31 March 2024
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
“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)
“IND”	investigational new drug

II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Performance Overview

During the Reporting Period, the principal business of the Company grew steadily and achieved operating income of RMB70.153 billion, representing a year-on-year increase of 5.93%. In particular: the pharmaceutical manufacturing achieved sales revenue of RMB6.944 billion, representing a year-on-year decrease of 10.98%; the pharmaceutical service achieved sales revenue of RMB63.209 billion, representing a year-on-year increase of 8.19%.

During the Reporting Period, the Company recorded RMB1.542 billion of net profit attributable to shareholders of the listed company, representing a year-on-year increase of 1.62%. Of which, the pharmaceutical manufacturing contributed profits of RMB674 million, representing a year-on-year decrease of 4.06%, the pharmaceutical services contributed profits of RMB832 million, representing a year-on-year increase of 0.50% and major shareholding enterprises contributed profits of RMB185 million, representing a year-on-year decrease of 11.29%. The net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company amounted to RMB1.375 billion, representing a year-on-year increase of 1.30%.

During the Reporting Period, the Company's research and development (“R&D”) investment reached RMB715 million, representing a year-on-year increase of 30.78%, of which, the R&D expenses amounted to RMB501 million.

(II) Operating Highlights

Guided by the national innovation-driven development strategy, Shanghai Pharmaceuticals has continuously increased the investment in research and development in recent years, and built an **open and diversified innovation system of “independent research and development + mergers and acquisitions and introduction + incubation and cultivation”**. During the Reporting Period, the new drug pipelines¹ and innovative incubation and cultivation projects of the Company have made progress in stages.

- *Increment and stock grow simultaneously, and new drug pipelines open up a new situation*

During the Reporting Period, the Company **added 2 new drug pipelines**:

- (1) The new drug project I025-A for the indication of colorectal cancer completed the meeting discussion of IEC (Independent Ethics Committee) and obtained the paper approval letter, and entered the phase II clinical trial;

¹ The statistical caliber of new drug pipelines includes the research and development projects that enter the clinical approval application stage, the subsequent clinical study stage and the investigator-initiated clinical trial (IIT) stage.

- (2) The improved new drug HQ-0124 for the indication of schizophrenia has been applied for registration and marketing.

At the same time, the Company **continued to promote the research and development process of existing pipelines:**

- (1) C012 (Alzheimer's disease) has obtained the approval of phase I clinical trial from FDA in the United States;
 - (2) B007 (myasthenia gravis, pemphigus) and B013 (ovarian cancer) were promoted from IND to the phase II clinical trial;
 - (3) B015 (combination therapy, advanced solid tumors) was promoted from the phase I clinical trial to the phase II clinical trial;
 - (4) B001-C (neuromyelitis optica) was promoted from the phase I clinical trial to the phase III clinical trial.
- ***Shanghai-Hong Kong incubation demonstrates new vitality and 01LABS is established to cultivate new enterprises***

During the Reporting Period, **Shanghai-Hong Kong joint innovation incubator 01LABS@HongKong (“Hong Kong 01 Laboratory”)** successfully introduced **two startup companies**. Hong Kong 01 Laboratory, jointly established by Shanghai Pharmaceuticals, Shanghai Biomedical Frontier Industry Innovation Center Co., Ltd. and Hong Kong Science and Technology Parks Corporation, aims at attracting global biomedical science and technology innovation teams and innovation projects, integrates innovation with Hong Kong's life science and technology and medical innovation resources, and helps Shanghai and Hong Kong to build a global medical science and technology innovation highland by relying on Shanghai's overall advantages in the biomedical field, promoting the high-quality development of innovative drugs in China.

Up to now, Hong Kong 01 Laboratory has successfully introduced **Aptacure Therapeutics Limited (安沛治療有限公司)** and **Ynno Med Limited (元美藥業有限公司)**. Aptacure Therapeutics Limited (安沛治療有限公司) focuses on the direction of aptamer innovative drugs (nucleic acid drugs), and Ynno Med Limited (元美藥業有限公司) focuses on infectious diseases caused by bacteria. The settlement of the two companies will help to strengthen the communication and cooperation between Shanghai Pharmaceuticals and the founder teams of the two companies on related projects. In the future, Shanghai Pharmaceuticals will have priority in the equity/share subscription and the product and technology transfer of the two companies. Shanghai Pharmaceuticals is expected to expand its industrial layout in the fields of nucleic acid and immunity in the future.

- ***Innovation clusters build dreams, and the industrial base is proposed to be put into trial operation***

During the Reporting Period, **the phase I of SPH Biomedicine Industrial Base (Lane 88, Zhangjiang Road) was basically completed, and it is expected to be put into trial operation in the second half of 2024.** SPH Biomedicine Industrial Base is positioned to integrate the three functions of “R&D center, innovation incubation platform, pilot test and industrialization platform” and build an open source innovation ecological chain with Shanghai Pharmaceuticals as the main chain leader and a leading open biomedical innovation industrial cluster in China with independent innovation, integrated innovation and collaborative innovation as the guide, striving for providing integrated solutions for the whole industry chain for Chinese and foreign start-up biomedical companies. The phase I of SPH Biomedicine Industrial Base covers an area of approximately 50,000 square meters and the floor area is approximately 130,000 square meters. Up to now, the construction progress of SPH Biomedicine Industrial Base has been fully implemented, and the phase I has been basically completed. It is expected to be put into trial operation in the second half of 2024.

In the pharmaceutical distribution sector, the Company will strive to build a life-cycle service platform for innovative drugs, 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. During the Reporting Period, the Company’s **commercial innovation business** developed well:

- (1) In the first quarter of 2024, **the sales of innovative drugs increased by about 33% on a year-on-year basis, and the Company successfully introduced 4 import varieties under general agency**, continuing to maintain the leading position of imported innovative drugs under general agency.
- (2) With the deepening of cooperation between the Company and international pharmaceutical companies such as Sanofi, the Company’s commercial CSO contract promotion business increased significantly. During the Reporting Period, **the Company’s drug CSO contract promotion business achieved the sales of approximately RMB1.7 billion, representing a year-on-year increase of approximately 128%**, and there were more than 60 contracted products and 1,608 team members.
- (3) The Company has continuously promoted the construction of import vaccine terminal promotion team. At present, the number of the members of the team has **increased from 340** in the first quarter of 2023 **to more than 720**, and the Company has continuously improved the professional quality and service awareness of the members of the team through systematic training and professional guidance. In the future, the Company will continue to deeply cultivate the import vaccine business and continuously improve the profitability of the vaccine sector.

III. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	Reporting Period	Increase/decrease during the Reporting Period as compared to the corresponding period of last year (%)
Operating revenue	70,152,787,484.98	5.93
Net profit attributable to equity holders of the listed company	1,542,277,554.18	1.62
Net profit after deduction of non-recurring profit or loss attributable to equity holders of the listed company	1,374,629,759.08	1.30
Net cash flows from operating activities	-5,473,599,712.64	Not applicable
Basic earnings per Share (RMB per share)	0.42	1.47
Diluted earnings per Share (RMB per share)	0.42	1.47
Weighted average return on net assets (%)	2.23	Decreased by 0.01 percentage point

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)
Total assets	217,416,956,744.42	211,972,533,766.80	2.57
Owners' equity attributable to equity holders of the listed company	70,061,915,248.12	68,524,143,051.35	2.24

(II) Non-recurring profit or loss items and amounts✓Applicable Not applicable*Unit: Yuan Currency: RMB*

Non-recurring profit or loss items	Amounts for the current period
Profit or loss on disposal of non-current assets, including write-off of provision for asset impairment	110,037,311.32
Government grants recognised in profit or loss for the current period excluding those closely related to the Company's ordinary operations and granted under the national policies according to established standards, and which have a continuing impact on the profit or loss of the Company	55,498,573.39
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 and financial liabilities held by non-financial enterprises and profit or loss from disposal of financial assets and financial liabilities	52,252,233.13
Reversal of provisions on impairment for receivables assessed for impairment on an individual basis	20,128,205.16
Other non-operating income and expenses other than the aforesaid items	2,018,065.51
Less: Effect on income tax	47,795,481.42
Effect on minority interests (after tax)	24,491,111.99
Total	167,647,795.10

Explanation on the reasons for the Company's identification of items not listed under the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Losses as non-recurring gain or loss items with significant amount, and the identification of non-recurring gain or loss items listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Losses as recurring gain or loss items.

Applicable ✓Not applicable

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

Items	Change (%)	Main reason
Derivative financial assets	-38.53	Decrease in fair value of forward foreign exchange contract assets during the Reporting Period
Advances to suppliers	125.74	Increase in prepayments for goods during the Reporting Period
Non-current assets due within one year	-30.61	Decrease in the project prepayments due within one year during the Reporting Period
Other current assets	-30.55	Decrease in tax deductible during the Reporting Period
Derivative financial liabilities	-42.76	Decrease in fair value of forward foreign exchange contract liabilities during the Reporting Period
Other income	-66.80	Decrease in government grants received during the Reporting Period
Profit arising from changes in fair value	-41.55	Decrease in profit of assets measured at fair value during the Reporting Period
Impairment loss of credit	300.73	Increase in provision for impairment loss of credit during the Reporting Period
Impairment loss of assets	Not applicable	Reversal of certain provision for decline in value of inventories during the Reporting Period
Gains on assets disposal	405.21	Increase in compensation for relocation during the Reporting Period
Net cash flows from operating activities	108.65	Increase in payments for goods during the Reporting Period
Net cash flows from Investing activities	Not applicable	Decrease in net cash outflow paid for the investment during the Reporting Period

IV. 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 ^①	82,305	Total number of shareholders of preference Shares with voting right restored as at the end of the Reporting Period (if any)	0			
Shareholdings of the top ten shareholders (excluding the shares lent under refinancing business)						
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	19.348	0	Nil	
HKSCC NOMINEES LIMITED ^②	Foreign legal person	673,989,224	18.200	0	Unknown	
Yunnan Baiyao	Domestic non-state-owned legal person	665,626,796	17.974	665,626,796	Nil	
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi and its wholly-owned subsidiaries ^③	State-owned legal person	629,987,798	17.012	187,000,000	Nil	
Hong Kong Securities Clearing Company Limited ^④	Foreign legal person	83,994,105	2.268	0	Unknown	
Guosheng Group	State-owned legal person	44,632,100	1.205	0	Nil	
China Securities Finance Corporation Limited	State-owned legal person	41,330,543	1.116	0	Unknown	
China Construction Bank Corporation – E fund CSI 300 Medical and Healthcare Trading Open-end Index Securities Investment Fund	Unknown	16,126,230	0.435	0	Unknown	
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	Unknown	12,130,068	0.328	0	Unknown	
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	Unknown	11,601,222	0.313	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	673,989,224	Overseas listed foreign Shares	673,989,224
SIIC and its wholly-owned subsidiaries and Shanghai Shangshi	442,987,798	RMB ordinary Shares	222,301,798
		Overseas listed foreign Shares	220,686,000
Hong Kong Securities Clearing Company Limited	83,994,105	RMB ordinary Shares	83,994,105
Guosheng Group	44,632,100	RMB ordinary Shares	21,117,000
		Overseas listed foreign Shares	23,515,100
China Securities Finance Corporation Limited	41,330,543	RMB ordinary Shares	41,330,543
China Construction Bank Corporation – E fund CSI 300 Medical and Healthcare Trading Open-end Index Securities Investment Fund	16,126,230	RMB ordinary Shares	16,126,230
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	12,130,068	RMB ordinary Shares	12,130,068
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	11,601,222	RMB ordinary Shares	11,601,222
Industrial and Commercial Bank of China Company Limited – CSI Shanghai State-owned Exchange Traded Open-end Index Securities Investment Fund	10,251,271	RMB ordinary Shares	10,251,271
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 82,305 shareholders as at the end of the Reporting Period, 81,129 were A shareholders and 1,176 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 220,686,000 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 3,703,301,054, comprising 2,784,228,350 A Shares and 919,072,704 H Shares.

Lending of shares by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders without trade restrictions under refinancing business

Applicable Not applicable

Unit: share

Lending of shares by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders without trade restrictions under refinancing business								
Name of the shareholders (Full name)	Number of shares held in general accounts and credit accounts as at the beginning of the period		Number of shares lent under refinancing and not yet returned as at the beginning of the period		Number of shares held in general accounts and credit accounts as at the end of the period		Number of shares lent under refinancing and not yet returned as at the end of the period	
	Total amount	Percentage (%)	Total amount	Percentage (%)	Total amount	Percentage (%)	Total amount	Percentage (%)
China Construction Bank Corporation – E fund CSI 300 Medical and Healthcare Trading Open-end Index Securities Investment Fund	16,734,637	0.452	25,400	0.0007	16,126,230	0.435	0	0

Lending of shares by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders without trade restrictions under refinancing business								
Name of the shareholders (Full name)	Number of shares held in general accounts and credit accounts as at the beginning of the period		Number of shares lent under refinancing and not yet returned as at the beginning of the period		Number of shares held in general accounts and credit accounts as at the end of the period		Number of shares lent under refinancing and not yet returned as at the end of the period	
	Total amount	Percentage (%)	Total amount	Percentage (%)	Total amount	Percentage (%)	Total amount	Percentage (%)
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Trading Open-end Index Securities Investment Fund	8,270,468	0.223	30,800	0.0008	12,130,068	0.328	0	0
Industrial and Commercial Bank of China Company Limited – CSI Shanghai State-owned Exchange Traded Open-end Index Securities Investment Fund	10,839,871	0.293	16,000	0.0004	10,251,271	0.277	0	0

Change in top ten shareholders and top ten shareholders without trade restrictions as compared to the previous period due to lending/returning of shares under refinancing

Applicable Not applicable

V. 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

VI. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Applicable Not applicable

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

31 March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	31 March 2024	31 December 2023
Current assets:		
Monetary funds	30,040,144,079.63	30,517,706,443.04
Deposit reservation for balance		
Lending funds		
Financial assets held for trading	7,135,157,260.27	10,152,154,821.92
Derivative financial assets	1,596,097.37	2,596,393.11
Notes receivable	1,694,769,858.77	1,908,648,955.48
Accounts receivable	81,246,027,503.59	72,933,881,117.17
Receivables financing	2,314,411,123.29	2,320,106,012.96
Advances to suppliers	7,201,196,074.37	3,190,044,307.40
Premiums receivable		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Other receivables	2,958,949,690.25	3,381,133,896.89
Including: Interests receivable		
Dividends receivable	239,151,615.40	239,065,993.48
Financial assets purchased for resale		
Inventories	33,838,090,831.88	36,623,393,930.07
Including: Date resource		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	53,719,083.58	77,420,057.49
Other current asset	921,439,376.62	1,326,776,412.93
Total current assets	167,405,500,979.62	162,433,862,348.46

Items	31 March 2024	31 December 2023
Non-current assets:		
Issuing of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	225,742,256.59	227,939,569.60
Long-term equity investments	8,554,441,849.79	8,351,910,110.17
Other equity instrument investments	66,122,515.83	55,416,725.20
Other non-current financial assets	2,193,496,868.53	2,195,371,867.75
Investment properties	336,475,559.79	314,673,077.66
Fixed assets	11,932,590,285.81	12,155,054,666.68
Construction in progress	4,203,714,978.23	3,569,629,053.37
Bearer biological assets	135,967,282.47	133,427,150.06
Oil-and-gas assets		
Right-of-use assets	2,072,619,147.12	2,148,311,132.06
Intangible assets	5,882,602,167.64	6,050,835,947.46
Including: Date resource		
Development disbursement	306,865,862.17	310,509,650.32
Including: Date resource		
Goodwill	11,389,451,260.29	11,393,332,202.20
Long-term prepaid expenses	460,967,672.21	474,711,155.94
Deferred income tax assets	1,865,602,007.62	1,716,858,058.26
Other non-current assets	384,796,050.71	440,691,051.61
Total non-current assets	50,011,455,764.80	49,538,671,418.34
Total assets	217,416,956,744.42	211,972,533,766.80

Items	31 March 2024	31 December 2023
Current liabilities:		
Short-term borrowings	37,410,464,967.73	35,560,499,735.45
Borrowing from the Central Bank		
Borrowing funds		
Financial liabilities held for trading		
Derivative financial liabilities	1,325,977.10	2,316,492.78
Bills payable	6,285,050,477.84	6,717,443,536.29
Accounts payable	51,067,404,007.92	47,915,010,730.47
Advances from customers		
Contract liabilities	1,600,676,575.84	1,970,690,132.08
Financial assets sold for repurchase		
Absorbing deposit and interbank deposit		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee benefits payable	1,304,345,917.97	1,783,979,964.70
Taxes payable	1,234,684,244.17	1,217,172,193.69
Other payables	16,618,535,528.09	17,949,353,893.39
Including: Interests payable		
Dividends payable	245,171,287.95	247,130,022.22
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	3,571,794,964.57	2,963,475,811.09
Other current liabilities	6,179,146,404.34	6,291,936,544.95
Total current liabilities	125,273,429,065.57	122,371,879,034.89

Items	31 March 2024	31 December 2023
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	6,620,983,465.48	5,786,154,730.58
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	1,514,473,037.53	1,550,076,681.63
Long-term payables	9,887,509.06	8,163,467.74
Long-term employee benefits payable	37,098,179.18	38,884,169.72
Accrued liabilities	35,879,341.68	39,585,088.27
Deferred income	633,155,235.33	633,481,321.72
Deferred income tax liabilities	998,506,366.24	1,015,820,143.36
Other non-current liabilities	207,897,226.75	202,396,163.96
Total non-current liabilities	10,057,880,361.25	9,274,561,766.98
Total liabilities	135,331,309,426.82	131,646,440,801.87
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	3,703,301,054.00	3,703,301,054.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	29,188,056,964.82	29,187,649,155.53
Less: Treasury shares		
Other comprehensive income	-501,002,596.82	-496,089,430.12
Special reserves		
Surplus reserves	2,306,949,383.63	2,306,949,383.63
General risk provisions		
Undistributed profits	35,364,610,442.49	33,822,332,888.31
Total owners' equity (or shareholders' equity) attributable to the parent company	70,061,915,248.12	68,524,143,051.35
Minority interests	12,023,732,069.48	11,801,949,913.58
Total owners' equity (or shareholders' equity)	82,085,647,317.60	80,326,092,964.93
Total liabilities and owners' equity (or shareholders' equity)	217,416,956,744.42	211,972,533,766.80

Legal representative: YANG Qiuhua The principal in charge of accounting: SHEN Bo
Head of accounting department: SHEN Bo

CONSOLIDATED INCOME STATEMENT

January – March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first quarter of 2024	The first quarter of 2023
I. Total revenue of operation	70,152,787,484.98	66,226,461,496.33
Including: Operating revenue	70,152,787,484.98	66,226,461,496.33
Interest income		
Earned premium		
Service charges and commission		
II. Total cost of operation	67,891,869,133.58	64,033,665,635.78
Including: Cost of operation	62,124,770,085.55	57,591,613,688.60
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	208,543,989.33	192,736,250.31
Selling expenses	3,291,277,261.72	3,911,471,344.04
Administrative expenses	1,391,396,718.62	1,378,976,910.57
R&D expenses	501,451,930.27	540,690,450.55
Financial expenses	374,429,148.09	418,176,991.71
Including: Interest expenses	471,671,030.51	491,988,154.94
Interest income	136,280,254.05	108,813,600.36

Items	The first quarter of 2024	The first quarter of 2023
Add: Other income	66,831,919.34	201,324,877.07
Investment income (loss indicated by “-”)	166,442,382.22	155,164,823.74
Including: Share of investment income of associates and joint ventures	203,279,016.95	201,684,330.22
Gains from derecognition of financial assets measured at amortised cost	-24,047,855.55	-31,743,448.32
Exchange earnings (loss indicated by “-”)		
Net gains from hedging exposure (loss indicated by “-”)		
Profit arising from changes in fair value (loss indicated by “-”)	52,252,233.13	89,401,955.32
Impairment loss of credit (loss indicated by “-”)	-269,024,743.68	-67,133,352.31
Impairment loss of assets (loss indicated by “-”)	27,224,797.01	-102,740,729.45
Gains on assets disposal (loss indicated by “-”)	110,037,311.32	21,780,574.08
III. Operating profit (loss indicated by “-”)	2,414,682,250.74	2,490,594,009.00
Add: Non-operating income	14,499,195.52	13,949,249.64
Less: Non-operating expenses	12,481,130.01	12,646,667.31
IV. Total profit (total loss indicated by “-”)	2,416,700,316.25	2,491,896,591.33
Less: Income tax expenses	551,127,979.96	538,850,896.70
V. Net profit (net loss indicated by “-”)	1,865,572,336.29	1,953,045,694.63
(1) Classified by continuity of operations		
1. Net profit from continuing operations (net loss indicated by “-”)	1,865,572,336.29	1,953,045,694.63
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 “-”)	1,542,277,554.18	1,517,649,326.44
2. Minority interests (net loss indicated by “-”)	323,294,782.11	435,396,368.19

Items	The first quarter of 2024	The first quarter of 2023
VI. Other comprehensive income, net of tax	463,240.42	-31,353,262.71
(1) Other comprehensive income attributable to owners of the parent company, net of tax	-4,913,166.70	-30,556,001.40
1. Other comprehensive income that will not be reclassified to profit or loss	10,705,790.63	-48,613,777.67
(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	10,705,790.63	-48,613,777.67
(4) Changes in fair value arising from the enterprise's credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	-15,618,957.33	18,057,776.27
(1) Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss	6,261.06	-70,470.64
(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	445.09	1,047,198.86
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-15,751,160.91	17,063,250.30
(7) Others	125,497.43	17,797.75
(2) Other comprehensive income attributable to minority shareholders, net of tax	5,376,407.12	-797,261.31

Items	The first quarter of 2024	The first quarter of 2023
VII. Total comprehensive income	1,866,035,576.71	1,921,692,431.92
(1) Total comprehensive income attributable to owners of the parent company	1,537,364,387.48	1,487,093,325.04
(2) Total comprehensive income attributable to minority shareholders	328,671,189.23	434,599,106.88
VIII. Earnings per Share:		
(1) Basic earnings per Share (RMB/Share)	0.42	0.41
(2) Diluted earnings per Share (RMB/Share)	0.42	0.41

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: YANG Qihua The principal in charge of accounting: SHEN Bo
Head of accounting department: SHEN Bo

CONSOLIDATED CASH FLOW STATEMENT

January – March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first quarter of 2024	The first quarter of 2023
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	66,602,368,417.66	63,290,789,704.39
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	34,893,033.21	96,565,172.08
Cash received relating to other operating activities	1,174,472,290.30	887,443,149.47
Sub-total of cash inflows from operating activities	67,811,733,741.17	64,274,798,025.94
Cash paid for goods and services	64,511,143,499.18	58,532,385,462.83
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		

Items	The first quarter of 2024	The first quarter of 2023
Cash paid for interest, fees and commissions		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	2,640,098,105.52	2,595,719,194.21
Payments of taxes	2,067,750,418.44	2,010,859,495.28
Cash paid relating to other operating activities	4,066,341,430.67	3,759,156,285.91
Sub-total of cash outflows from operating activities	73,285,333,453.81	66,898,120,438.23
Net cash flows from operating activities	-5,473,599,712.64	-2,623,322,412.29
II. Cash flows from investing activities:		
Cash received from disposal of investments	10,050,000,000.00	9,226,650,000.00
Cash received from returns on investments	120,895,726.03	116,045,884.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	815,734.76	20,215,544.66
Net cash received from disposal of subsidiaries and other business units	11,514,306.65	5,616,030.38
Cash received relating to other investing activities	348,516,368.37	195,781,000.00
Sub-total of cash inflows from investing activities	10,531,742,135.81	9,564,308,459.63
Cash paid to acquire fixed assets, intangible assets and other long-term assets	871,616,895.89	692,118,377.20
Cash paid to acquire investments	7,100,000,000.00	10,726,650,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	4,034,930.28	132,075,928.25
Cash paid relating to other investing activities	714,357,790.97	119,681,620.89
Sub-total of cash outflows from investing activities	8,690,009,617.14	11,670,525,926.34
Net cash flows from investing activities	1,841,732,518.67	-2,106,217,466.71

Items	The first quarter of 2024	The first quarter of 2023
III. Cash flows from financing activities:		
Cash received from capital contributions	–	156,812,130.67
Including: Cash received from capital contributions of minority shareholders of subsidiaries	–	139,267,640.00
Cash received from borrowings	18,435,199,786.22	20,235,395,821.94
Cash received from issue of bonds	2,999,522,500.00	5,999,608,333.33
Cash received relating to other financing activities	86,542,631.35	95,630,130.83
Sub-total of cash inflows from financing activities	21,521,264,917.57	26,487,446,416.77
Cash paid for repayments of debts	17,414,048,741.02	20,411,095,330.39
Cash paid for distribution of dividends, profits or interest payment	657,029,889.33	971,885,204.72
Including: Dividends and profits paid to minority shareholders by subsidiaries	97,808,995.85	333,773,431.04
Cash paid relating to other financing activities	199,933,738.62	791,417,137.74
Sub-total of cash outflows from financing activities	18,271,012,368.97	22,174,397,672.85
Net cash flows from financing activities	3,250,252,548.60	4,313,048,743.92
IV. Effect of foreign exchange rate changes on cash and cash equivalents	7,736,229.48	-12,668,704.92
V. Net increase in cash and cash equivalents	-373,878,415.89	-429,159,840.00
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	27,499,809,001.20	24,533,891,305.82
VI. Balance of cash and cash equivalents at the end of the Reporting Period	27,125,930,585.31	24,104,731,465.82

Legal representative: YANG Qihua The principal in charge of accounting: SHEN Bo
Head of accounting department: SHEN Bo

BALANCE SHEET OF THE PARENT COMPANY

31 March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	31 March 2024	31 December 2023
Current assets:		
Monetary funds	6,849,748,599.55	7,929,735,432.19
Financial assets held for trading	7,135,157,260.27	10,152,154,821.92
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Advances to suppliers	14,420,044.18	9,910,030.01
Other receivables	21,160,325,475.75	16,750,885,576.08
Including: Interests receivable		
Dividends receivable	636,319,434.24	636,322,615.73
Inventories		
Including: Date resource		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year	9,319,505.70	9,220,824.69
Other current asset	8,725,529.96	5,750,598.65
Total current assets	35,177,696,415.41	34,857,657,283.54
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	30,462,214.56	30,139,660.73
Long-term equity investments	31,166,056,610.84	31,048,793,745.57
Other equity instrument investments		
Other non-current financial assets	1,766,970,657.80	1,789,517,079.76
Investment properties	3,372,342.86	3,521,820.72
Fixed assets	100,297,456.21	97,358,529.12

Items	31 March 2024	31 December 2023
Construction in progress	30,950,489.74	29,960,877.39
Bearer biological assets		
Oil-and-gas assets		
Right-of-use assets	48,400,835.49	55,991,662.93
Intangible assets	49,060,871.67	50,789,086.95
Including: Date resource		
Development disbursement	60,552,179.35	60,552,179.35
Including: Date resource		
Goodwill		
Long-term prepaid expenses	41,079,173.05	43,736,768.68
Deferred income tax assets		
Other non-current assets	658,034.77	6,860,049.07
Total non-current assets	33,297,860,866.34	33,217,221,460.27
Total assets	68,475,557,281.75	68,074,878,743.81
Current liabilities:		
Short-term borrowings	700,440,000.00	1,000,615,694.44
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable		
Accounts payable	38,514,292.27	50,296,941.37
Advances from customers		
Contract liabilities	20,097,189.17	20,097,189.17
Employee benefits payable	53,683,851.84	70,389,607.55
Taxes payable	3,452,987.25	3,203,907.77
Other payables	17,141,059,266.90	16,243,695,968.21
Including: Interests payable		
Dividends payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	834,011,088.55	36,320,746.49
Other current liabilities	6,038,428,767.12	6,051,321,311.48
Total current liabilities	24,829,687,443.10	23,475,941,366.48

Items	31 March 2024	31 December 2023
Non-current liabilities:		
Long-term borrowings	3,562,320,000.00	4,363,420,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	19,293,900.96	25,366,462.03
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	97,384,179.09	103,982,549.86
Deferred income tax liabilities	5,859,736.77	5,859,736.77
Other non-current liabilities		
Total non-current liabilities	3,684,857,816.82	4,498,628,748.66
Total liabilities	28,514,545,259.92	27,974,570,115.14
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	3,703,301,054.00	3,703,301,054.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	32,391,683,031.35	32,391,530,937.71
Less: Treasury shares		
Other comprehensive income	-386,620.97	-390,780.10
Special reserves		
Surplus reserves	1,931,158,581.45	1,931,158,581.45
Undistributed profits	1,935,255,976.00	2,074,708,835.61
Total owners' equity (or shareholders' equity)	39,961,012,021.83	40,100,308,628.67
Total liabilities and owners' equity (or shareholders' equity)	68,475,557,281.75	68,074,878,743.81

Legal representative: YANG Qihua The principal in charge of accounting: SHEN Bo
Head of accounting department: SHEN Bo

INCOME STATEMENT OF THE PARENT COMPANY

January – March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first quarter of 2024	The first quarter of 2023
I. Operating revenue	4,455,911.20	5,492,871.33
Less: Cost of operation	3,963,601.79	4,441,590.58
Business taxes and surcharges	586,061.58	193,766.01
Selling expenses		
Administrative expenses	47,426,260.88	51,903,077.59
R&D expenses	123,475,536.87	124,552,189.62
Financial expenses	59,977,639.81	57,188,926.70
Including: Interest expenses	82,855,820.58	67,462,267.81
Interest income	22,630,110.94	21,647,626.82
Add: Other income	1,485,879.98	7,075,647.40
Investment income (loss indicated by “-”)	72,118,914.22	225,801,358.48
Including: Share of investment income of associates and joint ventures	10,120,730.92	29,086,547.48
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 “-”)	31,351,742.42	79,294,551.02
Impairment loss of credit (loss indicated by “-”)	-12,099,916.91	-2,757,213.18
Impairment loss of assets (loss indicated by “-”)	-	-
Gains on assets disposal (loss indicated by “-”)	-	3,575,094.30
II. Operating profit (loss indicated by “-”)	-138,116,570.02	80,202,758.85
Add: Non-operating income	164,251.60	40,000.00
Less: Non-operating expenses	1,500,541.19	1,500,000.00

Items	The first quarter of 2024	The first quarter of 2023
III. Total profit (total loss indicated by “-”)	-139,452,859.61	78,742,758.85
Less: Income tax expenses		
IV. Net profit (net loss indicated by “-”)	-139,452,859.61	78,742,758.85
(1) Net profit from continuing operations (net loss indicated by “-”)	-139,452,859.61	78,742,758.85
(2) Net profit from discontinued operations (net loss indicated by “-”)		
V. Other comprehensive income, net of tax	4,159.13	-46,796.37
(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	4,159.13	-46,796.37
1. Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss	4,159.13	-46,796.37
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 2024	The first quarter of 2023
VI. Total comprehensive income	-139,448,700.48	78,695,962.48
VII. Earnings per Share:		
(1) Basic earnings per Share (RMB/Share)	Not applicable	Not applicable
(2) Diluted earnings per Share (RMB/Share)	Not applicable	Not applicable

Legal representative: YANG Qihua The principal in charge of accounting: SHEN Bo
Head of accounting department: SHEN Bo

CASH FLOW STATEMENT OF THE PARENT COMPANY

January – March 2024

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

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first quarter of 2024	The first quarter of 2023
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	4,644,594.86	3,638,135.00
Refund of taxes received		
Cash received relating to other operating activities	266,741,976.21	71,580,717.85
Sub-total of cash inflows from operating activities	271,386,571.07	75,218,852.85
Cash paid for goods and services	60,018,857.37	107,696,507.61
Cash paid to and on behalf of employees	112,132,390.44	99,277,904.46
Payments of taxes	638,517.00	194,966.01
Cash paid relating to other operating activities	44,996,638.19	21,606,308.21
Sub-total of cash outflows from operating activities	217,786,403.00	228,775,686.29
Net cash flows from operating activities	53,600,168.07	-153,556,833.44
II. Cash flows from investing activities:		
Cash received from disposal of investments	10,050,000,000.00	9,226,650,000.00
Cash received from returns on investments	120,895,726.03	282,650,136.08
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	60,800,999.76	1,799,600,382.13
Sub-total of cash inflows from investing activities	10,231,696,725.79	11,308,900,518.21
Cash paid to acquire fixed assets, intangible assets and other long-term assets	11,409,309.29	21,668,166.29
Cash paid to acquire investments	7,100,000,000.00	10,726,650,000.00
Net cash paid to acquire subsidiaries and other business units	–	312,500,000.00
Cash paid relating to other investing activities	3,853,135,948.01	4,229,065,412.57
Sub-total of cash outflows from investing activities	10,964,545,257.30	15,289,883,578.86
Net cash flows from investing activities	-732,848,531.51	-3,980,983,060.65

Items	The first quarter of 2024	The first quarter of 2023
III. Cash flows from financing activities:		
Cash received from capital contributions		17,544,490.67
Cash received from borrowings	–	3,700,000,000.00
Cash received from issue of bonds	2,999,522,500.00	5,999,608,333.33
Cash received relating to other financing activities	–	438,250,296.16
Sub-total of cash inflows from financing activities	2,999,522,500.00	10,155,403,120.16
Cash paid for repayments of debts	3,301,100,000.00	7,200,000,000.00
Cash paid for distribution of dividends, profits or interest payment	94,146,758.39	104,070,664.76
Cash paid relating to other financing activities	5,014,195.44	4,800,675.28
Sub-total of cash outflows from financing activities	3,400,260,953.83	7,308,871,340.04
Net cash flows from financing activities	-400,738,453.83	2,846,531,780.12
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-15.37	323.36
V. Net increase in cash and cash equivalents	-1,079,986,832.64	-1,288,007,790.61
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	7,929,731,394.02	8,596,322,955.64
VI. Balance of cash and cash equivalents at the end of the Reporting Period	6,849,744,561.38	7,308,315,165.03

Legal representative: YANG Qihua The principal in charge of accounting: SHEN Bo
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 2024

Applicable Not applicable

It is hereby announced.

The Board of Shanghai Pharmaceuticals Holding Co., Ltd.*
26 April 2024