

Semi-Annual Report 2012

I Important Notice

1. Board of Directors and the Supervisory Committee of China National Accord Medicines Corporation Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives, hereby assures that there are no false records, misleading statements or significant omissions in this report, and it would shoulder any individual as well as joint responsibility concerning to the authenticity, accuracy and completeness of the contents.
2. This report has been compiled in both Chinese and English. Should be any ambiguity arise about the contents of the two versions, the Chinese version shall prevail.
3. No director, supervisor and senior executive would claim that he or she could not guarantee the authenticity, accuracy or completeness of the semi-annual report's contents or that he or she holds different opinions.
4. Except for the follow directors, others are present the meeting of the Board for deliberating the semi-annual report of the Company

Name of director not attended in person	Title of director not attended in person	Reasons for absent	Trustee
Shi Jinming	Director	Due to business	Ma Wanjun
He Zhiyi	Independent Director	Due to business	Xiong Chuxiong

5. The Semi-Annual Financial Report of the Company has not been audited.
6. Chairman of the Company Mr. Wei Yulin, General Manager Mr. Yan Zhigang, Chief Financial Officer Mr. Wei Pingxiao and Financial Manager Mr. Chi Guoguang hereby declare that they would assure the authenticity and completeness of the Financial Accounting Report in this Semi-Annual Report.

II. Company Profile

(I) Company information

Code for A-share	000028	Code for B-share	200028
Short form for A-share	Sinopharm Accord	Short form for B-share	Accord B
Listing stock exchange	Shenzhen Stock Exchange		
Legal Chinese name of the Company	国药集团一致药业股份有限公司		
Abbr. of legal Chinese name of the Company	国药一致		
Legal English name of the Company	China National Accord Medicines Corporation Ltd.		
Abbr. of legal English name of the Company	Sinopharm Accord		
Legal Representative	WeiYulin		
Registered Add.	Accord Pharm. Bldg., No. 15, Ba Gua Si Road, Futian District, Shenzhen Guangdong		
Post Code of registered add.	518029		
Office Add.	Accord Pharm. Bldg., No. 15, Ba Gua Si Road, Futian District, Shenzhen Guangdong		
Post Code of office add.	518029		
Internet website	http://www.szaccord.com.cn		
E-mail	0028@szaccord.com.cn		

(II) Contact person and ways

	Secretary of the Board
Name	Chen Changbing
Contact add.	Bldg., No. 15, Ba Gua Si Road, Futian District, Shenzhen, Guangdong Province
Tel.	+(86)755 25875195
Fax.	+(86)755 25875147
E-mail	0028@szaccord.com.cn

(III) Information disclosure and place for preparation

Newspapers Designated for indormation disclosure	<i>Securities Times and Hong Kong Comercial Daily</i>
Website desinated by CSRC for publishing semi-annual report	http://www.szse.cn http://www.cninfo.com.cn
place for preparation of semi-annual report	Secretariat of the Board

III. Major accounting data and business abstract**(I) Major accounting data and financial indexes**

Whether retroactive adjusted on previous financial report or not

√Yes □No

Major accounting data

Major accounting data	Reporting period (Jan. to June)	Same period of last year		Increase/decrease in this report period year-on-year (%)
		Before adjustment	After adjustment	After adjustment
Total business revenue(RMB)	8,803,252,346.20	7,195,372,417.76	7,209,655,400.57	22.10%
Business profit(RMB)	317,963,380.42	202,919,619.93	202,624,312.43	56.92%
Total profit(RMB)	307,158,294.83	217,717,835.44	217,422,527.94	41.27%
Net profit attributable to shareholders of the listed company (RMB)	240,033,990.64	165,136,443.84	164,842,022.26	45.61%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	248,307,662.79	151,667,708.17	151,668,594.09	63.72%
Net cash flow arising from operating activities(RMB)	138,909,868.17	107,677,081.76	106,647,292.46	30.25%
	End of this period	End of last period		Increase/decrease in this period-end over that of last period-end (%)
		Before adjustment	After adjustment	After adjustment
Total assets(RMB)	8,662,233,353.13	7,665,759,761.04	7,680,576,330.72	12.78%
Owners' equity attributable to shareholders of the listed company(RMB)	1,548,399,845.50	1,350,217,871.35	1,350,093,276.86	14.69%
Share capital(Share)	288,149,400	288,149,400	288,149,400	0%

Major financial indexes

Major financial indexes	Reporting period (Jan. to June)	Same period of last year		Increase/decrease in this report period year-on-year (%)
		Before adjustment	After adjustment	After adjustment
Basic earnings per share (RMB/Share)	0.833	0.573	0.572	45.63%

Diluted earnings per share (RMB/Share)	0.833	0.573	0.572	45.63%
Basic EPS after deducting non-recurring gains/losses (RMB/Share)	0.862	0.526	0.526	63.88%
Fully diluted ROE (%)	15.50%	12.23%	12.21%	3.29%
Weighted average ROE (%)	16.35%	14.55%	14.5%	1.85%
Fully diluted ROE after deducting non-recurring gains/losses (%)	16.04%	11.23%	11.23%	4.81%
Weighted average ROE after deducting non-recurring gains/losses (%)	16.92%	13.36%	13.34%	3.58%
Net cash flow per share arising from operating activities (RMB/Share)	0.482	0.374	0.370	30.27%
	End of this period	End of last period		Increase/decrease in this period-end over same period of last period-end (%)
		Before adjustment	After adjustment	After adjustment
Net assets per share attributable to shareholder of listed company (RMB/ Share)	5.374	4.686	4.685	14.71%
Asset-liability ratio (%)	81.21%	81.39%	81.42%	-0.21%

Explanation on accounting data and financial index at period-end (stating adjustment explanation if there has retroactive adjustment)

Buy Sinopharm Group Wuzhou Co., Ltd. under the same control this year, thereinto affect the gross operating income at merging layer of 14,282,982.81 Yuan from January to June, 2011, operating profits of -295,307.50 Yuan, total profits of -295,307.50 Yuan, net profits of -294,421.58 Yuan belonging to shareholders of the listed company, and cash flow net amount of -1,029,789.3 Yuan generated by operating activities. According to the owner's equity balance on 1 January 2011, the Group increases the capital reserve of 3,416,966.47 Yuan on 1 January 2011, decreases the undistributed profits of 1,557,687.89 Yuan on 1st, Jan, 2011, and increase the minority stockholder's equity of 5,594.61 Yuan on 1 January 2011.

(II) Difference of accounting data under CAS and IAS

1. Difference of net profit and net assets disclosed in financial report based on IAS and CAS

☐ Applicable ☒ Non-applicable

2. Difference of net profit and net assets disclosed in financial report based on foreign accounting standards and CAS

☐ Applicable ☒ Non-applicable

3. Detail items for major differences

Items with major differences	Amount involved (RMB)	Reasons for differences	Explanation on IAS and(or) foreign accounting standards involved
N/A			

4. Explanation on accounting data difference under the foreign/domestic accounting standards

Nil

(III) Item and amount with non-recurring gains/losses deducted

√applicable □Non-applicable

Items	Amount (RMB)	Note
Gains and losses from disposal of non-current assets	-8,813,780.88	Losses from disposal of real estate amounting as 8.83 million yuan mainly due to the relocation for urban transformation for Guangxi Sinopharm Logistic- subsidiary of the Company
Tax refund or exemption out of authorization, with absence of official approval document or accidentally		
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	17,984,705.34	Mainly including 11.77 million yuan demolition compensation for aged urban transformation, subsidy of medicine reserve 0.42 million yuan, subsidy of technology transformation for high-tech enterprise and rewards 2.3 million yuan, compensation of financial discount 3 million yuan as well as enterprise financial contribution reward and patent award 0.5 million yuan.
Fund occupation expenses received from non-financial enterprises that reckon into current gains/losses		
Income occurred when investment cost paid by enterprise for obtaining subsidiaries, associates and joint ventures are lower than its share in fair value of net realizable assets of invested units		
Gains and losses from exchange of non-monetary assets		
Gains and losses from entrusted investment or management assets		
Various asset impairment reserve provided for force majeure, such as natural disaster;		
Gains/losses from debt reorganization		
Reorganization expenses, such as expenditure for allocation of employees and integration fee		
Gains and losses from excess of transaction which are conducted on a non-fair-valued basis over its fair value		
Current net gains and losses of subsidiaries occurred from combination under the same control commencing from period-begin to combination date	-240,695.14	Net profit from period-begin to consolidation date (January- February) generated by Sinopharm Wuzhou, under the same control, newly purchased
Gains and losses from contingent events which has no relation with normal business of the Company		
Gains and losses from change of fair values of held-for-transaction financial assets and financial liabilities except for the effective hedge business related to normal business of the Company, and investment income from disposal of transactional financial assets and liabilities and financial assets available for sale		
Reversal of impairment reserve for account receivable with separate impairment testing		
gains/ losses from external entrustment loans		
Gains and losses arising from change of fair value of investment properties whose follow-up		

measurement are at fair value		
Affect upon current gains/losses arising from the one-off adjustment in subject to requirement of laws and rules in relation to taxation and accounting		
Income from entrusted custody operation		
Other non-operating income and expenditure except the abovementioned	-19,735,314.91	Compensation of termination of Chebei project from Guangdong Huixin, subsidiary of the Company 17.6 million yuan; vary relocation expenditure 2.93 million yuan for urban transformation from Guangxi Sinopharm Logistic- subsidiary of the Company
Other item that satisfied the definition of non-recurring gains and losses		
Influenced amount of minority shareholders' equity	-490,633.3	
Impact on income tax	3,022,046.74	
Total	-8,273,672.15	--

Explanation on "Other item that satisfied the definition of non-recurring gains and losses" and defined non-recurring gains and losses as recurring gain/loss according to natures and characteristic of self-operation status

Item	Amount involved (RMB)	Note
N/A		

IV. Changes in Share Capital and Particular about Shareholders

(I) Changes in share capital

1. Statement of changes in shares

√applicable □Non-applicable

	Before the Changes		Increase/Decrease in the Change (+, -)					After the Changes	
	Amount	Proportion (%)	Newly-issued shares	Bonus shares	Public reserve-converted shares	Others	Subtotal	Amount	Proportion (%)
I. Restricted shares	4,714	0%	0	0	0	-1,179	-1,179	3,535	0%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares									
Including: Domestic legal person's shares									
Domestic natural person's shares	4,714	0%	0	0	0	-1,179	-1,179	3,535	0%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
5. Senior executives' shares									
II. Unrestricted shares	288,144,686	100%	0	0	0	1,179	1,179	288,145,865	100%

1. RMB Ordinary shares	233,259,086	80.95%	0	0	0	1,179	1,179	233,260,265	80.95%
2. Domestically listed foreign shares	54,885,600	19.05%	0	0	0	0	0	54,885,600	19.05%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	288,149,400	100%						288,149,400	100%

Approval of changes in shares (if applicable)

Ownership transfer of changed shares

Influence on latest EPS, net assets per share and other financial index from changes in shares (if applicable)

Other information necessary to be disclosed by the Company or should be disclosed according to requirement of securities regulators

2. Changes in restricted shares

☒applicable ☐Non-applicable

Name of shareholder	Restricted shares at period-begin	Shares unlock in this period	Restricted shares increased in this period	Restricted shares at period-end	Reasons for restricting	Date for unlock
Chen Changbin	4,714	1,179	0	3,535	Shares held by senior executives	20120101
Total	4,714	1,179	0	3,535	--	--

(II) Security offering and listing

1. Security offering in previous three years

☐applicable ☒Non-applicable

2. Changes of total shares and structures as well as outcome of asset-liability structures

☐applicable ☒Non-applicable

3. Current shares held by internal staffs

☐applicable ☒Non-applicable

(III) Shareholders and actual controller

1. Total shareholders at period-end

Shareholders at period-end amounting to 14,132

2. Shares held by top ten shareholders

Particulars about the shares held by the top ten shareholders						
Shareholders (full name)	Nature of shareholders	Proportion of shares held (%)	Total amount of shares held	Amount of the restricted shares held	Shares pledged or frozen	
					Share status	Amount
Sinopharm Group Co., Ltd.	State-owned shares	38.33%	110,459,748	0	No pledge or frozen	0
ICBC — GUANGFA JUFENG STOCK FUND	Other	4.61%	13,285,477	0	Un-know	
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Foreign shares	2.44%	7,032,720	0	Un-know	

ABC—Greatwall Anxin Return Mixed Fund	Other	2.26%	6,500,000	0	Un-know	
ICBC — HARVEST THEME NEW POWER STOCK FUND	Other	1.95%	5,627,292	0	Un-know	
CCB-Greatwall consumer growth stock fund	Other	1.68%	4,840,817	0	Un-know	
ICBC—UBS SDIC Core Enterprise Stock Fund	Other	1.64%	4,732,505	0	Un-know	
Ping An Life Insurance Co., Ltd.—Dividend-individual insurance	Other	1.52%	4,369,662	0	Un-know	
BOC-Taida Hongli Industry Selected Stock Fund	Other	1.32%	3,796,594	0	Un-know	
VALUE PARTNERS CLASSIC FUND	Foreign shares	1.14%	3,289,822	0	Un-know	
Explanation on shareholders						

Particulars about the shares held by the top ten unrestricted shareholders

☒Applicable ☐Non-applicable

Shareholders	Amount of unrestricted shares held at period-end	Type/amount of shares	
		Type	Amount
Sinopharm Group Co., Ltd.	110,459,748	A-share	110,459,748
ICBC — GUANGFA JUFENG STOCK FUND	13,285,477	A-share	13,285,477
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	7,032,720	B-share	7,032,720
ABC — Greatwall Anxin Return Mixed Fund	6,500,000	A-share	6,500,000
ICBC — HARVEST THEME NEW POWER STOCK FUND	5,627,292	A-share	5,627,292
CCB-Greatwall consumer growth stock fund	4,840,817	A-share	4,840,817
ICBC—UBS SDIC Core Enterprise Stock Fund	4,732,505	A-share	4,732,505
Ping An Life Insurance Co., Ltd.—Dividend-individual insurance	4,369,662	A-share	4,369,662
BOC-Taida Hongli Industry Selected Stock Fund	3,796,594	A-share	3,796,594
VALUE PARTNERS CLASSIC FUND	3,289,822	B-share	3,289,822

Explanation on associated relationship among the top ten shareholders or (and) consistent action

The fund manager of ABC—Greatwall Anxin Return Mixed Fund and CCB-Greatwall consumer growth stock fund all refers to the Greatwall Fund Management Co., Ltd.; it is unknown that there exists no associated relationship or belongs to the consistent actionist among the other tradable shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.

3. Controlling shareholders and actual controller

(1) Changes of controlling shareholders and actual controller

☐applicable ☒Non-applicable

(2) Introduction of controlling shareholders and actual controller

Whether has new actual controller or not

☐Yes ☒No

Name of actual controller	China National Pharmaceutical Group Corp.
Type of actual controller	Other

Explanation

The controlling shareholder of the Company:

Name of the controlling shareholder: Sinopharm Group Co., Ltd.

Legal representative: Wei Yulin

Date of foundation: 8 January 2003

Registered capital: RMB 2,402,625,299

Nature of economic: Limited Liability Company (listed)

Business scope: industrial investment holding; management and assets reorganization entrusted by pharmaceutical enterprise; Chinese medicine, Chinese medicine tablets, chemical medicine preparations, chemical raw materials, antibiotics, biochemical drugs, biological products, narcotic drugs, psychotropic substances, toxic drugs for medical use (compatible with the business scope), vaccines wholesale, categories III: injection puncture instruments, hygienic materials & dressings, medical polymer materials and products, categories II: medical X-ray ancillary equipment and components; food marketing management (non-physical way), and domestic trade (other than special licensing), logistics and related consulting services, operating various types of goods and import and export of technology (not attached directory of import and export commodities), but excluded the import and export of goods and technology the State limits or prohibit the company. [In right of exequatur to run if refers to permission operation]

Particulars about the actual controller:

Name of the actual controller: China National Pharmaceutical Group Corporation

Legal representative: She Lulin

Date of foundation: 26 November 1998

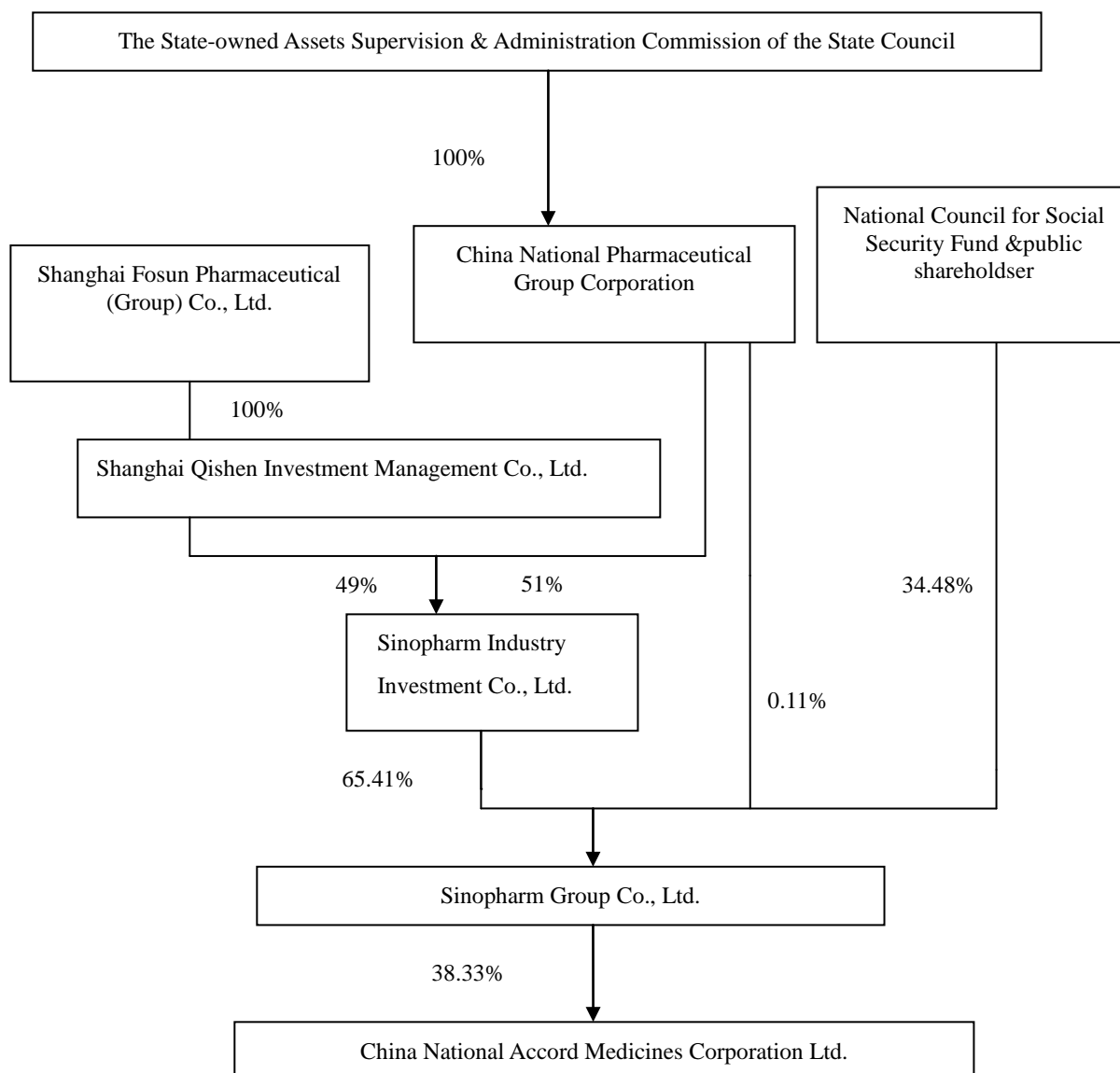
Registered capital: RMB 1,529,200,000

Nature of economic: ownership by the entire people

Business scope: entrusted management and assets reorganization of pharmaceutical enterprises, consultant service of medicine industry investment project, holding exhibition and fair of surgical appliance, the wholesale of Chinese medicine, Chinese patent medicines, Chinese medicine herb in pieces, chemical material medicine, a chemical agent, antibiotics, biochemical, biological(operation period runs in right of exequatur).

V. The property and controlling relationship between the actual controller of the Company and the Company is as follows:

(3) Block diagram of property rights and controlling relationship between the Company and actual controller



(4) Actual controller controlling the Company by means of entrust or other assets management

☐applicable ☒Non-applicable

4. Other legal person's shareholders with over ten percent shares held

☐applicable ☒Non-applicable

(IV) Convertible bonds

☐applicable ☒Non-applicable

V. Directors, Supervisors and Senior Executives

(I) Changes of shares held by directors, supervisors and senior executive

Name	Title	Sex	Age	Office dated from	Office dated ended	Shares held at period-begin(Share)	Amount of shares increase in this period(Share)	Amount of shares decreased in this period (Share)	Shares held at period-end (Share)	Including: restricted shares held (Share)	Amount of stock option held at period-end (Share)	Reasons for changes	Whether received remuneration from shareholders' unit or other related unit or not
Wei Yulin	Chairman	M	55	2011-11-18	2014-04-28	0	0	0	0	0	0		Yes
Shi Jinming	Director	M	45	2011-04-28	2014-04-28	0	0	0	0	0	0		Yes
Wu Ai'min	Director	M	43	2011-04-28	2012-08-17	0	0	0	0	0	0		Yes
Ma Wanjun	Director	M	43	2011-04-28	2014-04-28	0	0	0	0	0	0		Yes
Jiang Xiuchang	Director	M	49	2011-04-28	2014-04-28	0	0	0	0	0	0		Yes
Yan Zhigang	GM, Director	M	53	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Cui Yiling	Director	F	47	2012-08-17	2014-04-28	0	0	0	0	0	0		Yes
He Zhiyi	Independent director	M	57	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Xiong Chuxiong	Independent director	M	57	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Xiao Shengfang	Independent director	M	43	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Cui Yiling	Supervisor	F	47	2011-11-18	2012-08-17	0	0	0	0	0	0		Yes
Feng Yifeng	Supervisor	M	33	2012-08-17	2014-04-28	0	0	0	0	0	0		Yes
Guang	Supervisor	F	42	2011-04-28	2014-04-28	0	0	0	0	0	0		Yes

Xiaohui													
Wang Huiqin	Supervisor	M	55	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Lin Zhaoxiong	Deputy GM	M	45	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Tan Guoshu	Deputy GM	M	58	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Liu Jun	Deputy GM	F	55	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Lin Min	Deputy GM	M	48	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Lin Xinyang	Deputy GM	M	48	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Deng Baojun	Deputy GM	M	51	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Wei Pingxiao	CFO	M	49	2011-04-28	2014-04-28	0	0	0	0	0	0		No
Chen Changbin	Secretary of the Board	M	45	2011-04-28	2014-04-28	4,714	0	-1,179	3,535	3,535	0	Reducing share-holding by rules	No
Total	--	--	--	--	--	4,714	0	-1,179	3,535	3,535	0	--	--

Directors, supervisor and senior executives who awarded equity incentive in report period

□applicable √Non-applicable

(II) Post holding

Post holding in shareholders' unit

Name	Units for post holding or part-time job	Relationship with the Company	Position	Office term
Wei Yulin	Sinopharm Group Co., Ltd.	Controlling shareholder	Chairman	Since December 2009
Shi Jinming	Sinopharm Group Co., Ltd.	Controlling shareholder	Deputy chairman	Since January 2009
Wu Aimin	Sinopharm Group Co., Ltd.	Controlling shareholder	Deputy chairman, secretary of the Board	From November 2006 to March 2012; From March 2008 to March 2012;
Ma Wanjun	Sinopharm Group Co., Ltd.	Controlling shareholder	Deputy chairman, secretary of the Board, chief attorney consultant	Since September 2010 Since March 2012 Since May 2011
Jiang Xiuchang	Sinopharm Group Co., Ltd.	Controlling shareholder	CFO	Since June 2010
Cui Yiling	Sinopharm Group Co., Ltd.	Controlling shareholder	Chief of Industry development and management center	Since March 2011
Feng Yifeng	Sinopharm Group Co., Ltd.	Controlling shareholder	Deputy director of financial management dept.	Since June 2010

Job holding in other unit

Name	Units for post holding or part-time job	Relationship with the Company	Position
Wei Yulin	Sinopharm Group Hong Kong Co., Ltd.	Affiliate company	Chairman

	Sinopharm Le-Ren-Tang Medicine Co., Ltd.		Chairman
	Sinopharm Chemical Reagent Co., Ltd.		Chairman
Shi Jinming	Sinopharm South-West Medicine Co., Ltd.	Affiliate company	Chairman
	Sinopharm Hubei Co., Ltd.		Chairman
	Sinopharm Group Fujian Co., Ltd.		Director
	Sinopharm Group Hong Kong Co., Ltd.		Director
	Sinopharm Hunan Co., Ltd.		Chairman
	Sinopharm Group Yunnan Co., Ltd.		Chairman
	Sinopharm Group Fuzhou Co., Ltd.		Chairman
	Sinopharm Hainan Co., Ltd.		Chairman
	Sinopharm Group Jiangxi Co., Ltd.		Chairman
	Sinopharm Group Guizhou Co., Ltd.		Chairman
	Sinopharm Distribution Center Co., Ltd.		Executive Director
	Sinopharm Group Chongqing Co., Ltd.		Chairman
Ma Wanjun	Guangdong Dongfang Uptodate & Special Medicines Co.,	Affiliate company	Chairman
	Sinopharm Group Henan Co., Ltd.		Chairman
	Shanghai Romit Health Consultant Service Co., Ltd		Chairman
	Sinopharm Le-Ren-Tang Medicine Co., Ltd.		Director
	China National Medicines Corporation Ltd.		Director
	Yujia Medical Service Co., Ltd.		Director
	Sinopharm Nutraceuticals (Shanghai) Co., Ltd.		Chairman
Jiang Xiuchang	Sinopharm Group Cuoda Pharmacy Co., Ltd.	Affiliate company	Supervisor
	Yujia Medical Service Co., Ltd.		Supervisor

	China National Medicines Corporation Ltd.		Director
	Sinopharm Le-Ren-Tang Medicine Co., Ltd.		Director
	Sinopharm Group Hong Kong Co., Ltd.		Director
	China National Finance Co., Ltd.		Director
	Sinopharm Distribution Center Co., Ltd.		Supervisor
	Sinopharm Beijing Co., Ltd.		Supervisor
Cui Yiling	A-Think Pharmaceutical Co., Ltd.	Affiliate company	Chairman
	Xingsha Medicines (Xiamen) Co., Ltd.		Chairman
	Wuhu Sanyi Pharmaceutical Co., Ltd.		Chairman
	Wuhu Sanyi Xincheng Pharmaceutical Co., Ltd.		Chairman
Feng Yifeng	Sinopharm Group Fujian Co., Ltd.	Affiliate company	Director
	A-Think Pharmaceutical Co., Ltd.		Director
	Sinopharm Hainan Co., Ltd.		Director
	China National Chemical Reagent Co., Ltd.		Supervisor
	Sinopharm Group Henan Co., Ltd.		Supervisor
	Sinopharm Group Changzhou Co., Ltd.		Supervisor
	Sinopharm Group Wuxi Co., Ltd.		Supervisor
	Sinopharm Group Gansu Co., Ltd.		Supervisor
	Wuhu Sanyi Pharmaceutical Co., Ltd.		Supervisor
	Wuhu Sanyi Xincheng Pharmaceutical Co., Ltd.		Supervisor
Guan Xiaohui	Shanghai FOSUN Pharmaceutical (Group) Co., Ltd.	Shareholder of Sinopharm Group	Deputy CFO
Yan Zhigang	Shenzhen Zhijun Pharmaceutical Co., Ltd	Wholly-owned subsidiary	Executive Director
	Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd		Chairman
	Shenzhen Main Luck Pharmaceuticals Inc.	Stock jointly company	Chairman

	Sichuan Industrial Institute of Antibiotics (limited company)	Affiliate company	Director
	A-Think Pharmaceutical Co., Ltd.		Director
He Zhiyi	Antai College of Economics & Management, Shanghai Jiao Tong University	No association	Vice-dean
Xiong Chuxiong	Shenzhen University	No association	Professor
Xiao Shengfang	Guangdong Sino-Win Law Firm	No association	Director

(III) Remuneration of directors, supervisors and senior executives

Decision-Making Process Of Compensation Of Directors, Supervisors And Senior Management	The annual compensation to directors, supervisors and senior management was paid according to the wage management system of the company and the assessment results of senior management.
Decision Basis Of Compensation Of Directors, Supervisors And Senior Management	The annual compensation to directors, supervisors and senior management was paid according to the wage management system of the company and the results of compensation evaluation method for senior management.
Actual payment of the compensation of Directors, Supervisors And Senior Management	There are twenty peoples of directors, supervisors and senior management during the reporting period of the company, during which thirteen peoples were paid by the company. The total annual compensation amounts to RMB 2762.2 thousand Yuan (before tax), and the total allowance paid to the independent directors by the company amounted to RMB 120thousand Yuan therefore (before tax).

(IV) Changes of directors, supervisors and senior executives

Name	Duty	Change	Date of change	Reasons for change
Cui Dieling	Director	Changed from supervisor	Aug. 17, 2012	Recommend by the major shareholder
Feng Yifeng	Supervisor	Newly-appointed	Aug. 17, 2012	Recommend by the major shareholder
Wu Aimin	No	Renewed	Aug. 7, 2012	Work change

(V) Staff of the Company

Person on-jobs	4,013
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Retirement person whose charges undertake by the Company	287
Professional categories	
Types of professional category	Numbers of professional category
Production staff	1,173
Salesman	1,648
Technician	85
Financial staff	194
Administration staff	913
Education background	
Type of education background	Numbers (people)
Master	113
Undergraduate	1,074
Junior college	1,060
High school and below	1,766

VI. Report of the Board

(I) Management discussion and analysis

2012 is a key connecting link between the preceding and the following of the Twelfth Five-Year Plan, and a hard period for new medical reformation. At the first half year, new medical reformation has accelerated its process, and made various policies, the Company has focused on the annual operation theme of stabilizing the growth, adjusting the structure, boosting the transformation and realizing the development targets of Twelfth Five-Year Plan so as to deepen the construction of distribution supply chain, comprehensively advance the internationalization strategy for industry, constantly improve two-stage management control mode of headquarters and business units, the leading advantages and influences of the Company keep enlarging and lay a solid foundation for accelerating the transformation and realizing scientific development during the Twelfth Five-Year Plan

Work summary of the first half year

1. Management work summary of the Company

- (1) Positively transform the role and position, constantly optimize the duty process, and the unique two-stage management control mode gets better.
- (2) Establish the direction and targets for management promotion, and rebuild the core competition advantages of the Company.
- (3) Strengthen the executive capacity for planning, innovate distribution and acquisition mode, and lead the future development of the Company by planning investment.
- (4) Intensify the internal control system building, improve the management mechanism of internal control, and devote to the effective implementation of internal control.
- (5) Take value as the guidance and profits as the core, work intensively, control the risks, and continue to promote the financial management level.
- (6) Strengthen the control and audit to human resource, boost the outsourcing of auxiliary type of work, and constantly improve the professional value of human resource.

2. Work summary of distribution business division in the first half year of 2012

In the first half year, the distribution business division takes making intelligent supply chain as the principal line, innovates the business model, deepens the organizational transformation, improves the operation platform of Guangdong & Guangxi integration, and gets remarkable performance in boosting scale growth, structure optimization, business transformation and management innovation

(1) The distribution business division grows stably

- A. Accelerate the subsidence of distribution terminating network, consolidate the leading position, and promote the working in distribution area.
- B. Sinopharm Group Nanning Co., Ltd. renamed as Sinopharm Group Guangxi Co., Ltd., the area platform construction has great breakthrough.
- C. Constantly promote the collection variety and purchasing scale, improve the variety profitability, and strengthen the overall competition advantages.
- D. Clear up the variety with low gross profits, increase the efforts to development of the variety with high gross profits, and improve the gross profit ratio of variety.
- E. Positively adapt the new changes to medical reformation, increase the efforts to development of drug variety, and gradually promote the sales contribution of drugs.

(2) Structure adjustment of the distribution business division

- A. The effect of variety structure adjustment is remarkable, the percentage of domestic product in sales gradually increases, and the gross profit ratio keeps rising.
- B. Continue to optimize the structure of type of operation, constantly promote the percentage of type of operation in direct selling, and strengthen the competitive advantages of distribution business.
- C. The coverage rate of terminal customer increases comparing to last year, it is necessary to further increase the development to terminal customers.
- D. Keep increasing the development to the rising businesses such as vaccines and instruments, which provide new profits growth for distribution.

(3) Urge the transformation for distribution business division

- A. Increase the investment to software and hardware, implement refined logistics management, and push the logistics to transform from cost center to profit center.
- B. Constantly innovate the value-added services, and rapidly complete the strategy transformation from back spread to value-added service provider.

(4) Distribution management innovation

- A. Innovate the business model, build supply chain to integrate background resources, and the intelligent supply chain construction reaches a new level.
- B. Improve the control mode and strengthen the profitability of the subsidiaries, and consolidate the regional competition advantages for distribution.
- C. Innovate the management ideal, and use outstanding achievement management and capital peak management to constantly promote the management effectiveness.

3. Work summary of pharmacy division for the first half year of 2012

In the first half year of 2012, pharmacy division boosts the structure transformation, promotes the coordinated development of all enterprises by industry chain thinking, continues to improve the operation system of industry integration, and gets remarkable achievements in boosting scale growth, structure optimization, business transformation and management innovation.

(1) Pharmacy division grows stably

- A. Integrate business division resources, and help Zhijun Wanqing, Shenzhen Zhongyao to reduce losses.
- B. The sales revenue of key varieties such as cefixime and cefoxitin in Zhijun Pharmacy increases on year-on-year basis, while others decrease. Sales increase rate of key varieties in Zhijun Wanqing is stable; affected by price fall and raw material shortage, cefoxitin decreases on year-o-year base.
- C. Pharmacy division takes various measures to improve the internal matching rate, the raw materials purchased by Zhijun Pharmacy from Zhijun Wanqing increase by 36.8% year onyear.
- D. Comprehensive base construction, new GMP reformation and sub-contract production can resolve the bottleneck for production capacity

(2) Structure adjustment of pharmacy division

- A. Zhijun Pharmacy overcomes the restriction of using antibiotics and capacity insufficient, gathers the resources, increases the selling proportion of Dalifen, Daliding and Dalixin, and further optimizes the product structure; Zhijun Wanqing works out the product structure, takes cefuroxime, cefamandole, cefathiamidine and cefoxitin as the key varieties, meanwhile, strengthen the promotion for per os and solid variety of cefixime and cefprozil,

further optimizes the product structure, and improve the profitability; Shenzhen Zhongyao increases the sales proportion of products with high gross profits, focuses on promoting the products such as Jianer Qingjie lotion, Xiaoer Qingre, Bai'an lotion, etc. so as to make the product structure reasonable.

B. The sales revenue of Zhijun Pharmacy continues to focus on cephalosporin solid dosage form, and powder-injection decreases year on year.

C. Implement item node management, quicken the products to come into the market, and drive the structure transformation by developing new products.

(3) Pharmacy transformation

A. The developing of mainstream market makes breakthroughs and major projects boost successfully so as to foster new profit growth for industry.

B. Drive the whole transformation of industrial chain via structural adjustment and internationalization strategy, and improve the competitiveness of industrial chain.

(4) Pharmacy management innovation

A. Optimize the organizational reform, strengthen the resource integration and operation control, and continue to tamp industry integration platform.

B. Constantly optimize the performance management system, strengthen the management output, and promote coordinated development of all enterprises.

C. Innovate business management, and fully mobilize the positivity of all resources and staff to support the business development.

Work arrangements for the next half year

1. Important work arrangements of headquarters function for the next half year

In the next half year, the headquarters function shall take management promotion as the principal line, comprehensively promote the basic management level, continue to complete the operation of framework, and constantly optimize the operation system of strengthening the headquarters and enlarging the business division.

(1) Improve the long-acting mechanism for management promotion, and make profits, ensure the increase and advance the development via management.

(2) Intensify the guidance of planning, constantly explore new merger and acquisition style, and create a new situation for planning investment.

(3) Integrate professional resources, promote management collaboration, and strengthen the planning, supervision and resource allocation capabilities of capitals.

(4) Constantly improve the service level, strengthen the capabilities of resource integration and business assurance, and reflect the value of strengthening headquarters.

(5) Develop the organization assurance, deepen the learning organization construction, and positively perform the social responsibility.

2. Important work arrangements of distribution division for the next half year

Accomplish supply chain integration for distribution, truly realize the efficient collaboration among all links, and quickly respond the customer demands; continue to accelerate the network topology, improve the area platform function, rapidly advance the network sink, strengthen the area leading advantages of distribution business; last the sale contributions of optimizing type of operation and breed structure and promoting vaccine and instrument.

In addition, continue to accelerate the logistics transformation, complete then hanging on tender for basic drugs and non-basic drugs, and lay a solid foundation for completing the annual sales targets.

(1) Complete the operation under new framework, and establish new distribution competition benchmarking based on supply chain.

(2) Innovate the network topology mode, continue to strengthen the efforts to merger and acquisition and integration, and forge distribution network covering Guangdong and Guangxi.

(3) Improve the area platform operation, intensify the subsidiary management, and truly achieve integration operation in Guangdong and Guangxi.

(4) Optimize variety and type of operation, rapidly advance the rising business, and realize the promotion for both scale and profits.

(5) Accelerate the transformation to profits, forge modern logistic center, and support the increase for distribution business.

3. Important work arrangements of pharmacy division for the next half year

Continue to deepen the structure adjustment for pharmacy, comprehensively advance the internationalization strategy, and promote the coordinated development among all enterprises via industry chain. Improve the industry integration operation system, fully integrate resources, boost the management output, and help Zhijun Wanqing

and Shenzhen Zhongyao to reduce losses as soon as possible, and practically solve the development imbalance. Meanwhile, strengthen the development of new products, new fields and new markets, rapidly boost the strategy transformation marketing, and research and development, work out bottleneck problems that restrict the industrial development by base construction and lean manufacturing, and guarantee the accomplishment of annual tasks and targets.

- (1) Improve the control function to large industry platform, plan resources and management output, and promote the balanced development among all enterprises.
- (2) Accelerate research & development and marketing strategy transformation, strengthen the two core functions, and forge dumbbell platform for pharmacy industry.
- (3) Speed up the step for structure transformation, form sufficient product echelons, and improve the profitability and capability to resist risks.
- (4) Make overall plans, plan reasonably, find breakthrough for internal markets and large health markets, and form new development.
- (5) Take new GMP as a chance to accelerate the base construction, push the technical innovation for workshop, and lay a foundation for future development.

Research and development investment and self-dependent innovation of the Company

1. Total investment to research and development

The subordinate industrial enterprise of Sinopharm Yizhi pharmacy division continues the technology investment so as to improve the scientific innovation ability. It has invested 35 million Yuan in the first half year of 2012, taking the proportion of 3.71% in the total sales revenues of pharmacy division.

2. Self-dependent innovation

(1) Management innovation: The Company convokes science and technology work meeting in every quarter, strengthens the management to project approval, budgeting and scheduling, deepens the responsibility system of projects, and strengthens the process management to research and development; carry out matrix and function synergy for project management, classifies the risks of projects and adjusts along with the environmental changes inside and outside, builds software platform for project management, effectively integrates the internal resources, and unifies the control to remote project scheduling.

(2) New drug declaration: the three enterprises of business division takes full advantages of research and development superiority, acquires 7 production approvals in the first half year of 2012, applies for 6 patents, and obtains 3 patent licensing; subsidizes government projects for 340,000.00 Yuan; sets up the 14 new projects, pushes forward the research and development fields from antibiotics to other fields, boosts the development of health products, imports patented products at home and abroad; positively try to enter new fields by external import, merger and acquisition.

(3) Technological innovation: Three industry enterprises take production cost as the guidance, introduce new technology and the technical innovation goes smoothly. From January to June of 2012, 7 technical innovations obtain important improvement, optimize the crafts, reduce production costs and enlarge the production capacity. Meanwhile, the Company takes full advantages of industrial chain, combines research and development superiority of Zhijun Pharmacy with the raw material research and development superiority of Wanqing, and positively boosts the matching projects.

(4) New market development: The Company is rated as the international leading enterprises of the Chinese pharmaceutical enterprises preparations in 2012. Based on the EU authentication, the Company comprehensively promotes the internationalization, and positively develops EU markets. It makes breakthroughs in international markets, and overseas sales have been substantially promoted. Chemical products are sold to England, Romania, and chemical materials are sold to Russia. The Company obtains 15 overseas registration certificates in 2012, and Dalixin injection wins the bidding in HK consecutively for 7 years.

(5) Energy saving and emission reduction: the Company has passed ISO14000 in April, 2012. Meanwhile, the Company continues to standardize the management to energy-consuming equipments, launches much work for energy saving and emission reduction such as transforming the lights on the factory walls to solar lamps so as to reduce energy consumption, comprehensive energy consumption of production value drops by 4% year on year.

The difference between the actual operating results of the Company and the profit forecast or operation plan in respect of this reporting period which have been disclosed publicly exceeds 20% (no matter lower or higher) or not:

☐ Yes ☒ No

Operation and results analysis for the main subsidiaries and holding companies of the Company

1. Shenzhen Zhijun Pharmaceutical Co., Ltd: it is the wholly-owned subsidiary of the company and its registered capital was RMB200.00 Million Yuan. The company mainly conducted the manufacturing, research and development as well as production and operation of chemical, giving priority to producing Respiratory system medication and Anti-infective drug, and the main products included cough medicine for respiratory system and series of Cephalosporins. The total assets were RMB 1,202,138,500 by the end of June 30, 2012, and the income from main business was RMB746, 091,400 in the first half of year 2012, and the realized net profit was RMB154, 554,600.
2. Sinopharm Guangzhou Co., Ltd.: it was the wholly –owned subsidiary of the company, and its registered capital was RMB 400 million, the company mainly operated Traditional Chinese Medicine, Chemical preparation, anti-hydrolysis, biochemical drug, Biologic Products, Diagnosis drugs and biochemical drug for therapeutic diagnosis. The total asset was RMB3, 732,171,000 by the end of June 30, 2012, and the income from main business was RMB 4,767,145,200 in the first half of year 2012, and the realized net profit was RMB 56,500,000.
3. Sinopharm Medicine Holding Guangxi Co., Ltd: it was the wholly –owned subsidiary of the company, and its registered capital was RMB 100 million, the company mainly conducted the import and export of Traditional Chinese Medicine, Chemical preparation, Diagnosis drugs and biochemical drug for therapeutic diagnosis as well as self-operating and acting kinds of commodities and technology as a deputy. The total asset was RMB1, 197,022,500 by the end of June 30, 2012, and the income from main business was RMB 1,006,168,300 in the first half of year 2012,, and the realized net profit was RMB 19,070,500.
4. Shenzhen Main Luck Pharmaceuticals Inc.: it was the joint stock company, and its registered capital was RMB 120 Million Yuan, the company mainly conducted the development, research, production and operation of anticancer drug preparation and Famotidine Injection etc. The total asset was RMB 632,489,500 by the end of June 30, 2012, and income from main business was RMB 285,068,700 in the first half of year 2012, and the realized net profit was RMB 50,570,400.

The risk factors which will have negative influence on the future development strategy and the achievement of operating objectives:

VI. (I) The risk factors which will have negative influence on the future development strategy and the achievement of operating objectives:

- 1.The threat from the change of Chinese medical industry policy, and the long boom will exist together with the short-term pain.
- 2.“Poison capsule affair” will bring attention to the quality and safety of medicine again, which will push the high operation cost of Pharmaceutical enterprise.
3. The continued influence from the policy of anti-hydrolysis limitation, and anti-hydrolysis industry will suffer from repression in a long period of time, and trends to the polarization processing of industry segmentation.
4. Threat from financing pressure and fund chain.
5. Threat from the competitor
6. The deficiency of innovative ability will lead to the slow process of new operational type and new model.

1. Main business and operations

(1) Statement of main business classified according to industries and products

Unit: RMB

Classified according to industries or products	Operating revenue	Operating cost	Gross profit ratio (%)	Increase or decrease of operating revenue over the last same period of last year (%)	Increase or decrease of operating cost over the last same period of last year (%)	Increase or decrease of gross profit ratio over the last same period of last year (%)
According to industries						
Medical manufacture	958,587,821.60	586,940,582.21	38.77%	3.55%	-9.94%	9.17%
Medical wholesale	7,732,883,805.68	7,305,030,960.94	5.53%	24.67%	25.26%	-0.44%
Medical retail	42,601,423.59	37,631,664	11.67%	27.94%	28.07%	-0.1%
Logistics and warehousing services	13,418,721.21	8,388,634.09	37.49%	24.45%	5.71%	11.08%
Income from lease and training service	5,267,755.50	1,936,498.16	63.24%	2.45%	11.17%	-2.89%
According to products						
Cough medicine for respiratory system and	119,971,315.43	30,955,097.16	74.20%	-3.25%	8.65%	-2.83%
Series of Cephalosporins	818,010,646.93	550,838,694.61	32.66%	2.19%	-5.97%	5.84%
Others	7,814,777,565.22	7,358,134,547.63	5.84%	24.97%	24.53%	0.33%

Explanation on main business classified according to industries and products

Nil

Explanation on major changes of gross profit over same period of last year

Logistics and warehousing service: the income from logistics and warehousing service in this period increases compared with the same period last year, and the increase degree exceeds that of cost, which leads to the increase of gross profit margin compared with the same period last year.

(2) Main business classified according to areas

Unit: RMB

Areas	Operating revenue	Increase/decrease in revenue from operations over the same period of last year (%)
Domestic	8,745,190,813.43	22.16%

Overseas	7,568,714.15	60.01%
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Explanation on main business according to areas

Nil

Explanation on main business institution

Nil

(3) Explanation on reasons of material changes in main operations and its structure

☐Applicable ☒Non-applicable

(4) Explanation on reasons of material changes in profitability (gross profit ratio) of main operations compared with that of last year

☐Applicable ☒Non-applicable

(5) Analysis on reasons of material changes in profit structure compared with the previous year

☐Applicable ☒Non-applicable

2. Internal control mechanism related with fair-value measurement

☐Applicable ☒Non-applicable

3. Foreign currency financial assets and financial liabilities held

☐Applicable ☒Non-applicable

(II) Investment of the Company

1. General Application of the raised proceeds

☐Applicable ☒Non-applicable

2. Commitments on projects of raised funds

☐Applicable

☒Non-applicable

3. Changes of projects of raised funds

☐Applicable ☒Non-applicable

4. Investment on major projects of non-raised funds

☒Applicable ☐Non-applicable

projects	Initial notice disclosed date	Amount of projects	Progress	Earnings from the projects
Phase II of Guanlan Base of Zhijun Pharmaceutical	2011-03-22	25,000.00	43%	Expansion of 2 nd plant of Cephalosporin solid with capacity of 1 billion pills/sheet increased annually; establish a new production line for sterile pituitary lutropin with capacity of 0.2 billion needles increased annually
New Guangxi Logistic Center	2010-03-20	15,466.76	99%	The Phase I expected to approach 6 billion yuan commodity price for operation after put into operating, reserve volume will reaches 150,000 pieces; Phase II will gains reserve capacity of 200,000 pieces after completion. A transit hub of modern logistic system will generate after project completion.
New solvent recovery plant	2010-12-09	1,821.60	99%	After put into operation officially, the solvent recovery treatment will reaches 85 tons/day, more 15 tons/day than the aged plant; moreover, the recovery quality will improve, over 8 million yuan cost will save annually expected.
New sterile material plant	2010-12-09	5,934.00	99%	Cephalosporin sterile material drugs plan will generate more annually capacity of 600 tons; solve the bottle-neck issues for market needs satisfy.
Plant transformation of CXT Enzymes	2010-12-09	918.00	99%	The annual capacity of Cefoxitin acid raw material will increase to 50 tons from 25 tons; annual capacity of Cefpirome will increase to 15 tons from 6 tons; annual capacity of Cefixime will increase to 50 tons from 20 tons; breakthrough the capacity bottle-neck and supporting the new plant totally.
New Integrity warehouse	2010-12-09	1,152.00	99%	New warehousing area 7000m ² increased; the new solvent tank gains a reserve capacity from 80 tons to 900 tons, meanwhile, being reserve integrity and tube transit, risk of solvent storage and transport are minimized
Sewage transformation project	2010-12-09	11,703.80	40%	Actual treatment ability of sewage will higher to 850 tons/day from 50 tons/day under circumstance of take over standards qualified
Total		61,996.16	-	

(III) The modification of Board to the business plan for the second half of the year

☐Applicable ☒Non-applicable

(IV) Prediction of business performance from January – September 2012

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

☒Applicable ☐Non-applicable

Performance estimate: increases greatly.

Filled data type of performance estimate

☐exact quantity ☒range data

	From the beginning to the end of next reporting period			The same period last year	Increase/decrease by(%)			
Predicted net profit attributable to parent company accumulative (10 thousand yuan)	33,000	--	36,900	24,623.8	<input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease	34%	--	50%
Basic EPS (Yuan/share)	1.145	--	1.281	0.855	<input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease	34%	--	50%
Notes to performance estimate	The Company promote strategy implementation steadily, fully improve the management, performance will getting more and more							

(V) Explanation on “Qualified Opinion” from the Certified Public Accountants in the report period by the Board of Directors

☐Applicable ☒Non-applicable

(VI) Explanation of the Management on changes and disposal of the issues involved in “Qualified Opinion” from the Certified Public Accountants in the last year by the Board of Directors

☐Applicable ☒Non-applicable

(VII) Stating the discussion results issued by the Board on changes in the Company’s accounting policies and accounting estimates or reasons for material accounting error correction and influences thereof

☐Applicable ☒Non-applicable

(VIII) Determination and implementation of cash dividend policies of the Company

According to requirements of regulation department, the Company revised and perfected the Article of Association on cash dividend, and formulated plan of returning shareholders in future 3 years. This plan was approved and passed in extraordinary shareholders’ meeting in form of special decision. The revision on cash dividend in Article of Association and plan of returning shareholders in future 3 years were in accordance with relative rules and documents. Dividend standard and ratio was clear, decision procedure and mechanism was complete. Independent directors could fully play their responsibility and roles. These offers chance for medium and little shareholders to express opinion and claim. Interests of medium and little shareholders were totally protected.

(IX) Plan of profit distribution or capital reserve capitalizing

☐Applicable ☒Non-applicable

(X) Positive retained profit accumulated at end of 2011 without cash distribution carried out

☐Applicable ☒Non-applicable

(XI) Establishment and implementation of registration mechanism for insiders

For intensifying management of internal information, protecting fairness of information disclosure, protecting legal interests of majority shareholders, the 7th meeting of the 6th session of Board of Directors was held for revising Administration System for Inside Information and Insiders. The revised one was more complete including various aspects of inside information management. In real working, the Company strictly complied with Administration System for Inside Information and Insiders, making inside information report, confidentiality management, external sending-off and insiders registration and other working. Meanwhile we conducted various methods to implement specialized training and warning education, enhanced responsibility of insiders and self-discipline awareness. Therefore insiders could damage from leaking inside information and using them for internal trade as well as their responsibility for such behaviors. Thus we could prevent things like these from the source.

Whether implemented self-examination and accountability on insiders who dealing with stock of the Company as well as derivative products

☐ Yes ☒ No

Whether custody measurement and administration punishment on listed company and related staff from regulatory authorities in aspect of implementation of registration management mechanism of insiders or inside trading involved or not

☐ Yes ☒ No

(XII) Other events disclosed

Nil

(XIII) Liabilities, credit changes and cash arrangement for debt paying in later year (Only applies to listed company with corporate convertible bonds offered)

☐Applicable ☒Non-applicable

VII. Significant Event

(I)Corporate governance

The Company strictly complied with requirements related to laws and regulations of Company Law, Securities Law and Governing Rules of Listed Company. We consistently complete corporate governance structure, normalizes operation, enhance information management, strive to construct modern corporation system. Presently administration system is complete, operation is normal, corporate governance structure is complete, conforming to requirements of Basic Norms to Inside Control issued by Five Departments Commission and requirements of affiliated guidance. In reporting period, Sino-Pharm Accord actively solidified results of internal control construction, consistently optimized internal control system and operation mechanism, constantly adjusted to various change of the Company surrounding annual internal control goals. Therefore ration of design of internal control system and validity of operation were guaranteed as follows.

1. We completed regulation over risk of internal control management and organization and 2011 Annual Self-Estimation On Internal Control Report. Based on comprehensive conclusion of implementation of internal control normalization, we formulated 2012 working plan for internal control normalization. The plan defined goal, thinking way and plan of annual risk and internal control, including management organization, internal control system and mechanism, self-estimation, internal control audit and information disclosure.

Regulation over risk and internal control management and organization mainly combined the change of corporate structure, regulating the constitution and duty of the Company and members of working team for internal control management in business department. Thus we ensure sustainable promotion of implementation of normalization of internal control.

2. We revised and completed documental system of 2012 annual system procedure (internal control) and self-estimation manual on internal control. With establishment of self-estimation standards for internal control by

subsidiary Sino-Pharm Group Shenzhen Chinese Medicine Co., Ltd, we realized overall cover among self-estimation standards.

We organized specialized and systemic training on new version of system procedure, risk and internal control knowledge, internal control appraisal, self-estimation manual and others.

3. We accomplished 2012 annual checking plan for internal control site and built check-working team for compiling site points and making sure the chosen company. The plan would be implemented during July to August. The Company conducted spot-check on management system and implementation situation through site checking. Thus we urged them to constantly enhance self-management on internal control management system, ensure implementation of strategy and operation goal. Thus overall implementation will be improved.

Constant perfection of internal control management mechanism and self-estimation mechanism improved anti-risk ability and ensured a stable and effective operation quality of the Company.

(II) Implementation of profit distribution plan, capital reserve capitalizing or shares offering that plan out previously and carry out in this reporting period

☒Applicable ☐Non-applicable

2011 profit distribution scheme was passed through discussion in the Shareholders Meeting of 2011 held by the company on Apr. 27, 2012, calculating based on 288,149,400 shares issued, the company paid RMB 1.3 (before tax) of cash dividend per ten shares to all of the shareholders. The profit distribution finished on Jun. 21, 2012, and the company paid RMB 37,684,032.18 of cash dividends actually.

(III) Material lawsuits and arbitrations

☐Applicable ☒Non-applicable

No material lawsuits and arbitrations occurred in this period

(IV) Related event of bankruptcy reorganization

☐Applicable ☒Non-applicable

(V) Equity of other listed company and stock jointly financial enterprise held by the Company

1. Security investment

☐Applicable ☒Non-applicable

Explanation on security investment

2. Equity of other listed company held by the Company

☐Applicable ☒Non-applicable

Explanation on equity of other listed company held by the Company

3. Equity of non-listed financial enterprise held by the Company

☐Applicable ☒Non-applicable

Explanation on equity of non-listed financial enterprise held by the Company

4. Buying and selling shares of other listed company

☐Applicable ☒Non-applicable

Explanation on shares dealing of other listed company

(VI) Assets transaction

1. Assets purchased or acquired

√Applicable

□Non-applicable

Transaction Counterparty or final controller	Acquired or swapped-in asset	Purchase date	Transaction price ('0000)	Net profit contribute to the listed company between the purchase date to the end of report period('0000) (for the enterprise merger under same control)	Net profit contribute to the listed company between the beginning period to the end of report('0000) (for the enterprise merger under same control)	Whether it is related transaction or not	Asset pricing principle	Whether the asset property right is completely transferred	Whether the involving creditor's right and debt are completed transferred	The proportion of net profit of the asset contribute to listed company accounting for the total profit(%)	Related relation with transaction counterparty (for circs of related transaction)	Date for disclosing first temporary announcement
Sinopharm Medicine Holding Zhaoqing Co., Ltd	Purchase 100% stake of the company	Jan. 9, 2012	506	1.03		No	Evaluating by book value of balance sheet date on 31 August 2011	Yes	Yes	0.003%		2011-12-6
Sinopharm Medicine Holding Wuzhou Co., Ltd	Purchase 99.7% stake of the company	Mar. 14, 2012	450		0.96	Yes	Evaluating by book value of balance sheet date on 30 June 2011	Yes	Yes	0.003%	Under the same controlling shareholder	2011-12-06
Sinopharm Medicine Holding	Purchase 100% stake of the	Apr. 23, 2012	5,600	128.49		No	Evaluating by book value of	Yes	Yes	0.418%		2012-03-31

Jiangmen RenRen Co., Ltd	company						balance sheet date on 31 July 2011					
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Notes to assets purchase

From the beginning period to Jun. 30, 2012, the company has purchased three companies, during which Sinopharm Medicine Holding Zhaoqing Co., Ltd and Sinopharm Medicine Holding Jiangmen RenRen Co., Ltd were purchased not under the same control, and Sinopharm Medicine Holding Wuzhou Co., Ltd was purchased under the same control.

2. Assets sold

☐Applicable ☒Non-applicable

Explanation on assets sold

Nil

3. Assets replacement

☐Applicable ☒Non-applicable

Explanation on assets replacement

Nil

4. Business combination

√Applicable □Non-applicable

	Net (liability)/Assets dated 30 June 2012	Net profit from dated of combination to end of 30 June 2012
Business combination under same control		
Sinopharm Wuzhou	-115,353.36	250,311.18
Business combination under different control		
Sinopharm Zhaoqing	2,475,950.25	10,291.78
Sinopharm Jiangmen	11,292,546.68	1,284,864.41

5. Progress of the events and their influence on the Company's operating results and financial status in the report period after the Report on Assets Restructure or Public Notice on Acquisition and Sales of Assets being published

□Applicable √Non-applicable

(VII) Explanation on shareholding increase proposed or implemented by largest shareholder of the Company and its persons acting in concert in reporting period

□Applicable √Non-applicable

(VIII) Implementation and its influence of equity incentive

□Applicable √Non-applicable

(XI) Significant related transaction

1. Related transaction related to daily operation

√Applicable

□Non-applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price (10 thousand yuan)	Related transaction amount (10 thousand yuan)	Proportion in similar transactions (%)	Clearing form for related transaction	Influence of profit of the Company	Market price(10 thousand yuan)	Reasons of major difference between trading price and market reference price
Sinopharm Group Hunan Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	5,524.88	5,524.88	0.63%	Cash settlement etc.	Note 1	5,524.88	N/A
Jiangmen Renren Medical Equipment Co., Ltd.	Control by key supervisor of subsidiary	Commodity sales	Medicine sales	Market price	16.88	16.88	0.00%	Cash settlement etc.	Note 1	16.88	N/A
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	5,104.1	5,104.1	0.58%	Cash settlement etc.	Note 1	5,104.1	N/A
Sinopharm Group Beijing Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	4,260.17	4,260.17	0.49%	Cash settlement etc.	Note 1	4,260.17	N/A
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	4,114.39	4,114.39	0.47%	Cash settlement etc.	Note 1	4,114.39	N/A

Sinopharm Group Hubei Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	4,221.1	4,221.1	0.48%	Cash settlement etc.	Note 1	4,221.1	N/A
China National Sout-west Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	4,196.39	4,196.39	0.48%	Cash settlement etc.	Note 1	4,196.39	N/A
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	Commodity sales	Medicine sales	Market price	4,012.31	4,012.31	0.46%	Cash settlement etc.	Note 1	4,012.31	N/A
Sinopharm Group (Tianjin) Oriental Bookcom Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	2,431.56	2,431.56	0.28%	Cash settlement etc.	Note 1	2,431.56	N/A
Sinopharm Group Beijing Huahong Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	2,363.66	2,363.66	0.27%	Cash settlement etc.	Note 1	2,363.66	N/A
Sinopharm Group Hainan Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	2,150.16	2,150.16	0.25%	Cash settlement etc. etc.	Note 1	2,150.16	N/A
Sinopharm Group Shenyang Co.,	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,824.09	1,824.09	0.21%	Cash settlement etc.	Note 1	1,824.09	N/A

Ltd.											
Foshan Nanhai Medicine CO., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,543.6	1,543.6	0.18%	Cash settlement etc.	Note 1	1,543.6	N/A
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,524.92	1,524.92	0.17%	Cash settlement etc.	Note 1	1,524.92	N/A
Sinopharm Group Ningxia Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,526.55	1,526.55	0.17%	Cash settlement etc.	Note 1	1,526.55	N/A
Sinopharm Group Zhejiang Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,434.26	1,434.26	0.16%	Cash settlement etc.	Note 1	1,434.26	N/A
Sinopharm Group Hebei Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,420.59	1,420.59	0.16%	Cash settlement etc.	Note 1	1,420.59	N/A
Sinopharm Group Xinjiang New & Special Western Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,420.46	1,420.46	0.16%	Cash settlement etc.	Note 1	1,420.46	N/A
Sinopharm Group	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,351.38	1,351.38	0.15%	Cash settlement etc.	Note 1	1,351.38	N/A

Distribution Center Co., Ltd.											
Sinopharm Group Tianjin Co., Ltd	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,305.3	1,305.3	0.15%	Cash settlement etc.	Note 1	1,305.3	N/A
Sinopharm Group Co., Ltd.	Controlling shareholder	Commodity sales	Medicine sales	Market price	1,245.75	1,245.75	0.14%	Cash settlement etc.	Note 1	1,245.75	N/A
China National Xinjiang New & Special Western Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,241.23	1,241.23	0.14%	Cash settlement etc.	Note 1	1,241.23	N/A
Sinopharm Le-Ren-Tang Medicine Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,240.94	1,240.94	0.14%	Cash settlement etc.	Note 1	1,240.94	N/A
Sinopharm Group Yunnan Co., Ltd	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,184.37	1,184.37	0.14%	Cash settlement etc.	Note 1	1,184.37	N/A
Sinopharm Group Shandong Co., Ltd	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,159.86	1,159.86	0.13%	Cash settlement etc.	Note 1	1,159.86	N/A
Sinopharm	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,118.79	1,118.79	0.13%	Cash settlement	Note 1	1,118.79	N/A

Group Shanxi Co., Ltd	shareholder	sales						etc.			
Sinopharm Group Hainan Hongyi Co., Ltd	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1,045.83	1,045.83	0.12%	Cash settlement etc.	Note 1	1,045.83	N/A
Sinopharm Group Gansu Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	900.12	900.12	0.10%	Cash settlement etc.	Note 1	900.12	N/A
Sinopharm Group Nantong Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	842.78	842.78	0.10%	Cash settlement etc.	Note 1	842.78	N/A
Sinopharm Group Wenzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	711.26	711.26	0.08%	Cash settlement etc.	Note 1	711.26	N/A
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder	Commodity sales	Medicine sales	Market price	686.29	686.29	0.08%	Cash settlement etc.	Note 1	686.29	N/A
Sinopharm Group Chongqing Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	672.75	672.75	0.08%	Cash settlement etc.	Note 1	672.75	N/A
Sinopharm	Same controlling shareholder	Commodity sales	Medicine sales	Market price	622.8	622.8	0.07%	Cash settlement	Note 1	622.8	N/A

Group Fujian Co., Ltd.	shareholder	sales						etc.			
Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	589.2	589.2	0.07%	Cash settlement etc.	Note 1	589.2	N/A
Sinopharm Group Fuzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	561.17	561.17	0.06%	Cash settlement etc.	Note 1	561.17	N/A
Sinopharm Group Jinzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	545.92	545.92	0.06%	Cash settlement etc.	Note 1	545.92	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	439.78	439.78	0.05%	Cash settlement etc.	Note 1	530.13	N/A
Sinopharm Group Henan Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	378.72	378.72	0.04%	Cash settlement etc.	Note 1	378.72	N/A
Sinopharm Group Shanxi Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	297.52	297.52	0.03%	Cash settlement etc.	Note 1	297.52	N/A
Sinopharm Group Heilongjiang Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	263.64	263.64	0.03%	Cash settlement etc.	Note 1	263.64	N/A
Sinopharm	Same controlling shareholder	Commodity sales	Medicine sales	Market price	254.26	254.26	0.03%	Cash settlement	Note 1	254.26	N/A

Group Jilin Co., Ltd.	shareholder	sales						etc.			
Sinopharm Group Inner Mongolia Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	207.85	207.85	0.02%	Cash settlement etc.	Note 1	207.85	N/A
Sinopharm Group Anhui Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	186.2	186.2	0.02%	Cash settlement etc.	Note 1	186.2	N/A
Sinopharm Group Xuzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	179.22	179.22	0.02%	Cash settlement etc.	Note 1	179.22	N/A
Shanghai Zhaohui Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	Commodity sales	Medicine sales	Market price	157.18	157.18	0.02%	Cash settlement etc.	Note 1	157.18	N/A
Sinopharm Group Ningde Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	155.43	155.43	0.02%	Cash settlement etc.	Note 1	155.43	N/A
Chinese-Western Medicine Branch of Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	141.25	141.25	0.02%	Cash settlement etc.	Note 1	141.25	N/A
Sichuan Hexin	Subsidiary of	Commodity	Medicine sales	Market price	137.51	137.51	0.02%	Cash settlement	Note 1	137.51	N/A

Medicines Co., Ltd.	FOSUN Medicines	sales						etc.			
Sinopharm Group Longyan Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	135.66	135.66	0.02%	Cash settlement etc.	Note 1	135.66	N/A
Sinopharm Group Guizhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	128.81	128.81	0.01%	Cash settlement etc.	Note 1	128.81	N/A
Guangdong South Medicine Foreign Trade Co., Ltd.	Same ultimate controlling shareholder	Commodity sales	Medicine sales	Market price	121.77	121.77	0.01%	Cash settlement etc.	Note 1	121.77	N/A
China National Medicine Corporation Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	121.68	121.68	0.01%	Cash settlement etc.	Note 1	121.68	N/A
Sinopharm Group Suzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	118.11	118.11	0.01%	Cash settlement etc.	Note 1	118.11	N/A
Sinopharm Group Taizhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	116.38	116.38	0.01%	Cash settlement etc.	Note 1	116.38	N/A
Sinopharm Group Tianjin Northern Medicines Co.,	Same controlling shareholder	Commodity sales	Medicine sales	Market price	104.6	104.6	0.01%	Cash settlement etc.	Note 1	104.6	N/A

Ltd.											
Sinopharm Group Yancheng Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	92.51	92.51	0.01%	Cash settlement etc.	Note 1	92.51	N/A
Sinopharm Group Wuxi Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	92.42	92.42	0.01%	Cash settlement etc.	Note 1	92.42	N/A
Sinopharm Group Merro (Dalian) Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	86.86	86.86	0.01%	Cash settlement etc.	Note 1	86.86	N/A
Sinopharm Group Hunan Deyuan Medicines Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	83.51	83.51	0.01%	Cash settlement etc.	Note 1	83.51	N/A
Sinopharm Group NanjingCo., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	78.81	78.81	0.01%	Cash settlement etc.	Note 1	78.81	N/A
Sinopharm Group Zhangzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	78.26	78.26	0.01%	Cash settlement etc.	Note 1	78.26	N/A
China National	Same ultimate	Commodity	Medicine sales	Market price	72.38	72.38	0.01%	Cash settlement	Note 1	72.38	N/A

Weiqida Pharmaceutical Co., Ltd.	controlling shareholder	sales						etc.			
Guangzhou Accord Pharmacy Chain Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	37.74	37.74	0.00%	Cash settlement etc.	Note 1	37.74	N/A
Sinopharm Group Yantai Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	35.1	35.1	0.00%	Cash settlement etc.	Note 1	35.1	N/A
Sinopharm Group Putian Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	34.5	34.5	0.00%	Cash settlement etc.	Note 1	34.5	N/A
Sinopharm Group Jiangxi Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	31.64	31.64	0.00%	Cash settlement etc.	Note 1	31.64	N/A
Sinopharm Group Wuhu Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	27.29	27.29	0.00%	Cash settlement etc.	Note 1	27.29	N/A
Sinopharm Group Xinjiang Uptodate & Special Keshi Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	22.33	22.33	0.00%	Cash settlement etc.	Note 1	22.33	N/A
Sinopharm	Same controlling shareholder	Commodity sales	Medicine sales	Market price	22.26	22.26	0.00%	Cash settlement	Note 1	22.26	N/A

Group Changzhou Medicine Logistics Center Co., Ltd.	shareholder	sales						etc.			
Sinopharm Group Jinan Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	17.15	17.15	0.00%	Cash settlement etc.	Note 1	17.15	N/A
Dalian Branch of Sinopharm Group Shenyang Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	15.47	15.47	0.00%	Cash settlement etc.	Note 1	15.47	N/A
China National Shanghai Likang Pharmaceutical Co., Ltd	Same controlling shareholder	Commodity sales	Medicine sales	Market price	12.67	12.67	0.00%	Cash settlement etc.	Note 1	12.67	N/A
Sinopharm Group Anqing Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	11.77	11.77	0.00%	Cash settlement etc.	Note 1	11.77	N/A
Heilongjiang Sinopharm Crude Medicine Co., Ltd.	Same ultimate controlling shareholder	Commodity sales	Medicine sales	Market price	9.44	9.44	0.00%	Cash settlement etc.	Note 1	9.44	N/A

Sinopharm Group Changzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	7.3	7.3	0.00%	Cash settlement etc.	Note 1	7.3	N/A
Sinopharm Group Xinjiang Hami Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	5.82	5.82	0.00%	Cash settlement etc.	Note 1	5.82	N/A
Sinopharm Group Xinjiang Uptodate & Special Ginseng Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	5.79	5.79	0.00%	Cash settlement etc.	Note 1	5.79	N/A
Sinopharm Group Sanming Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	4.46	4.46	0.00%	Cash settlement etc.	Note 1	4.46	N/A
Zhongkeqi Imp & Exp Shenzhen Co., Ltd.	Same ultimate controlling shareholder	Commodity sales	Medicine sales	Market price	4.44	4.44	0.00%	Cash settlement etc.	Note 1	4.44	N/A
Sinopharm Group Lishui Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	3.78	3.78	0.00%	Cash settlement etc.	Note 1	3.78	N/A

China National Xinjiang Uptodate & Special Karamay Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	3.27	3.27	0.00%	Cash settlement etc.	Note 1	3.27	N/A
Sinopharm Group Qujin Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1.91	1.91	0.00%	Cash settlement etc.	Note 1	1.91	N/A
Sinopharm Group Xinjiang Yili Tongde Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	1.71	1.71	0.00%	Cash settlement etc.	Note 1	1.71	N/A
Sinopharm Group Qinghai Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	0.98	0.98	0.00%	Cash settlement etc.	Note 1	0.98	N/A
Sinopharm Group Jinzhou Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	0.83	0.83	0.00%	Cash settlement etc.	Note 1	0.83	N/A
Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	0.3	0.3	0.00%	Cash settlement etc.	Note 1	0.3	N/A
Taizhou Branch of Sinopharm	Same controlling shareholder	Commodity sales	Medicine sales	Market price	0.14	0.14	0.00%	Cash settlement	Note 1	0.14	N/A

Group Jiangsu Co., Ltd.	shareholder	sales						etc.			
Sinopharm Group Siping Co., Ltd.	Same controlling shareholder	Commodity sales	Medicine sales	Market price	0.14	0.14	0.00%	Cash settlement etc.	Note 1	0.14	N/A
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	Distribution and transportation service charge received	Distribution and transportation service charge received	Market price	20.68	20.68	0.00%	Cash settlement etc.	Note 1	20.68	N/A
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	Distribution and transportation service charge received	Distribution and transportation service charge received	Market price	123.67	123.67	0.01%	Cash settlement etc.	Note 1	123.67	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	Distribution and transportation service charge received	Distribution and transportation service charge received	Market price	511.05	511.05	0.06%	Cash settlement etc.	Note 1	511.05	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	Distribution and transportation service charge received	Distribution and transportation service charge received	Market price	90.35	90.35	0.01%	Cash settlement etc.	Note 1	90.35	N/A
Shenzhen Main Luck	Affiliated company	Meeting training	Meeting training service	Market price	13.56	13.56	0.00%	Cash settlement etc.	Note 1	13.56	N/A

Pharmaceuticals Inc.		service income	income								
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	56.63	56.63	8.94%	Cash settlement etc.	Note 1	56.63	N/A
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	3.21	3.21	0.51%	Cash settlement etc.	Note 1	3.21	N/A
Shenzhen Accord Medicine Chain CO, ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	23.48	23.48	3.70%	Cash settlement etc.	Note 1	23.48	N/A
Shenzhen Accord Medicine Chain CO, ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	2.7	2.7	0.43%	Cash settlement etc.	Note 1	2.7	N/A
Guangzhou Accord Pharmacy Chain Co., Ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	25.68	25.68	4.05%	Cash settlement etc.	Note 1	25.68	N/A
China National Shanghai Medical Devices Co., Ltd	Same ultimate controlling shareholder	Income from house leasing	Income from house leasing	Market price	9.64	9.64	1.52%	Cash settlement etc.	Note 1	9.64	N/A

Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	Income from house leasing	Income from house leasing	Market price	13.98	13.98	2.21%	Cash settlement etc.	Note 1	13.98	N/A
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	82.18	82.18	0.01%	Cash settlement etc.	Note 1	82.18	N/A
Foshan Nanhai Medicine CO., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	15.79	15.79	0.00%	Cash settlement etc.	Note 1	15.79	N/A
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	222.69	222.69	0.03%	Cash settlement etc.	Note 1	222.69	N/A
Guangdong South Medicine Foreign Trade Co., ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	715.87	715.87	0.09%	Cash settlement etc.	Note 1	715.87	N/A
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	8.18	8.18	0.00%	Cash settlement etc.	Note 1	8.18	N/A
Guilin Pharmaceutical	Subsidiary of FOSUN	Commodity	Medicine	Market price	15.28	15.28	0.00%	Cash settlement	Note 1	15.28	N/A

Co., Ltd.	Medicines	purchased	purchased					etc.			
China National Medicines Guorui Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	1.24	1.24	0.00%	Cash settlement etc.	Note 1	1.24	N/A
China National Chemical Reagent Suchou Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	19.35	19.35	0.00%	Cash settlement etc.	Note 1	19.35	N/A
China National Chemical Reagent Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	48.14	48.14	0.01%	Cash settlement etc.	Note 1	48.14	N/A
China National Union Medical Devices Co., Ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	-0.36	-0.36	0.00%	Cash settlement etc.	Note 1	-0.36	N/A
China National Shanghai Medical Divices Co., Ltd	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	2.16	2.16	0.00%	Cash settlement etc.	Note 1	2.16	N/A
China National Weiqida Pharmaceutical	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	672	672	0.09%	Cash settlement etc.	Note 1	672	N/A

Co., Ltd.											
China National Medicines Corporation Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	10,912.7	10,912.7	1.42%	Cash settlement etc.	Note 1	10,912.7	N/A
Sinopharm Group Beijing Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	244.05	244.05	0.03%	Cash settlement etc.	Note 1	244.05	N/A
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	42,918.64	42,918.64	5.57%	Cash settlement etc.	Note 1	42,918.64	N/A
Sinopharm Group Fujian Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	354.48	354.48	0.05%	Cash settlement etc.	Note 1	354.48	N/A
Sinopharm Group Co., Ltd.	controlling shareholder	Commodity purchased	Medicine purchased	Market price	18,916.3	18,916.3	2.45%	Cash settlement etc.	Note 1	18,916.3	N/A
Sinopharm Group Guizhou Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	578.15	578.15	0.07%	Cash settlement etc.	Note 1	578.15	N/A
Sinopharm Group Hainan Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	29.44	29.44	0.00%	Cash settlement etc.	Note 1	29.44	N/A
Sinopharm Group Hunan	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	6.77	6.77	0.00%	Cash settlement etc.	Note 1	6.77	N/A

Co., Ltd.											
Sinopharm Group Zhangzhou Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	0.35	0.35	0.00%	Cash settlement etc.	Note 1	0.35	N/A
Qinghai Pharmaceutical Co., ltd.	Has major influence from controlling shareholder	Commodity purchased	Medicine purchased	Market price	410.89	410.89	0.05%	Cash settlement etc.	Note 1	410.89	N/A
Handan Moluo Pharmaceutical Co., ltd.	Subsidiary of FOSUN Medicines	Commodity purchased	Medicine purchased	Market price	2.56	2.56	0.00%	Cash settlement etc.	Note 1	2.56	N/A
Huarui Pharmaceutical Co., ltd.	集团 Affiliated company	Commodity purchased	Medicine purchased	Market price	3,939.17	3,939.17	0.51%	Cash settlement etc.	Note 1	3,939.17	N/A
Jiangsu Wanban Medicines Marketing Co., Ltd.	Subsidiary of FOSUN Medicines	Commodity purchased	Medicine purchased	Market price	725.77	725.77	0.09%	Cash settlement etc.	Note 1	725.77	N/A
Lanzhou Bio-Tech Development Co., Ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	26.51	26.51	0.00%	Cash settlement etc.	Note 1	26.51	N/A
Shanghai Zhaohui	Subsidiary of FOSUN	Commodity purchased	Medicine purchased	Market price	-0.11	-0.11	0.00%	Cash settlement etc.	Note 1	-0.11	N/A

Pharmaceutical Co., Ltd.	Medicines										
Shanghai Modern Pharmaceutical Ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	29.97	29.97	0.00%	Cash settlement etc.	Note 1	29.97	N/A
Shenzhen Accord Medicine Chain CO, ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	1.19	1.19	0.00%	Cash settlement etc.	Note 1	1.19	N/A
Shenzhen Main Luck Pharmaceuticals Inc.	Affiliated company	Commodity purchased	Medicine purchased	Market price	1,951.11	1,951.11	0.25%	Cash settlement etc.	Note 1	1,951.11	N/A
Shenzhen Wanwei Medicines Trading Co., Ltd.	Subsidiary of Affiliated company	Commodity purchased	Medicine purchased	Market price	407.92	407.92	0.05%	Cash settlement etc.	Note 1	407.92	N/A
Shenyang Hongqi Pharmacy Co., Ltd	Subsidiary of FOSUN Medicines	Commodity purchased	Medicine purchased	Market price	2.7	2.7	0.00%	Cash settlement etc.	Note 1	2.7	N/A
Sichuan Jiangyou ZBFZ Technology Development	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	2.08	2.08	0.00%	Cash settlement etc.	Note 1	2.08	N/A

Co., Ltd.											
Yichang Humanwell Pharmaceutical Co., Ltd.	国控 Affiliated company	Commodity purchased	Medicine purchased	Market price	3.31	3.31	0.00%	Cash settlement etc.	Note 1	3.31	N/A
Yunnan Crude Medicine Co., Ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	26.37	26.37	0.00%	Cash settlement etc.	Note 1	26.37	N/A
China Otsuka Pharmaceutical Co., Ltd.	Affiliated company of the Group	Commodity purchased	Medicine purchased	Market price	9.73	9.73	0.00%	Cash settlement etc.	Note 1	9.73	N/A
Chongqing Haisiman Pharmaceutical LTD	Subsidiary of FOSUN Medicines	Commodity purchased	Medicine purchased	Market price	508.17	508.17	0.07%	Cash settlement etc.	Note 1	508.17	N/A
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	Commodity purchased	Medicine purchased	Market price	494	494	0.06%	Cash settlement etc.	Note 1	494	N/A
Sinopharm Group Putian Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	79.81	79.81	0.01%	Cash settlement etc.	Note 1	79.81	N/A
Sinopharm Group Suzhou Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	1.28	1.28	0.00%	Cash settlement etc.	Note 1	1.28	N/A
Sinopharm	Same controlling	Commodity	Medicine	Market price	12.53	12.53	0.00%	Cash settlement	Note 1	12.53	N/A

Group Yunnan Co., Ltd	shareholder	purchased	purchased					etc.			
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder	Commodity purchased	Medicine purchased	Market price	8.04	8.04	0.00%	Cash settlement etc.	Note 1	8.04	N/A
A-Think Pharmaceutical Co., Ltd.	Same controlling shareholder	Commodity purchased	Medicine purchased	Market price	12.23	12.23	0.00%	Cash settlement etc.	Note 1	12.23	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	Distribution and transportation service charge paid	Distribution and transportation service charge paid	Market price	74.62	74.62	0.01%	Cash settlement etc.	Note 1	74.62	N/A
Reed Sinopharm Exhibitions Co., LTD	Same ultimate controlling shareholder	Exhibition charge paid	Exhibition charge paid	Market price	1.92	1.92	3.52%	Cash settlement etc.	Note 1	1.92	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	House leasing charge paid	House leasing charge paid	Market price	354	354	65.38%	Cash settlement etc.	Note 1	354	N/A
China National Medicines Corporation Ltd.	Same controlling shareholder	Equipment leasing paid	Equipment leasing paid	Market price	438.75	438.75	81.04%	Cash settlement etc.	Note 1	438.75	N/A

Peng Jianxiong	Key supervisor of subsidiary	House leasing charge paid	House leasing charge paid	Market price	3.12	3.12	0.00%	Cash settlement etc.	Note 1	3.12	N/A
Wang yang	Minority shareholder of subsidiary	House leasing charge paid	House leasing charge paid	Market price	19.8	19.8	3.66%	Cash settlement etc.	Note 1	19.8	N/A
Sinopharm Group Co., Ltd.	controlling shareholder	Entrust loan interest paid	Entrust loan interest paid	Market price	539.06	539.06	51.56%	Cash settlement etc.	Note 1	539.06	N/A
Sinopharm Group Co., Ltd.	controlling shareholder	Entrust loan interest paid	Entrust loan interest paid	Market price	456.09	456.09	43.62%	Cash settlement etc.	Note 1	456.09	N/A
Sinopharm Group Co., Ltd.	controlling shareholder	Entrust loan interest paid	Entrust loan interest paid	Market price	50.37	50.37	4.82%	Cash settlement etc.	Note 1	50.37	N/A
Sinopharm Group Co., Ltd.	controlling shareholder	Discount buy-paid of note paid	Discount buy-paid of note paid	Market price	111.33	111.33	19.02%	Cash settlement etc.	Note 1	111.33	N/A
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder	Discount buy-paid of note paid	Discount buy-paid of note paid	Market price	171.35	171.35	29.28%	Cash settlement etc.	Note 1	171.35	N/A
Total				--	--	158,198.03	--	--	--	--	--
Details of major sold-goods return				N/A							
Necessity and sustainable of related transaction as well as reasons of related transaction with related parties(not with other marketing dealers)				There have been continuous related transaction between the company and each related company due to the need of production and operation, and it will exist in a longer period of time.							
Influence on independence of listed company from related				No influence on the independence of listed company from the above related transactions.							

transaction	
Dependence on related parties by Company as well as relevant solutions (If applicable)	It is indispensable of the related transaction between the company and the above related company, and it is also necessary for the normal production and operation, so it belongs to normal related transaction.
Actual implementation of those amount that predicted in this period by category for daily related transaction	“Case discussion on the daily related transaction between the company and its subsidiaries and the related parties in 2012” was passed through discussion in the shareholders meeting on April 27, 2012, the sales and purchase of related parties accounted for 42.83% and 46.9% of its total estimated amount of the whole year respectively during the reporting period.
Explanation on related transactions	N/A

Note1: no bad influence on profit of the Company from related transactions above mentioned

Related transactions concerned with routine operations

Related party	Commodity sales and labor service provided to related party		Commodity purchased from and receiving labor service from related party	
	Transaction amount (10 thousand yuan)	Proportion in similar transaction (%)	Transaction amount (10 thousand yuan)	Proportion in similar transaction (%)
Jiangmen Renren Medical Equipment Co., Ltd.	16.88	0.00%		
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	5,104.1	0.58%	82.18	0.01%
Foshan Nanhai Medicine CO., Ltd.	1,543.6	0.18%	15.79	0.00%
Guangdong Dong Fang Uptodate & Special Medicines Co.,	686.29	0.08%	222.69	0.03%
Guangdong South Medicine Foreign Trade Co., Ltd.	121.77	0.01%	715.87	0.09%
Guangdong Accord Pharmacy Co., Ltd.	4114.39	0.47%	8.18	0.00%
Guangdong Accord Pharmacy Co., Ltd.	20.68	0.00%		

Guangdong Accord Pharmacy Co., Ltd.	123.67	0.01%		
Guangxi Accord Pharmacy Chain Co.,Ltd.	1,524.92	0.17%		
Guangzhou Accord Pharmacy Chain Co., Ltd.	37.74	0.00%		
Qinghai Pharmaceutical Co., Ltd.			410.89	0.05%
Guilin Pharmaceutical CO., Ltd.			15.28	0.00%
China National Medicines Guorui Pharmaceutical Co., Ltd.			1.24	0.00%
China National Chemical Reagent Suchou Co., Ltd.			19.35	0.00%
China National Chemical Reagent Co., Ltd.			48.14	0.01%
China National Union Medical Devices Co., Ltd.			-0.36	0.00%
China National Shanghai Likang Pharmaceutical Co., Ltd	12.67	0.00%		
China National Shanghai Medical Devices Co., Ltd			2.16	0.00%
China National Weiqida Pharmaceutical Co., Ltd.	72.38	0.01%	672	0.09%
China National Sout-west Medicine Co., Ltd.	4,196.39	0.48%	0	0.00%
China National Xinjiang Uptodate & Special Karamay Pharmaceutical Co., Ltd.	3.27	0.00%		
China National Xinjiang New & Special Western Medicine Co., Ltd.	1,241.23	0.14%		

China National Medicines Corporation Ltd.	439.78	0.05%		
China National Medicines Corporation Ltd.	90.35	0.01%	10,912.7	1.42%
China National Medicines Corporation Ltd.	511.05	0.06%	74.62	0.01%
Sinopharm Group (Tianjin) Oriental Bookcom Medicine Co., Ltd.	2,431.56	0.28%		
Sinopharm Group Anhui Co., Ltd.	186.2	0.02%		
Sinopharm Group Anqing Co., Ltd.	11.77	0.00%		
Sinopharm Group Beijing Huahong Co., Ltd.	2,363.66	0.27%		
Sinopharm Group Beijing Co., Ltd.	4,260.17	0.49%	244.05	0.03%
Sinopharm Group Changzhou Medicine Logistics Center Co., Ltd.	22.26	0.00%		
Sinopharm Group Changzhou Co., Ltd.	7.3	0.00%		
Sinopharm Group Distribution Center Co., Ltd.	1,351.38	0.15%	42,918.64	5.57%
Sinopharm Group Fujian Co., Ltd.	622.8	0.07%	354.48	0.05%
Sinopharm Group Fuzhou Co., Ltd.	561.17	0.06%		
Sinopharm Group Gansu Co., Ltd.	900.12	0.10%		
Sinopharm Group Co., Ltd.	1,245.75	0.14%	18,916.3	2.45%
Sinopharm Group Guizhou Co., Ltd.	128.81	0.01%	578.15	0.07%
China National Medicine Corporation Ltd.	121.68	0.01%		
Sinopharm Group Hainan Hongyi Co., Ltd	1,045.83	0.12%		
Sinopharm Group Hainan Co., Ltd.	2,150.16	0.25%	29.44	0.00%
Sinopharm Group Hebei Medicine Co., Ltd.	1,420.59	0.16%		

Sinopharm Group Henan Co., Ltd.	378.72	0.04%		
Sinopharm Group Heilongjiang Co., Ltd.	263.64	0.03%		
Sinopharm Group Hubei Co., Ltd.	4,221.1	0.48%		
Sinopharm Group Hunan Deyuan Medicines Co., Ltd.	83.51	0.01%		
Sinopharm Group Hunan Co., Ltd.	5,524.88	0.63%	6.77	0.00%
Sinopharm Group Jilin Co., Ltd.	254.26	0.03%		
Sinopharm Group Jinan Co., Ltd.	17.15	0.00%		
Sinopharm Group Jiangsu Co., Ltd.	589.2	0.07%		
Taizhou Branch of Sinopharm Group Jiangsu Co., Ltd.	0.14	0.00%		
Chines-Wester Medicine Branch of Sinopharm Group Jiangsu Co., Ltd.	141.25	0.02%		
Sinopharm Group Jiangxi Co., Ltd.	31.64	0.00%		
Sinopharm Group Jinzhou Co., Ltd.	545.92	0.06%		
Sinopharm Group Jinzhou Co., Ltd.	0.83	0.00%		
Sinopharm Group Lishui Co., Ltd.	3.78	0.00%		
Sinopharm Group Longyan Co., Ltd.	135.66	0.02%		
Sinopharm Group Merro (Dalian) Co., Ltd.	86.86	0.01%		
Sinopharm Group Inner Mongolia Co., Ltd.	207.85	0.02%		
Sinopharm Group NanjingCo., Ltd.	78.81	0.01%		
Sinopharm Group Nantong Co., Ltd.	842.78	0.10%		
Sinopharm Group Ningde Co., Ltd.	155.43	0.02%		

Sinopharm Group Ningxia Co., Ltd.	1,526.55	0.17%		
Sinopharm Group Putian Co., Ltd.	34.5	0.00%	79.81	0.01%
Sinopharm Group Qinghai Co., Ltd.	0.98	0.00%		
Sinopharm Group Qujin Co., Ltd.	1.91	0.00%		
Sinopharm Group Sanming Co., Ltd.	4.46	0.00%		
Sinopharm Group Shandong Co., Ltd.	1,159.86	0.13%		
Sinopharm Group Shanxi Co., Ltd.	297.52	0.03%		
Sinopharm Group Shanxi Co., Ltd.	1,118.79	0.13%		
Sinopharm Group Shenyang Co., Ltd.	1,824.09	0.21%		
Dalian Branch of Sinopharm Group Shenyang Co., Ltd.	15.47	0.00%		
Sinopharm Group Siping Co., Ltd.	0.14	0.00%		
Sinopharm Group Suzhou Co., Ltd.	118.11	0.01%	1.28	0.00%
Sinopharm Group Taizhou Co., Ltd.	116.38	0.01%		
Sinopharm Group Tianjin Northern Medicines Co., Ltd.	104.6	0.01%		
Sinopharm Group Tianjin Co., Ltd.	1,305.3	0.15%		
Sinopharm Group Wenzhou Co., Ltd.	711.26	0.08%		
Sinopharm Group Wuxi Co., Ltd.	92.42	0.01%		
Sinopharm Group Wuhu Co., Ltd.	27.29	0.00%		
Sinopharm Group Xinjiang Hami Pharmaceutical Co., Ltd.	5.82	0.00%		
Sinopharm Group Xinjiang Uptodate &	5.79	0.00%		

Special Ginseng Pharmaceutical Co., Ltd.				
Sinopharm Group Xinjiang Uptodate & Special Keshi Pharmaceutical Co., Ltd.	22.33	0.00%		
Sinopharm Group Xinjiang New & Special Western Medicine Co., Ltd.	1,420.46	0.16%		
Sinopharm Group Xinjiang Yili Tongde Pharmaceutical Co., Ltd.	1.71	0.00%		
Sinopharm Group Xinyu Co., Ltd.		0.00%		
Sinopharm Group Xuzhou Co., Ltd.	179.22	0.02%		
Sinopharm Group Yantai Co., Ltd.	35.1	0.00%		
Sinopharm Group Yancheng Co., Ltd.	92.51	0.01%		
Sinopharm Group Yunnan Co., Ltd.	1,184.37	0.14%	12.53	0.00%
Sinopharm Group Zhangzhou Co., Ltd.	78.26	0.01%	0.35	0.00%
Sinopharm Group Zhejiang Co., Ltd.	1,434.26	0.16%		
Sinopharm Group Chongqing Co., Ltd.	672.75	0.08%		
Sinopharm Le-Ren-Tang Medicine Co., Ltd.	1,240.94	0.14%		
Reed Sinopharm Exhibitions Co., LTD			1.92	3.52%
Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	0.3	0.00%		
A-Think Pharmaceutical Co., Ltd.			12.23	0.00%
Handan Moluo Pharmaceutical Co., Ltd.			2.56	0.00%
Heilongjiang Sinopharm Crude Medicine Co., Ltd.	9.44	0.00%		

Huarui Pharmaceutical Co., Ltd.			3,939.17	0.51%
Jiangsu Wanban Medicines Marketing Co., Ltd.			725.77	0.09%
Lanzhou Bio-Tech Development Co., Ltd.			26.51	0.00%
Shanghai Zhaohui Pharmaceutical Co., Ltd.	157.18	0.02%	-0.11	0.00%
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.			8.04	0.00%
Shanghai Modern Pharmaceutical Ltd.			29.97	0.00%
Shenzhen Accord Pharmacy Chain Co., Ltd			1.19	0.00%
Shenzhen Main Luck Pharmaceuticals Inc.	13.56	0.00%		
Shenzhen Main Luck Pharmaceuticals Inc.			1,951.11	0.25%
Shenzhen Wanwei Medicines Trading Co., Ltd.			407.92	0.05%
Shenyang Hongqi Pharmacy Co., Ltd			2.7	0.00%
Sichuan Hexin Medicines Co., Ltd.	137.51	0.02%		
Sichuan Jiangyou ZBFZ Technology Development Co., Ltd.			2.08	0.00%
Yichang Humanwell Pharmaceutical Co., Ltd.			3.31	0.00%
Yunnan Crude Medicine Co., Ltd.			26.37	0.00%
China Otsuka Pharmaceutical Co., Ltd.			9.73	0.00%
Zhongkeqi Imp & Exp Shenzhen Co., Ltd.	4.44	0.00%		
Chongqing Haisiman Pharmaceutical LTD			508.17	0.07%

Chongqing Yaoyou Pharmaceutical Co., Ltd.	4,012.31	0.46%	494	0.06%
Total	71,423.67	8.09%	84,495.17	14.44%

Including: related transaction 666.435 million yuan generated from the commodity sales or labor service offering to controlling shareholder and its subsidiary from the Company

2. Related transaction incurred by purchase or sales of assets

√Applicable

□Non-applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Book value of net assets for purchased company (10 thousand yuan)	Evaluation price of net asset for purchased company (10 thousand yuan)	Purchasing price (10 thousand yuan)	Major reasons for difference between transfer price and book value or evaluation price	Settlement way for transactions	Influence on operation results and financial status	Earnings from assets transfer (10 thousand yuan)
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder	Equity transactions	99.7% equity of Sinopharm Group Wuzhou Co., Ltd. held by Guangdong Dong Fang Uptodate & Special Medicines Co was purchased	Evaluation by book value of balance sheet dated 30 June 2011	-20.54	451.33	450	N/A	Cash settlement	Net profit attributable to shareholder of listed company for Sinopharm Wuzhou in Jan. to June 2012 amounting to 9,587.19 yuan; owners' equity	0

										attributable to shareholder of listed company in June 2012 amounting to-115,007.3 yuan	
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Notes to the related transaction resulted from asset purchase and sales

N/A

3. Significant related transaction from jointly investment outside

☐Applicable ☒Non-applicable

4. Current related liabilities and debts

☒Applicable ☐Non-applicable

Related party	Relationship	Fund offer to related party (10 thousand yuan)						Fund offer to listed company from related party(10 thousand yuan)					
		Balance at period-begin	Amount occurred	Paymen t	Balance at period-end	Interest income	Interest cost	Balance at period-begin	Amount occurred	Paymen t	Balance at period-end	Interest income	Interest cost
Account receivable:													
Sinopharm Group Hunan Co., Ltd.	Same controlling shareholder	2,172.86	6,464.11	6,144.88	2,492.09								
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	1,968	4,694.4	5,051.2	1,611.20								
Sinopharm Group Beijing Co., Ltd.	Same controlling shareholder	1,686.26	4,984.39	5,442.83	1,227.82								
Sinopharm Group Hubei Co., Ltd.	Same controlling	1,487.16	4,937.96	5,393.0	1,032.09								

	shareholder			3									
China National Sout-west Medicine Co., Ltd.	Same controlling shareholder	1,387.1	4,909.78	4,826.28	1,470.60								
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	Same controlling shareholder	1,372.41	5,971.79	5,676.63	1,667.57								
Sinopharm Group Co., Ltd.	控股股东	1,334.11	1,457.27	2,220.66	570.72								
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	1,267.81	4,955.1	5,193.4	1,029.51								
Sinopharm Group Shenyang Co., Ltd.	Same controlling shareholder	1,209.68	2,068.89	2,321.23	957.34								
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	911.43	1,779.55	2,069.98	621.00								
China National Xinjiang New & Special Western Medicine Co., Ltd.	Same controlling shareholder	881.03	1,452.24	1,828.47	504.80								
Sinopharm Group Beijing Huahong Co., Ltd.	Same controlling shareholder	706.92	2,765.48	2,601.55	870.85								
Sinopharm Group Hainan Co., Ltd.	Same controlling shareholder	698.13	2,515.64	2,218.45	995.32								
Sinopharm Le-Ren-Tang Medicine Co., Ltd.	Same controlling shareholder	684.93	1,451.9	1,864.14	272.69								
Sinopharm Group Tianjin Co., Ltd	Same controlling shareholder	656.59	1,533.44	1,736.21	453.82								
Sinopharm Group (Tianjin) Oriental Bookcom Medicine Co., Ltd.	Same controlling shareholder	614.38	2,844.78	2,767.94	691.22								

Sinopharm Group Fujian Co., Ltd	Same controlling shareholder	592.51	728.51	1,293.4	27.62								
Sinopharm Group Yunnan Co., Ltd	Same controlling shareholder	578.88	1,417.48	1,750.2 2	246.14								
Sinopharm Group Zhejiang Co., Ltd.	Same controlling shareholder	559.1	1,677.74	1,670.0 2	566.82								
Sinopharm Group Hainan Hongyi Co., Ltd	Same controlling shareholder	431.6	1,223.62	1,210.1 8	445.04								
Sinopharm Group Hebei Medicine Co., Ltd.	Same controlling shareholder	362.82	1,652.57	1,723.5 8	291.81								
Sinopharm Group Xinjiang New & Special Western Medicine Co., Ltd.	Same controlling shareholder	355.3	1,661.94	1,614.7 7	402.47								
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder	315.04	802.96	869.3	248.70								
Foshan Nanhai Medicine CO., Ltd.	Same controlling shareholder	275.87	1,802.76	1,730.3 5	348.28								
Sinopharm Group Shandong Co., Ltd	Same controlling shareholder	272.86	1,369.98	1,292.6 4	350.20								
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder	266.4	1,579.93	1,370.8 5	475.48								
Sinopharm Group Jinzhou Co., Ltd.	Same controlling shareholder	215.72	634.46	763.17	87.01								
China National Medicines Corporation Ltd.	Same controlling shareholder	191.49	511.05	384.26	318.28								
Sinopharm Group Ningxia Co., Ltd.	Same controlling	163.55	1,786.06	1,483.9	465.71								

	shareholder												
Sinopharm Group Shanxi Co., Ltd.	Same controlling shareholder	147.98	346.8	413.06	81.72								
Sinopharm Group Wenzhou Co., Ltd.	Same controlling shareholder	131.42	828.42	746.36	213.48								
China National Medicine Corporation Ltd.	Same controlling shareholder	124.77	604.9	655.66	74.01								
Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	120.53	689.37	665.92	143.98								
China National Medicine Corporation Ltd.	Same controlling shareholder	89.85	139.09	145.94	83.00								
Sinopharm Group Shanxi Co., Ltd	Same controlling shareholder	84.84	1,272.79	907.08	450.55								
Sinopharm Group Tianjin Northern Medicines Co., Ltd.	Same controlling shareholder	77.23	132.33	164.05	45.51								
Sinopharm Group Henan Co., Ltd.	Same controlling shareholder	76.74	443.1	456.93	62.91								
Sinopharm Group Fuzhou Co., Ltd.	Same controlling shareholder	73.17	654.39	664.21	63.35								
Sinopharm Group Inner Mongolia Co., Ltd.	Same controlling shareholder	61.14	243.19	233.22	71.11								
Sinopharm Group Gansu Co., Ltd.	Same controlling shareholder	54.73	1,053.13	959.69	148.17								
Sinopharm Group Jilin Co., Ltd.	Same controlling shareholder	51.15	297.48	263.27	85.36								

Shanghai Zhaohui Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	47.98	183.9	174.1	57.78								
Sinopharm Group Longyan Co., Ltd.	Same controlling shareholder	45.07	158.23	183.03	20.27								
Sinopharm Group Chongqing Co., Ltd.	Same controlling shareholder	44.82	787.12	507.96	323.98								
Guangdong South Medicine Foreign Trade Co., Ltd.	Same ultimate controlling shareholder	40.84	142.47	147	36.31								
Sinopharm Group Heilongjiang Co., Ltd.	Same controlling shareholder	37.76	308.46	217.04	129.18								
Sinopharm Group Suzhou Co., Ltd.	Same controlling shareholder	37.61	138.19	129.13	46.67								
Dalian Branch of Sinopharm Group Shenyang Co., Ltd.	Same controlling shareholder	36.9	18.1	45.95	9.05								
Sinopharm Group Taizhou Co., Ltd.	Same controlling shareholder	28.95	135.21	127.74	36.42								
Sinopharm Group Guizhou Co., Ltd.	Same controlling shareholder	27.81	150.71	151.27	27.25								
Sinopharm Group Xuzhou Co., Ltd.	Same controlling shareholder	27.04	205.84	171.12	61.76								
Sinopharm Group Wuxi Co., Ltd.	Same controlling shareholder	25.12	106.2	109.11	22.21								
Guangzhou Accord Pharmacy Chain Co., Ltd.	Same controlling shareholder	23.03	44.15	52.28	14.90								

Sinopharm Group Merro (Dalian) Co., Ltd.	Same controlling shareholder	21.96	101.62	84.39	39.19								
Sinopharm Group Zhangzhou Co., Ltd.	Same controlling shareholder	20	91.43	76.57	34.86								
Sinopharm Group Nanjing Co., Ltd.	Same controlling shareholder	13.92	45.17	43.29	15.80								
Sinopharm Group Yancheng Co., Ltd.	Same controlling shareholder	9.53	108.1	95.2	22.43								
China National Weiqida Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder	8.61	93.29	8.61	93.29								
Sinopharm Group Ningde Co., Ltd.	Same controlling shareholder	4.32	181.67	132.2	53.79								
Sinopharm Group Anshun Co., Ltd.	Same controlling shareholder	3.56	0.00	3.56	0.00								
Sinopharm Group Changzhou Co., Ltd.	Same controlling shareholder	3.4	8.54	5.47	6.47								
Sinopharm Group Changzhou Medicine Logistics Center Co., Ltd.	Same controlling shareholder	2.88	25.35	21.07	7.16								
Sinopharm Group Lishui Co., Ltd.	Same controlling shareholder	1.49	4.29	3.8	1.98								
Sinopharm Group Jiangxi Co., Ltd.	Same controlling shareholder	0.95	36.83	32.37	5.41								
Sinopharm Group Sanming Co., Ltd.	Same controlling shareholder	0.26	5.22	5.48	0.00								

Zhongkeqi Imp & Exp Shenzhen Co., Ltd.	Same ultimate controlling shareholder	0.24	5.2	5.44	0.00								
Sinopharm Group Qujin Co., Ltd.	Same controlling shareholder	0.03	2.23	2.26	0.00								
Sinopharm Group Nantong Co., Ltd.	Same controlling shareholder	0.00	986.05	729.85	256.20								
Sinopharm Group Anhui Co., Ltd.	Same controlling shareholder	0.00	217.86	197.06	20.80								
Chinese-Western Medicine Branch of Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	0.00	165.26	58.5	106.76								
Sichuan Hexin Medicines Co., Ltd.	Subsidiary of FOSUN Medicines	0.00	160.89	133.91	26.98								
Sinopharm Group Hunan Deyuan Medicines Co., Ltd.	Same controlling shareholder	0.00	97.37	88.39	8.98								
Sinopharm Group Yantai Co., Ltd.	Same controlling shareholder	0.00	40.6	25.52	15.08								
Sinopharm Group Putian Co., Ltd.	Same controlling shareholder	0.00	40.36	30.38	9.98								
Sinopharm Group Wuhu Co., Ltd.	Same controlling shareholder	0.00	37.21	25.96	11.25								
Sinopharm Group Xinjiang Uptodate & Special Keshi Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	26.13	22.12	4.01								
Sinopharm Group Jinan Co., Ltd.	Same controlling shareholder	0.00	20.07	20.07	0.00								

China National Shanghai Likang Pharmaceutical Co., Ltd	Same controlling shareholder	0.00	14.82		14.82								
Sinopharm Group Anqing Co., Ltd.	Same controlling shareholder	0.00	13.77	9.47	4.30								
Sinopharm Group Xinjiang Hami Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	6.81	0.8	6.01								
China National Xinjiang Uptodate & Special Karamay Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	3.83	3.83	0.00								
Sinopharm Group Xinjiang Uptodate & Special Ginseng Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	3.51	3.51	0.00								
Heilongjiang Sinopharm Crude Medicine Co., Ltd.	Same ultimate controlling shareholder	0.00	2.27	2.27	0.00								
Sinopharm Group Xinjiang Yili Tongde Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	2		2.00								
Sinopharm Group Qinghai Co., Ltd.	Same controlling shareholder	0.00	1.15	0.86	0.29								
Sinopharm Group Jinzhou Co., Ltd.	Same controlling shareholder	0.00	0.83	0.83	0.00								
Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	Same controlling shareholder	0.00	0.35	0.35	0.00								
Taizhou Branch of Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	0.00	0.17	0.17	0.00								
Sinopharm Group Siping Co., Ltd.	Same controlling shareholder	0.00	0.17	0.17	0.00								

Jiangmen Renren Medical Equipment Co., Ltd.	Control by key supervisor of subsidiary	0.00	19.76	21.95	-2.19								
Other account receivable:					0.00								
China National Medicines Corporation Ltd.	Same controlling shareholder	121.5	0.00	0.00	121.50								
Guangzhou Accord Pharmacy Chain Co., Ltd.	Same controlling shareholder	0.00	25.75	25.75	0.00								
Shenzhen Main Luck Pharmaceuticals Inc.	Affiliated company	0.00	13.56	13.56	0.00								
China National Shanghai Medical Devices Co., Ltd	Same ultimate controlling shareholder	0.00	9.67	9.67	0.00								
Shenzhen Wanwei Medicines Trading Co., Ltd.	Subsidiary of Affiliated company	0.00	1.99	1.99	0.00								
Shenzhen Jiufeng Investment Co., ltd	The company owned by minority shareholder of subsidiary	0.00	18.17	18.17	0.00								
Jiangmen Renren Medical Equipment Co., Ltd.	Control by key supervisor of subsidiary	0.00	968.46	968.46	0.00								
Note receivable:					0.00								
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	2,164.8	2,952	3,645.6	1,471.20								
Sinopharm Group Hunan Co., Ltd.	Same controlling	670.2	6,145.35	6,597.2	218.34								

	shareholder			1									
Sinopharm Group Tianjin Co., Ltd	Same controlling shareholder	474.74	423.65	739.48	158.91								
Sinopharm Group Hubei Co., Ltd.	Same controlling shareholder	256.62	4,573.69	4,631.78	198.53								
Sinopharm Group Hainan Co., Ltd.	Same controlling shareholder	203.57	1,608.6	1,542.97	269.20								
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	185.41	2,678.06	2,442.22	421.25								
China National Sout-west Medicine Co., Ltd.	Same controlling shareholder	144.1	964.61	875.04	233.67								
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder	47.46	370.02	355.03	62.45								
Sinopharm Group Chongqing Co., Ltd.	Same controlling shareholder	44.33	505.7	515.35	34.68								
Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	30		30	0.00								
Sinopharm Group Xuzhou Co., Ltd.	Same controlling shareholder	25.44	265.13	220.54	70.03								
Sinopharm Group Fuzhou Co., Ltd.	Same controlling shareholder	10.86	311.49	311.73	10.62								
Sinopharm Group Yancheng Co., Ltd.	Same controlling shareholder	10.09	6.67	16.76	0.00								
Sinopharm Group Guoda Pharmacy Shenyang Chain Co., Ltd.	Same controlling shareholder	6.83	56.55	63.38	0.00								

Sinopharm Group Shenyang Co., Ltd.	Same controlling shareholder	4.02	207.4	155.42	56.00								
Sinopharm Group Yantai Co., Ltd.	Same controlling shareholder	2.28	21.4	23.68	0.00								
Sichuan Hexin Medicines Co., Ltd.	Subsidiary of FOSUN Medicines	0.00	1,180.8	1,180.8	0.00								
Sinopharm Group Gansu Co., Ltd.	Same controlling shareholder	0.00	861.98	807.17	54.81								
Sinopharm Group Hebei Medicine Co., Ltd.	Same controlling shareholder	0.00	841.01	756.96	84.05								
Sinopharm Group Henan Co., Ltd.	Same controlling shareholder	0.00	351.3	351.3	0.00								
Sinopharm Group Shanxi Co., Ltd.	Same controlling shareholder	0.00	307.02	150	157.02								
Sinopharm Group Anhui Co., Ltd.	Same controlling shareholder	0.00	197.06	197.06	0.00								
Sinopharm Group Fujian Co., Ltd.	Same controlling shareholder	0.00	143	143	0.00								
Sinopharm Group Longyan Co., Ltd.	Same controlling shareholder	0.00	95.58	95.58	0.00								
Sinopharm Guangzhou Co., Ltd.	Same controlling shareholder	0.00	81.7	81.7	0.00								
Sinopharm Group Hunan Deyuan Medicines Co., Ltd.	Same controlling shareholder	0.00	79.63	78.63	1.00								
Sinopharm Group Zhangzhou Co., Ltd.	Same controlling	0.00	74.35	20	54.35								

	shareholder												
Sinopharm Group Taizhou Co., Ltd.	Same controlling shareholder	0.00	69.1	69.1	0.00								
China National Xinjiang New & Special Western Medicine Co., Ltd.	Same controlling shareholder	0.00	65	65	0.00								
Chinese –Wester Medicine Branch of Sinopharm Group Jiangsu Co., Ltd.	Same controlling shareholder	0.00	58.5	53.5	5.00								
Sinopharm Group NanjingCo., Ltd.	Same controlling shareholder	0.00	46.56	46.56	0.00								
Sinopharm Group Beijing Huahong Co., Ltd.	Same controlling shareholder	0.00	35.13		35.13								
China National Pharmaceutical Foreign Trade Corp.	Same ultimate controlling shareholder	0.00	23.6	23.6	0.00								
China National Medicine Corporation Ltd.	Same controlling shareholder	0.00	20.9		20.90								
Sinopharm Group Jinan Co., Ltd.	Same controlling shareholder	0.00	20.22	20.22	0.00								
Sinopharm Group Wuhu Co., Ltd.	Same controlling shareholder	0.00	12.83		12.83								
Sinopharm Group Tongliao Co., Ltd.	Same controlling shareholder	0.00	10	10	0.00								
Sinopharm Group Jiangxi Co., Ltd.	Same controlling shareholder	0.00	2.02	2.02	0.00								
Sinopharm Group Anqing Co., Ltd.	Same controlling	0.00	1.99	1.99	0.00								

	shareholder												
Sinopharm Group Heilongjiang Co., Ltd.	Same controlling shareholder	0.00	1.12	1.12	0.00								
Account paid in advance:					0.00								
Qinghai Pharmaceutical	Affiliated company of Sinopharm Group	305.36	410.75	397.89	318.22								
China National Pharmaceutical Group Corp.	Ultimate controlling shareholder	5	0.00	0.00	5.00								
Handan Moluo Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	1.11	-1.11	0.00	0.00								
Sinopharm Group Suzhou Co., Ltd.	Same controlling shareholder	0.95	-0.95	0.00	0.00								
Shenzhen Accord Pharmacy Chain Co., Ltd.	Same controlling shareholder	0.58	0.72	1.3	0.00								
Sinopharm Group Zhangzhou Co., Ltd.	Same controlling shareholder	0.35	-0.35	0.00	0.00								
Yichang Humanwell Pharmaceutical Co., Ltd.	Affiliated company of Sinopharm Group	0.21	2.87	2.88	0.20								
Huarui Pharmaceutical Co., Ltd.	Affiliated company of the Group	0.01	23.33	23.34	0.00								
Chengde Fujing Kang Pharmaceutical Group Co., Ltd.	Subsidiary of FOSUN Medicines	0.00	59.2	59.2	0.00								
Lanzhou Bio-Tech Development Co., Ltd.	Same ultimate controlling shareholder	0.00	16.96	16.96	0.00								

Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder	0.00	12.01	11.38	0.63								
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder	0.00	9.43	9.43	0.00								
Guilin Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines	0.00	6.4	6.4	0.00								
China National Chemical Reagent Suchou Co., Ltd.	Same controlling shareholder	0.00	5.75	0.00	5.75								
Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder	0.00	3.39	2	1.39								
Reed Sinopharm Exhibitions Co., LTD	Same ultimate controlling shareholder	0.00	1.92	1.92	0.00								
Sinopharm Group Co., Ltd.	Controlling shareholder	0.00	0.05	0.05	0.00								
China National Union Medical Devices Co., Ltd.	Same ultimate controlling shareholder	0.00	0.03	0.00	0.03								
Account payable:													
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder							12,376.63	103,665.16	103,147.35	12,894.44		
Sinopharm Group Co., Ltd.	Controlling shareholder							7,462.69	46,461.69	49,727.00	4,197.38		
China National Medicines Corporation Ltd.	Same controlling							2,301.39	25,007.4	24,546.	2,762.07		

	shareholder								1	73			
Shenzhen Main Luck Pharmaceuticals Inc.	Affiliated company							594.08	4,546.51	4,615.16	525.43		
Huarui Pharmaceutical Co., Ltd.	Affiliated company of the Group							507.24	8,852.09	8,101.77	1,257.56		
China National Weiqida Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder							278.31	786.25	798.34	266.22		
Jiangsu Wanban Medicines Marketing Co., Ltd.	Subsidiary of FOSUN Medicines							262.77	1,651.96	1,640.08	274.65		
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							246.21	1,073.74	1,110.52	209.43		
Shenzhen Wanwei Medicines Trading Co., Ltd.	Subsidiary of affiliated company							209.06	978.46	1,010.23	177.29		
Chongqing Haisiman Pharmaceutical LTD	Subsidiary of FOSUN Medicines							188.45	1,084.50	999.25	273.70		
Sinopharm Group Guizhou Co., Ltd.	Same controlling shareholder							181.38	1,339.80	1,364.41	156.77		
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder							173.40	565.43	716.57	22.26		
Guangdong South Medicine Foreign Trade Co., Ltd.	Same ultimate controlling shareholder							153.63	1,454.51	1,240.56	367.58		
Sinopharm Group Beijing Co., Ltd.	Same controlling shareholder							53.63	543.17	585.65	11.15		

Guangdong Accord Pharmacy Co., Ltd.	Same controlling shareholder							43.35	77.22	120.57	0.00		
Shanghai Modern Pharmaceutical Ltd.	Same ultimate controlling shareholder							11.58	62.99	58.20	16.37		
China National Corp. of Traditional & Herbal Medicine	Same ultimate controlling shareholder							20.10	0.00	20.10	0.00		
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	Same controlling shareholder							17.81	202.72	210.65	9.88		
China National Medicines Corporation Ltd.	Same controlling shareholder							12.88	74.62	69.12	18.38		
Foshan Nanhai Medicine CO., Ltd.	Same controlling shareholder							8.63	45.67	51.21	3.09		
Guilin Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							7.75	28.52	28.01	8.26		
Sinopharm Group Fujian Co., Ltd.	Same controlling shareholder							5.24	831.74	621.71	215.27		
Handan Moluo Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							4.25	-1.42	1.25	1.58		
China National Shanghai Medical Devices Co., Ltd	Same ultimate controlling shareholder							4.06	7.49	9.89	1.66		
Shenyang Hongqi Pharmacy Co., Ltd	Subsidiary of FOSUN Medicines							2.98	6.03	7.14	1.87		

Yichang Humanwell Pharmaceutical Co., Ltd.	Affiliated company of Sinopharm Group							2.62	5.98	6.16	2.44		
Shanghai Zhaohui Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							2.41	1.07	1.62	1.86		
China National Chemical Reagent Suchou Co., Ltd.	Same controlling shareholder							2.32	22.64	20.50	4.46		
Jiangsu Wanbang Bio-Chemical Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							1.49	0.00	0.00	1.49		
Shanghai Serum Biological Technology Co., Ltd.	Affiliated company of the Group							1.07	0.00	0.00	1.07		
China National Beijing Medical Devices Co., Ltd.	Same ultimate controlling shareholder							0.88	0.00	0.00	0.88		
China Otsuka Pharmaceutical Co., Ltd.	Affiliated company of the Group							0.75	19.37	9.21	10.91		
China National Medicines Guorui Pharmaceutical Co., Ltd.	Same controlling shareholder							0.49	2.90	2.60	0.79		
Shanghai Institution of Pharmaceutical Industry	Same ultimate controlling shareholder							0.37	0.00	0.23	0.14		
China National Medical Equipment and Supplies Imp& Exp Shenzhen Corp.	Same ultimate controlling shareholder							0.35	0.00	0.00	0.35		
Sichuan Jiangyou ZBFZ Technology Development Co., Ltd.	Same ultimate controlling							0.21	2.05	2.22	0.04		

	shareholder												
Shanghai Fosun Long March Medical Science Co., Ltd.	Subsidiary of FOSUN Medicines							0.18	0.00	0.00	0.18		
China National Union Medical Devices Co., ltd.	Same ultimate controlling shareholder							0.16	-0.53	-0.37	0.00		
China National Pharmaceutical Foreign Trade Corp.	Same ultimate controlling shareholder							0.09	0.00	0.00	0.09		
National Medicines Prospect Dentech (Beijing) Co., Ltd.	国控 Affiliated company							0.01	0.00	0.00	0.01		
Sinopharm Group Putian Co., Ltd.	Same controlling shareholder							0.00	186.75	186.75	0.00		
China National Chemical Reagent Co., Ltd.	Same controlling shareholder							0.00	68.70	46.55	22.15		
Sinopharm Group Hainan Co., Ltd.	Same controlling shareholder							0.00	66.92	44.92	22.00		
Yunnan Crude Medicine Co., Ltd.	Same ultimate controlling shareholder							0.00	29.80	29.80	0.00		
Lanzhou Bio-Tech Development Co., Ltd.	Same ultimate controlling shareholder							0.00	19.04	19.04	0.00		
A-Think Pharmaceutical Co., Ltd.	Same controlling shareholder							0.00	33.25	18.94	14.31		

Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder							0.00	14.04	14.04	0.00		
Sinopharm Group Yunnan Co., Ltd	Same controlling shareholder							0.00	27.20	12.53	14.67		
Sinopharm Group Hunan Co., Ltd.	Same controlling shareholder							0.00	14.69	6.77	7.92		
Xiamen Xingsha Huaideju Medicine Co., Ltd.	Affiliated company of Sinopharm Group							0.00	0.11	0.00	0.11		
Shenzhen Accord Pharmacy Chain Co., Ltd	Same controlling shareholder							0.00	0.08	0.00	0.08		
Shanghai Forsun Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							0.00	0.02	0.00	0.02		
Sinopharm Group Suzhou Co., Ltd.	Same controlling shareholder							0.00	-3.97	-3.97	0.00		
Note payable:								0.00	0.00	0.00	0.00		
Sinopharm Group Co., Ltd.	Controlling shareholder							10,615.09	10,779.01	18,017.42	3,376.68		
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder							2,772.58	19,099.65	2,772.58	19,099.65		
China National Medicines Corporation Ltd.	Same controlling shareholder							1,635.15	0.00	1,635.15	0.00		
Jiangsu Wanban Medicines Marketing Co., Ltd.	Subsidiary of FOSUN Medicines							307.20	236.07	408.05	135.22		
Chongqing Haisiman Pharmaceutical LTD	Subsidiary of FOSUN							171.34	366.78	353.58	184.54		

	Medicines												
China National Weiqida Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder							150.00	678.60	150.00	678.60		
Shenzhen Main Luck Pharmaceuticals Inc.	Affiliated company							119.79	679.61	712.01	87.39		
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							89.55	170.12	212.59	47.08		
China National Chemical Reagent Suchou Co., Ltd.	Same controlling shareholder							33.26	20.50	33.26	20.50		
Guilin Pharmaceutical Co., Ltd.	Subsidiary of FOSUN Medicines							11.22	0.00	11.22	0.00		
Sinopharm Group Fujian Co., Ltd.	Same controlling shareholder							6.20	0.00	6.20	0.00		
Shanghai Modern Pharmaceutical Ltd.	Same ultimate controlling shareholder							3.37	1.90	5.27	0.00		
Shenzhen Wanwei Medicines Trading Co., Ltd.	Subsidiary of affiliated company							0.00	34.18	34.18	0.00		
Account received in advance								0.00	0.00	0.00	0.00		
Sinopharm Group Nanjing Co., Ltd.	Same controlling shareholder							0.78	0.00	0.00	0.78		
Sinopharm Group Hunan Co., Ltd.	Same controlling shareholder							0.04	0.04	0.09	-0.01		
Foshan Nanhai New Medicine & Special Medicine Co., Ltd.	Same controlling shareholder							0.00	1,000.00	1,000.00	0.00		

China National Weiqida Pharmaceutical Co., Ltd.	Same ultimate controlling shareholder							0.00	161.95	161.95	0.00		
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder							0.00	13.98	13.98	0.00		
Sinopharm Group Xinjiang Uptodate & Special Ginseng Pharmaceutical Co., Ltd.	Same controlling shareholder							0.00	1.35	1.35	0.00		
Sinopharm Group Hebei Medicine Co., Ltd.	Same controlling shareholder							0.00	27.89	0.00	27.89		
Sinopharm Group Taizhou Co., Ltd.	Same controlling shareholder							0.00	1.65	0.00	1.65		
Sinopharm Group Jinan Co., Ltd.	Same controlling shareholder							0.00	0.15	0.00	0.15		
Other payables:								0.00	0.00	0.00	0.00		
Guangdong Dong Fang Uptodate & Special Medicines Co.,	Same controlling shareholder							490.00	135.00	490.00	135.00		
Sinopharm Group Co., Ltd.	Controlling shareholder							373.07	20.00	0.00	393.07		
China Naitonal Pharmaceutical Shanghai Co.,	Same controlling shareholder							166.04	0.00	0.00	166.04		
China National Corp. of Traditional & Herbal Medicine	Same ultimate controlling shareholder							130.00	20.00	0.00	150.00		
China National Corp. of Wuhan Medicine Institution	Same ultimate controlling							60.00	0.00	44.00	16.00		

	shareholder												
China National Chemical Reagent Suchou Co., ltd.	Same controlling shareholder							16.00	0.30	16.30	0.00		
Zhongkeqi Imp & Exp Shenzhen Co., ltd.	Same ultimate controlling shareholder							0.00	4.45	4.45	0.00		
Guangxi Accord Pharmacy Chain Co.,Ltd.	Same controlling shareholder							0.00	6.68	6.68	0.00		
China National Medicines Corporation Ltd.	Same controlling shareholder							0.00	354.00		354.00		
Sinopharm Group Distribution Center Co., Ltd.	Same controlling shareholder							20.00	0.00	20.00	0.00		
Peng Jianxiong	Key supervisor of subsidiary							0.00	9.35	0.00	9.35		
China National Shanghai Medical Devices Co., Ltd	Same ultimate controlling shareholder							0.00	3.00	0.00	3.00		
Short-term loans:								0.00	0.00	0.00	0.00		
Sinopharm Group Co., Ltd.	Controlling shareholder							33,737.00	23,263.00	36,737.00	20,263.00		
Interest payable:								0.00	0.00	0.00	0.00		
Sinopharm Group Co., Ltd.	Controlling shareholder							69.78	887.04	919.36	37.46		
Other non-current liability:								0.00	0.00	0.00	0.00		

Sinopharm Group Co., Ltd.	Controlling shareholder							3,506.18	0.00	0.00	3,506.18		
Subtotal		29,943.39	110,548.25	112,592.17	27,899.47			79,624.54	257,832.62	264,985.68	72,471.48	0	0
Total		29,943.39	110,548.25	112,592.17	27,899.47			79,624.54	257,832.62	264,985.68	72,471.48	0	0
Funds offered to controlling shareholders and its subsidiary by the Company in report period (RMB00'000)	99,545.46												
Including: Non-operating amount (RMB00'000)	0												
Balance of funds offered to controlling shareholders and its subsidiary by the Company (RMB00'000)	24,280.86												
Including:balance of Non-operating amount (RMB00'000)	0												
Reasons of related liabilities and debts	The creditor's right and debt resulted from medicine purchase, entrusted loan, and shares purchase and medicine reserve fund.												
Liquidation of related liabilities and debts	Implemented by contracts												
Commitments concerned with related liabilities and debts	The Company has commitments with the related party in aspect of property leasing and guarantee, of which property rent-in commitments of 207000 yuan, property rent-out commitments of 2.2198 million yuan while gurantee received from related party (limit not used) 116.6244 million yuan												
Influence on business performance and financial status of the Company from related liabilities and debts	The above creditor's right and debt among the related parties belonged to normal operational business transaction, which has no negative influence on the operation results and financial state of the company												

Including: in reporting period, 995.4546 million yuan were offered to controlling shareholders and its subsidiary by listed company, balance amounting to 242.8086 million yuan

Fund occupation and progress of paying off

☐Applicable ☒Non-applicable

Till end of reporting period, accountability plan proposed by the Board for completed no non-operational fund occupation from listed company

☐Applicable ☒Non-applicable

5. Other significant related transaction

Nil

(X) Significant contracts and its implementation

1. Profits earned from trusteeship, contract and lease reached over 10% (10% included) of total profit in this period

(1) Trusteeship

☐Applicable ☒Non-applicable

(2) Contract

☐Applicable ☒Non-applicable

(3) Lease

☐Applicable ☒Non-applicable

2. Guarantees

☒Applicable ☐Non-applicable

Unit: RMB0'000

Particulars about the external guarantee of the Company (Barring the guarantee for the controlling subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
China National Accord Medicines Corporation Ltd.	2011-03-22	30,000	2011-09-29	12,056.41	Guarantee	2011.9.29-2012.9.28	No	Yes
China National Accord Medicines Corporation Ltd.	2011-08-18	7,000	2012-03-22	5,955.37	Guarantee	2012.3.22-2013.3.22	No	Yes
China National Accord Medicines Corporation Ltd.	2011-03-22	10,000	2012-03-08	8,134.63	Guarantee	2012.3.8-2013.3.8	No	Yes
China National Accord Medicines Corporation Ltd.	2012-03-16	5,000	2012-06-08		Guarantee	2012.6.8-2013.3.8	No	Yes
China National Accord Medicines Corporation Ltd.	2011-03-22	10,000	2011-06-02	3,059.19	Guarantee	2011.6.2-2012.6.1	No	Yes
China National Accord Medicines Corporation Ltd.	2011-10-22	6,000	2011-12-06	893.37	Guarantee	2011.12.6-2012.12.6	No	Yes
China National Accord Medicines Corporation Ltd.	2012-03-16	10,000	2012-05-18	1,132.89	Guarantee	2012.5.18-2013.5.13	No	Yes
Shenzhen Zhijun	2011-03-22	3,150	2011-10-13	1,030.3	Guarantee	2011.10.13-2	No	Yes

Pharmaceutical Trading Co., Ltd.						012.10.13		
Total approving external guarantee in report period (A1)		32,000		Total actual occurred external guarantee in report period (A2)		44,792.25		
Total approved external guarantee at the end of report period (A3)		81,150		Total actual balance of external guarantee at the end of report period (A4)		32,262.16		
Guarantee of the Company for the subsidiaries								
Name of the Company guaranteed	Related Announcem ent disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implemen tation or not	Guarante e for related party (Yes or no)
Sinopharm Group Zhanjiang Co., Ltd.	2011-03-22	5,000	2011-08-02	1,113.02	Guarantee	2011.8.2-2012.8.2	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-03-22	20,000	2011-07-26	6,671.22	Guarantee	2011.7.26-2012.7.26	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-08-19	35,000	2011-10-17	31,017.89	Guarantee	2011.10.17-2012.10.17	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-08-19	8,000	2011-12-14	7,995.18	Guarantee	2011.12.14-2012.11.13	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-08-19	20,000	2011-11-24		Guarantee	2011.11.24-2012.11.23	No	Yes
Sinopharm Group Guangdong Yuexing Co., Ltd.	2012-03-16	3,500	2012-04-28	1,849.21	Guarantee	2012.4.28-2013.4.28	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2012-03-16	32,500	2012-04-28	24,194.39	Guarantee	2012.4.28-2013.4.28	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2012-03-16	60,000	2012-05-21	12,056.14	Guarantee	2012.5.21-2013.4.24	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-08-18	15,000	2012-01-18	14,872.62	Guarantee	2012.1.18-2013.1.18	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2011-03-22	10,000	2012-02-10	9,816.21	Guarantee	2012.2.10-2013.2.9	No	Yes
Sinopharm Group Guangzhou Co., Ltd.	2012-03-16	10,000	2012-04-27	9,931.79	Guarantee	2012.4.27-2013.4.12	No	Yes
Shenzhen Yanfeng Pharmaceutical Co., Ltd.	2011-08-19	3,000	2012-02-28	1,951.66	Guarantee	2012.2.28-2013.2.27	No	Yes
Shenzhen Yanfeng Pharmaceutical Co.,	2011-08-19	2,000	2011-12-14	1,760.37	Guarantee	2011.12.14-2012.11.13	No	Yes

Ltd.								
Shenzhen Zhijun Pharmaceutical Trading Co., Ltd.	2011-08-19	1,500	2011-12-14	1,190.13	Guarantee	2011.12.14-2 012.11.13	No	Yes
Shenzhen Zhijun Pharmaceutical Trading Co., Ltd.	2011-08-18	2,000	2012-03-08	485.35	Guarantee	2012.3.8-20 13.3.8	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2012-03-16	20,000	2012-06-20	5,677.08	Guarantee	2012.6.20-2 013.6.20	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2011-08-19	8,000	2011-12-13	2,037.63	Guarantee	2011.12.13-2 012.11.13	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2011-08-18	17,500	2011-08-25	2,979.5	Guarantee	2011.8.25-20 16.8.24	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2011-08-18	7,000	2012-03-22	1,011.17	Guarantee	2012.3.22-2 013.3.22	No	Yes
Sinopharm Group Liuzhou Co., Ltd.	2011-08-19	2,000	2011-12-14	1,500	Guarantee	2011.12.14-2 012.11.13	No	Yes
Sinopharm Group Liuzhou Co., Ltd.	2011-03-22	5,000	2011-11-20	2,485.57	Guarantee	2011.11.20-2 012.11.20	No	Yes
Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.	2012-03-16	6,000	2012-06-28	3,990	Guarantee	2012.6.28-2 013.6.27	No	Yes
Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.	2010-03-23	6,000	2010-08-01	3,000	Guarantee	2010.8.1-20 13.8.1	No	Yes
Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.	2011-08-18	5,000	2012-01-17	4,978.92	Guarantee	2012.1.17-2 013.1.5	No	Yes
Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.	2012-03-16	10,000	2012-05-07	6,812	Guarantee	2012.5.7-20 13.5.6	No	Yes
Suzhou Zhijun	2011-08-19	4,000	2011-12-14	4,000	Guarantee	2011.12.14-2	No	Yes

Wanqing Pharmaceutical Co., Ltd.						012.11.13		
Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.	2012-03-16	5,000	2012-06-14	4,471.82	Guarantee	2012.6.14-2 013.6.14	No	Yes
Sinopharm Group Guangxi Logistic Co., Ltd.	2010-12-09	10,000	2011-01-17	6,690.85	Guarantee	2011.1.17--2 014.1.17	No	Yes
Sinopharm Group Guangxi Co., Ltd.	2012-03-16	10,000	2012-05-15	8,536.88	Guarantee	2012.5.15-2 013.5.15	No	Yes
Sinopharm Group Guangxi Co., Ltd.	2012-03-16	10,000	2012-05-16	9,787.83	Guarantee	2012.5.16-2 013.5.16	No	Yes
Sinopharm Group Guangxi Co., Ltd.	2011-08-19	8,000	2011-12-14	7,331.65	Guarantee	2011.12.14-2 012.12.13	No	Yes
Sinopharm Group Guangxi Co., Ltd.	2012-03-16	4,000	2012-04-28	2,231.1	Guarantee	2012.4.28-2 013.4.28	No	Yes
Total amount of approving guarantee for subsidiaries in report period (B1)		213,000		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		319,517.03		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		365,000		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		202,427.17		
Total amount of guarantee of the Company(total of two abovementioned guarantee)								
Total amount of approving guarantee in report period (A1+B1)		245,000.00		Total amount of actual occurred guarantee in report period (A2+B2)		364,309.28		
Total amount of approved guarantee at the end of report period (A3+B3)		446,150.00		Total balance of actual guarantee at the end of report period (A4+B4)		234,689.33		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+ B4)				144.23%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(C)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(D)				188,040.07				
Proportion of total amount of guarantee in net assets of the Company exceed 50%(E)				153,327.15				
Total amount of the aforesaid three guarantees(C+D+E)				341,367.22				
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees				N/A				
Explanations on external guarantee against regulated procedures				N/A				

3. Trust financing

☐Applicable

☒Non-applicable

4. Implementation of material contracts entered into during the normal operation

Nil

5. Other significant contract

□Applicable √Non-applicable

(XI) Explanation on corporate bonds offering

□Applicable √Non-applicable

(XII) Implementation of commitments**1. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or extending to reporting period.**

□Applicable √Non-applicable

2. Explanation on assets or projects that reached the original profit forecast as well as its reasons while the reporting period still in forecast period, and there are profit forecast on assets or projects of the Company

□Applicable √Non-applicable

(XIII) Items of other consolidated income

Unit: RMB

Items	This period	Last period
1. Gains(losses) from financial assets available for sales	0	0
Less: Income tax influences from financial assets available for sales	0	0
Net amount reckoned into other consolidated income in previous period but transferred into gains/losses in current period	0	0
Subtotal	0	0
2. Shares in the other consolidated income of the investee calculated based on equity method	0	0
Less: Income tax influences of shares in the other consolidated income of the investee calculated based on equity method	0	0
Net amount reckoned into other consolidated income in previous period but transferred into gains/losses in current period	0	0
Subtotal	0	0
3. Gains(losses) from cash flow hedge instrument	0	0
Less: Income tax influences from cash flow hedge	0	0
Net amount reckoned into other consolidated income in previous period but transferred into gains/losses in current period	0	0
Adjusted amount transferred to initial confirmed amount of the arbitrated items	0	0
Subtotal	0	0
4. Differences from translating foreign currency financial statements	0	0
Less: Net amount of disposing overseas business transferred to current gains/losses	0	0
Subtotal	0	0
5. Others	0	0
Less: Income tax influences by others reckoned into other consolidated income	0	0

Net amount reckoned into other consolidated income in previous period but transferred into gains/losses in current period	0	0
Subtotal	0	0
Total	0	0

(XIV)Registration form of receiving research, communication and interview in the report period

Date	Place	Way	Type	Object	Content discussed and documents provided
May 17, 2012	Building of Shenzhen Accord Pharmaceutical Co., Ltd	Field research	Institution	Chongqing Financial Research Institute, CITIC building investment, E Fund, Elegant Investment, Guodu Securities, Zexi Investment, Guodu Securities, CITIC Building Investment	Visit the company, and know the development of the company, no information was provided.
Jun. 1, 2012	Building of Shenzhen Accord Pharmaceutical Co., Ltd	Field research	Institution	JPMFC	Visit the company, and know the development of the company, no information was provided.
Jul. 5, 2012	Building of Shenzhen Accord Pharmaceutical Co., Ltd	Field research	Institution	Invesco Great Wall, Guotai Junan Securities, Invesco Great Wall	Visit the company, and know the development of the company, no information was provided.

(XV) Engagement and non-reappointment of CPA

Whether the semi-annual report was audited or not

☐ Yes ☒ No

(XVI) Punishment and rectification for listed company and its directors, supervisor, senior executives, shareholders of the Company, actual controller and purchasers

☐ Applicable ☒ Non-applicable

(XVII) Explanation on other significant events

☐ Applicable ☒ Non-applicable

(XVIII) Major changes of profitability of turn debt guarantor, assets status and credit standings

(Only applies to listed company with corporate convertible bonds offered)

☐ Applicable ☒ Non-applicable

(XIX) Index for information disclosure

Proceeding	Published Magazine and layout	Publishing date	Website and searching route
<i>Resolution of the 7th Meeting of the 6th Session of Supervisory Committee, Resolution of the 7th Meeting of the 6th Session of the Board of Directors, Summary of Annual Report 2011, Annual Report 2011, Work Report 2011 of Independent Director, Auditing Report 2011, Notice on the Application of General Credit Limit from the Bank and the Arrangement of Guarantees 2012, Notice on Opinion of Independent Directors, Self Evaluation Report of Internal Control 2011, Auditing Report on Internal Control, Notice on Holding 2011 Shareholders' General Meeting, Opinion on the Self Evaluation of Internal Control by Board of Supervisors, Inside Information and Insider Management System (Mac. 2012), Special Report on Fund Occupation of Controlling Shareholders and Other Related Parties, Notice on Daily Related Transactions 2012, Rules for the Board of Directors (Mar. 2012), Corporate Social Responsibility Report 2011)</i>	"Securities Times" D52, Hong Kong Commercial Daily A20、21	Mar. 16, 2012	http://www.szse.cn http://www.cninfo.com.cn
<i>Notice on Purchasing 100% Stake of Sinopharm Medicine Holding Jiangmen RenRen Co., Ltd</i>	"Securities Times" B22, "Hong Kong Commercial Daily" A9	Mar. 31, 2012	http://www.szse.cn http://www.cninfo.com.cn
<i>The Summary and Text of 121ST Report</i>	"Securities Times" C49, "Hong Kong Commercial Daily" A19	Apr. 23, 2012	http://www.szse.cn http://www.cninfo.com.cn

<i>Announcement of Resolution of 2011 shareholders' Meeting, Legal Opinion on 2011 Shareholders' Meeting</i>	"Securities Times" B65, "Hong Kong Commercial Daily" A8	Apr. 28, 2012	http://www.szse.cn http://www.cninfo.com.cn
<i>Notice on the Compensation and Arrangement for the House Removal of the Subordinate Sinopharm Medicine Holding Guangxi Logistics Co., Ltd"</i>	"Securities Times" D20, "Hong Kong Commercial Daily" A14	May 16, 2012	http://www.szse.cn http://www.cninfo.com.cn
<i>Notice of Dividend Distribution for 2011</i>	"Securities Times" D20 "Hong Kong Commercial Daily" A11	Jun. 13, 2012	http://www.szse.cn http://www.cninfo.com.cn
<i>Notice on the Payment of Compensation for Chebei Project Termination and the Self-construction of Headquarters building"</i>	"Securities Times" D24, "Hong Kong Commercial Daily" A9	Jun. 21, 2012	http://www.szse.cn http://www.cninfo.com.cn

VIII. Financial Report

(I) Audit Report

Semi-Annual Report Audited or Not

☐ Yes ☒ No

(II) Financial Statements

Consolidated Statements:

☒ Yes ☐ No

All amounts are stated in Renminbi ("RMB") unless otherwise stated

Notes to financial statements are stated in RMB

1. Consolidated balance sheet

Prepared by: China National Accord Medicines CO.,Ltd.

Currency: RMB

Items	Notes	30 June 2012	31 December 2011
Current assets:			

Cash at bank and on hand		895,026,548.58	952,950,167.56
Settlement provision		0	0
Outgoing call loan		0	0
Held-for-trading financial assets		0	0
Notes receivable		605,028,889.32	534,922,741.3
Accounts receivable		4,394,736,822.18	3,580,506,395.7
Advances to suppliers		58,074,632.94	65,857,961.31
Insurance receivable		0	0
Reinsurance receivable		0	0
Provisions of Reinsurance contracts receivable		0	0
Interest receivable		0	0
Dividend receivable		0	0
Other receivables		52,858,405.59	28,656,020.58
Repurchasing of financial assets		0	0
Inventories		1,300,431,074.08	1,313,213,414.68
Current portion of non-current assets		0	0
Other current assets		4,063,215.43	7,653,736.21
Total current assets		7,310,219,588.12	6,483,760,437.34
Non-current assets:			
Loans and payment on other's behalf disbursed		0	0
Disposable financial asset		0	0
Held-to-maturity investment		0	0
Long-term receivable		0	0
Long-term equity investments		98,295,325.71	95,799,627.42
Investment properties		85,681,940.62	86,164,929.7
Fixed assets		598,800,553.24	602,205,927.87
Construction in progress		141,003,444.17	131,042,772.59
Engineering material		0	0
Fixed asset disposal		0	0
Biological assets		0	0
Oil & Gas assets		0	0
Intangible assets		137,365,167.37	119,601,478.86
Development costs		4,366,503.52	3,998,433.69

Goodwill		83,542,336.35	53,555,677.09
Long-term prepaid expenses		18,108,195.83	20,103,138.99
Deferred tax assets		48,594,167.03	44,070,064.25
Other non-current assets		136,256,131.17	40,273,842.92
Total non-current assets		1,352,013,765.01	1,196,815,893.38
TOTAL ASSETS		8,662,233,353.13	7,680,576,330.72
Current liabilities			
Short-term borrowings		1,838,188,971.79	1,839,838,065.68
Loan from Central Bank		0	0
Deposit received and hold for others		0	0
Call loan received		0	0
Trade off financial liabilities		0	0
Notes payable		1,105,740,272.07	1,059,426,952.84
Accounts payable		3,048,521,150.09	2,496,755,405.3
Advances from customers		42,747,675.56	58,705,230.49
Selling of repurchased financial assets		0	0
Fees and commissions payable		0	0
Employee benefits payable		140,151,502.39	142,414,446.06
Taxes payable		68,310,117.67	63,600,830.11
Interests payable		8,367,987.51	10,451,229.03
Dividend payable		0	0
Other payables		415,177,944.78	346,965,182.34
Reinsurance fee payable		0	0
Insurance contract provision		0	0
Entrusted trading of securities		0	0
Entrusted selling of securities		0	0
Current portion of non-current liabilities		14,928,000	23,960,000
Other non-current liabilities		0	0
Total current liabilities		6,682,133,621.86	6,042,117,341.85
Non-current liabilities			
Long-term borrowings		112,111,487.71	93,082,967.96
Bond payable		0	0
Long-term payables		32,915.4	35,536.2

Payables for specific projects		4,287,000	4,519,000
Expected liabilities		0	0
Deferred tax liabilities		23,265,829.99	19,900,787.3
Other non-current liabilities		213,158,877.71	94,245,023.54
Total non-current liabilities		352,856,110.81	211,783,315
TOTAL Liabilities		7,034,989,732.67	6,253,900,656.85
OWNERS' EQUITY			
Paid-in capital		288,149,400	288,149,400
Capital surplus		5,550,338.57	8,735,305.04
Less: Shares in stock		0	0
Special reserves		0	0
Surplus reserve		63,480,745.16	63,480,745.16
General risk reserve		0	0
Undistributed profits		1,191,219,361.77	989,727,826.66
Different of foreign currency translation		0	0
Total equity attributable to equity holders of the Company		1,548,399,845.5	1,350,093,276.86
Minority interest		78,843,774.96	76,582,397.01
Total owners' equity		1,627,243,620.46	1,426,675,673.87
TOTAL LIABILITIES AND OWNERS' EQUITY		8,662,233,353.13	7,680,576,330.72

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

2, Balance Sheet of Parent Company

Currency: RMB

Items	Notes	30 June 2012	31 December 2011
Current assets:			
Cash at bank and on hand		144,950,816.05	164,840,499.86
Held-for-trading financial assets			
Notes receivable		7,566,992.28	8,718,971.96
Accounts receivable		369,480,124.54	295,227,856.2
Advances to suppliers		413,707.37	3,148,580.55

Interest receivable			
Dividend receivable			
Other receivables		753,111,280.96	704,287,016.32
Inventories		116,475,310.73	125,157,825.01
Current portion of non-current assets			
Other current assets		39,482.38	39,482.38
Total current assets		1,392,037,714.31	1,301,420,232.28
Non-current assets			
Disposable financial asset			
Held-to-maturity investment			
Long-term receivable			
Long-term equity investments		1,391,094,820.09	1,332,527,041.51
Investment properties		8,027,050.5	8,841,071.5
Fixed assets		30,624,093.26	32,866,561.06
Construction in progress		253,886.24	253,886.24
Engineering material			
Fixed asset disposal			
Bearer biological assets			
Oil and gas assets			
Intangible assets		26,776,809.98	27,426,551.44
Development costs			
Goodwill			
Long-term prepaid expenses		8,461,170.47	9,030,726.77
Deferred tax assets		3,037,448.27	5,335,693.52
Other non-current assets		7,000,000	7,000,000
Total non-current assets		1,475,275,278.81	1,423,281,532.04
TOTAL ASSETS		2,867,312,993.12	2,724,701,764.32
Current liabilities:			
Short-term borrowings		422,634,603.89	417,648,980.6
Trade off financial liabilities			
Notes payable		206,188,500.68	120,293,155.72
Accounts payable		299,987,674.91	343,946,734.72
Advances from customers		208,520.83	249,535.25
Employee benefits payable		32,133,570	24,966,511.9

Taxes payable		3,808,013.17	1,640,177.39
Interests payable		667,776.34	868,585.17
Dividend payable			
Other payables		663,273,819.85	865,237,491.48
Current portion of long-term borrowings			
Other current liability			
Non-current liabilities		1,628,902,479.67	1,774,851,172.23
Non-current liabilities			
Long-term borrowings			
Bond payable			
Long-term payables			
Payables for specific projects		800,000	1,032,000
Expected liabilities			
Deferred tax liabilities		3,773,319	3,773,319
Other non-current liabilities			
Total non-current liabilities		4,573,319	4,805,319
TOTAL Liabilities		1,633,475,798.67	1,779,656,491.23
OWNERS' EQUITY			
Paid in capital		288,149,400	288,149,400
Capital surplus		14,348,726.93	14,116,726.93
Less: Shares in stock			0
Special reserves			0
Surplus reserve		63,480,745.16	63,480,745.16
Undistributed profits		867,858,322.36	579,298,401
Different of foreign currency translation			0
Total owners' equity		1,233,837,194.45	945,045,273.09
TOTAL LIABILITIES AND OWNERS' EQUITY		2,867,312,993.12	2,724,701,764.32

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

3. Consolidated income statement

Currency: RMB

Items	Notes	Consolidated Six months ended 30	Consolidated Six months ended 31
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		June 2012	December 2011
I. Total operating revenues		8,803,252,346.2	7,209,655,400.57
Including: Sales income		8,803,252,346.2	7,209,655,400.57
Interest income			
Insurance fee earned			
Fee and commission received			
II. Total operating cost		8,501,305,125.54	7,019,841,377.44
Including: cost of sales		7,967,951,745.26	6,532,714,090.9
Interest expense			
Fee and commission			
Insurance discharge payment			
Net claim amount paid			
Net insurance contract reserves			
Insurance policy dividend paid			
Reinsurance expenses			
Taxes and surcharges		26,649,659.87	15,622,190.52
Selling and distribution expenses		233,599,483.22	240,597,217.15
Administration expenses		176,226,562.15	163,398,128.69
Financial expenses – net		88,489,461.15	61,634,098.99
Asset impairment losses		8,388,213.89	5,875,651.19
Add: Gains from change of fair value (“-”for loss)			
Investment income (“-”for loss)		16,016,159.76	12,810,289.3
Including: Share of profits of associates and joint venture		16,016,159.76	12,810,289.3
Gains from currency exchange (“-”for loss)			
Operating profit (“-”for loss)		317,963,380.42	202,624,312.43
Add: Non-operating income		19,109,166.93	15,015,410.03
Less: Non-operating expenses		29,914,252.52	217,194.52
Including: Loss on disposal of non- current assets		8,985,832.5	70,253.22
III. Total profit (“-”for loss)		307,158,294.83	217,422,527.94
Less: Income taxes expenses		63,947,782.17	49,992,392.1
IV. Net profit (“-”for loss)		243,210,512.66	167,430,135.84

Including: Net losses of the acquiree entity in a business combination involving enterprises under common control before the combination date		-240,695.14	-295,307.5
Attributable to equity holders of the Company		240,033,990.64	164,842,022.26
Minority interest		3,176,522.02	2,588,113.58
V. Earnings per share			
Basic earnings per share		0.833	0.572
Diluted earnings per share		0.833	0.572
VI. Other comprehensive income			
VII. Total comprehensive income		243,210,512.66	167,430,135.84
Attributable to equity holders of the Company		240,033,990.64	164,842,022.26
Minority interest		3,176,522.02	2,588,113.58

Net losses of the acquiree entity in a business combination involving enterprises under common control before the combination date is: RMB -240,695.14.

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

4. Income statement of the Parent Company

Currency: RMB

Items	Notes	Six months ended 30 June 2012	Six months ended 31 December 2011
I. Total operating revenues		1,061,913,880.58	946,753,432.44
Including: Sales income		1,009,526,559.83	901,521,599.01
Taxes and surcharges		2,561,289.79	1,912,151.45
Selling and distribution expenses		23,790,432.21	24,588,975.59
Administration expenses		18,789,943.57	19,332,279.73
Financial expenses – net		12,150,824.5	16,818,820.34
Asset impairment losses		-87,845.57	252,914.4
Add: Gains from change of fair value (“-”for loss)			
Investment income (“-”for loss)		333,088,955.75	247,870,767.97
Including: Share of profits of associates and joint venture		16,016,159.76	12,810,289.3
II. Operating profit (“-”for loss)		328,271,632	230,197,459.89
Add: Non-operating income		316,515.21	2,582,378.11
Less: Non-operating expenses		270,558.6	
Including: Loss on disposal of non-current assets		69,125.07	
III. Total profit (“-”for loss)		328,317,588.61	232,779,838
Less: Income taxes expenses		2,298,245.25	3,230,532.5
IV. Net profit (“-”for loss)		326,019,343.36	229,549,305.5
V. Earnings per share		--	--
Basic earnings per share			
Diluted earnings per share			
VI. Other comprehensive			

income			
VII. Total comprehensive income		326,019,343.36	229,549,305.5

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

5, Consolidated cash flows statement

Unit : RMB

Items	Consolidated Six months ended 30 June 2012	Consolidated Six months ended 31 December 2011
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	8,154,024,926.29	7,017,192,904.96
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Refund of taxes and surcharges	1,635,046.52	738,150.65
Cash received relating to other operating activities	54,219,435.33	61,739,956.91
Sub-total of cash inflows	8,209,879,408.14	7,079,671,012.52
Cash paid for goods and services	7,429,617,641.04	6,413,891,243.42
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		

Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	237,818,197.76	221,130,722.37
Payments of taxes and surcharges	267,522,349.76	176,188,362.99
Cash paid relating to other operating activities	136,011,351.41	161,813,391.28
Sub-total of cash outflows	8,070,969,539.97	6,973,023,720.06
Net cash flows from operating activities	138,909,868.17	106,647,292.46
II. Cash flows from investing activities		
Cash received from disposal of investments		1,830,000
Cash received from returns on investments	13,520,461.47	17,595,000
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,186,748.27	2,118,542.7
Cash received from disposal of subsidiaries and other business units		0
Cash received relating to other investing activities	50,000,000.00	2,095,500
Sub-total of cash inflows	64,707,209.74	23,639,042.7
Cash paid to acquire fixed assets, intangible assets and other long-term assets	100,816,136.04	83,999,605.07
Cash paid to acquire investments		3,151,909.31
Net increase of loan against pledge		
Net cash paid to acquire subsidiaries and other business units	24,618,888.24	
Cash paid relating to other investing activities		9,698,496.42
Sub-total of cash outflows	125,435,024.28	96,850,010.8
Net cash flows from investing activities	-60,727,814.54	-73,210,968.1
III. Cash flows from financing activities		
Cash received from capital contributions		
Including: Cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	542,234,155.37	577,822,900

Cash received from bond placing		
Cash received relating to other financing activities	379,293,299.15	253,512,730.06
Sub-total of cash inflows	921,527,454.52	831,335,630.06
Cash repayments of borrowings	556,539,508.71	326,720,493.3
Cash payments for interest expenses and distribution of dividends or profits	115,134,064.07	72,291,396.35
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	915,144.07	0
Cash payments relating to other financing activities	367,370,000.00	258,540,393.07
Sub-total of cash outflows	1,039,043,572.78	657,552,282.72
Net cash flows from financing activities	-117,516,118.26	173,783,347.34
IV. Effect of foreign exchange rate changes on cash and cash equivalents	8,041.09	-546.91
V. Net increase in cash and cash equivalents	-39,326,023.55	207,219,124.79
Add: Cash and cash equivalents at beginning of the period	907,884,162.14	684,764,869.84
VI. Cash and cash equivalent at end of the period	868,558,138.59	891,983,994.63

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

6. Cash flow statement of the Parent Company

Currency: RMB

Items	Six months ended 30 June 2012	Six months ended 31 December 2011
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	1,078,704,746.86	1,054,596,424.06
Refund of taxes and surcharges		
Cash received relating to other operating activities	8,565,080.02	9,195,945.98
Sub-total of cash inflows	1,087,269,826.88	1,063,792,370.04
Cash paid for goods and services	986,191,531.05	1,039,422,432.86
Cash paid to and on behalf of employees	24,886,316.46	23,901,254.31
Payments of taxes and surcharges	12,845,563.17	14,283,145.46

Cash paid relating to other operating activities	15,390,706.25	26,247,197.21
Sub-total of cash outflows	1,039,314,116.93	1,103,854,029.84
Net cash flows from operating activities	47,955,709.95	-40,061,659.8
II. Cash flows from investing activities		
Cash received from disposal of investments		1,830,000
Cash received from returns on investments	113,015,614.75	88,424,879.2
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	207,900	1,338,000
Cash received from disposal of subsidiaries and other business units	5,424,600	
Cash received relating to other investing activities	184,483,271.97	171,500,000
Sub-total of cash inflows	303,131,386.72	263,092,879.2
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,241,178	3,043,716.52
Cash paid to acquire investments		52,751,909.31
Net cash paid to acquire subsidiaries and other business units	44,442,000	
Cash paid relating to other investing activities	233,780,000	186,500,000
Sub-total of cash outflows	279,463,178	242,295,625.83
Net cash flows from investing activities	23,668,208.72	20,797,253.37
III. Cash flows from financing activities		
Cash received from capital contributions		
Cash received from borrowings	70,000,000	330,000,000
Cash received relating to other financing activities	480,563,612.79	520,373,122.79
Sub-total of cash inflows	550,563,612.79	850,373,122.79
Cash repayments of borrowings	90,062,726.66	210,000,000
Cash payments for interest expenses and distribution of dividends or profits	66,347,376.19	63,353,770.36
Cash payments relating to other financing activities	485,667,112.42	454,235,099.01
Sub-total of cash outflows	642,077,215.27	727,588,869.37
Net cash flows from financing activities	-91,513,602.48	122,784,253.42
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-19,889,683.81	103,519,846.99

Add: Cash and cash equivalents at beginning of the period	164,840,499.86	135,498,819.87
VI. Cash and cash equivalent at end of the period	144,950,816.05	239,018,666.86

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

7, Consolidated statement of changes in owners' equity

The current term

Currency: RMB

Items	30 June 2012									
	Attributable to the shareholders of the Company								Minority interest	Total owners' equity
	Paid-in capital	Capital surplus	Less: Shares In stock	Specialized reserve	Surplus reserve	General Risk Reserve	Undistributed profits	Other		
I. Balance at 31 December 2011	288,149,400	5,318,338.57			63,480,745.16		993,269,387.62		76,582,771.92	1,426,800,643.27
Add: Changes in accounting policies										
Corrections of prior period errors										
Other		3,416,966.47			0		-3,541,560.96		-374.91	-124,969.4
II. Balance at 1 January 2012	288,149,400	8,735,305.04			63,480,745.16		989,727,826.66		76,582,397.01	1,426,675,673.87
III. Movements for the period ended 30 June 2012		-3,184,966.47		0	0		201,491,535.11		2,261,377.95	200,567,946.59
(I) Net profit							240,033,990.64		3,176,522.02	243,210,512.66
(II) Other comprehensive income										0
Total of (I) and (II)							240,033,990.64		3,176,522.02	243,210,512.66
(III) Capital contribution	0	-3,184,966.47	0	0	0	0	-1,083,033.53	0	0	-4,268,000

and withdrawal by owners										
1.Capital contribution by owners										
2. Amount of shares paid and accounted as owners' equity										
3. Others		-3,184,966.47					-1,083,033.53			-4,268,000
(IV)Profit distribution	0	0	0	0	0	0	-37,459,422	0	-915,144.07	-38,374,566.07
1. Appropriation to surplus reserves										
2. Providing of common risk provisions										
3. Profit distribution to equity owners							-37,459,422		-915,144.07	-38,374,566.07
4. Others										
(V) Transfer within owners' equity	0	0	0	0	0	0	0	0	0	0
1.Transfer from capital surplus to paid-in capital										
2. Transfer from surplus reserves to paid-in capital										
3. Surplus reserves										

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used to offset accumulated losses										
4. Others										
(VI) Special reserves	0	0	0		0	0	0	0	0	0
1. Provided this year										0
2. Used this term										0
(VII)Other	0	0	0	0	0	0	0	0	0	0
IV. Balance at 30 June 2012	288,149,400	5,550,338.57	0	0	63,480,745.16		1,191,219,361.77		78,843,774.96	1,627,243,620.46

The previous term

Unit:RMB

Items	31 December 2011									
	Owner's equity Attributable to the Parent Company								Minor shareholders' equity	Total of owners' equity
	Paid-in capital	Capital reserves	Less: Share in stock	Specialized reserve	Surplus reserves	General Risk Reserve	Attributable profit	Other		
I. Balance at 31 December 2010	288,149,400	5,030,338.57			39,981,268.55		719,209,302.41		79,075,051.61	1,131,445,361.14
Retroactive adjustment from Business combination under common control		3,416,966.47					-1,557,687.89		5,594.61	1,864,873.19
Changes in accounting										

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policies										
Corrections of prior period errors										
Other										
II. Balance at 1 January 2011	288,149,400	8,447,305.04			39,981,268.55		717,651,614.52		79,080,646.22	1,133,310,234.33
III. Movements for the year ended 31 December 2011	0	288,000	0	0	23,499,476.61	0	272,076,212.14	0	-2,498,249.21	293,365,439.54
(I) Net profit							328,323,616.75		-2,498,249.21	325,825,367.54
(II) Other comprehensive income										
Total of (I) and (II)	0	0	0	0	0	0	328,323,616.75	0	-2,498,249.21	325,825,367.54
(III) Capital contribution and withdrawal by owners	0	288,000	0	0	0	0	1,830,000	0	0	2,118,000
1.Capital contribution by owners										
2. Amount of shares paid and accounted as owners' equity										
3. Others		288,000					1,830,000			2,118,000
(IV)Profit distribution	0	0	0	0	23,499,476.61	0	-58,077,404.61	0	0	-34,577,928
1. Appropriation to					23,499,476.61		-23,499,476.61			0

surplus reserves										
2. Providing of common risk provisions										
3. Profit distribution to equity owners							-34,577,928			-34,577,928
4. Others										
(V) Transfer within owners' equity	0	0	0	0	0	0	0	0	0	0
1. Transfer from capital surplus to paid-in capital										
2. Transfer from surplus reserves to paid-in capital										
3. Surplus reserves used to offset accumulated losses										
4. Others										
(VI) Special reserves										
1. Provided this year										
2. Used this term										
(VII) Other										
IV. Balance at 31 December 2011	288,149,400	8,735,305.04			63,480,745.16		989,727,826.66		76,582,397.01	1,426,675,673.87

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

8. Statement of change in owner's Equity of the Parent Company

Amount of the Current term

Unit:RMB

Items	30 June 2012							
	Paid-in capital	Capital surplus	Less: Shares in stock	Specialized reserve	Surplus reserve	General Risk Reserve	Undistributed profits	Total owners' equity
I. Balance at 31 December 2011	288,149,400	14,116,726.93			63,480,745.16		579,298,401	945,045,273.09
Add:Changes in accounting policies								
Corrections of prior period errors								
Other								
II. Balance at 1 January 2012	288,149,400	14,116,726.93		0	63,480,745.16		579,298,401	945,045,273.09
III. Movements for the period ended 30 June 2012		232,000					288,559,921.36	288,791,921.36
(I) Net profit							326,019,343.36	326,019,343.36
(II) Other comprehensive income								985,088.36
Total of (I) and (II)	0	0	0	0	0	0	326,019,343.36	326,019,343.36
(III) Capital contribution and withdrawal by owners	0	232,000	0	0	0	0	0	232,000
1.Capital contribution by owners								

2. Amount of shares paid and accounted as owners' equity								
3. Others		232,000						232,000
(IV) Profit distribution	0	0	0	0	0	0	-37,459,422	-37,459,422
1. Appropriation to surplus reserves								
2. Providing of common risk provisions								
3. Profit distribution to equity owners							-37,459,422	-37,459,422
4. Others								
(V) Transfer within owners' equity	0	0	0	0	0	0	0	0
1. Transfer from capital surplus to paid-in capital								
2. Transfer from surplus reserves to paid-in capital								
3. Surplus reserves used to offset accumulated losses								
4. Others								
(VI) Special reserves								
1. Provided this year								
2. Used this term								
(VII) Other						0		
IV. Balance at 30 June 2012	288,149,400	14,348,726.93	0		63,480,745.16	0	867,858,322.36	1,233,837,194.4

Amount of the previous term

Currency: RMB

Items	31 December 2011.							
	Paid-in capital	Capital reserves	Less: Shares in stock	Specialized reserve	Surplus reserves	General Risk Reserve	Attributable profit	Total of owners' equity
I. Balance at 31 December 2010	288,149,400	13,828,726.93			39,981,268.55		400,551,039.54	742,510,435.02
Changes in accounting policies								
Corrections of prior period errors								
Other								
II. Balance at 1 January 2011	288,149,400	13,828,726.93			39,981,268.55		400,551,039.54	742,510,435.02
III. Movements for the period ended 31 December 2011		288,000			23,499,476.61		178,747,361.46	202,534,838.07
(I) Net profit							234,994,766.07	234,994,766.07
(II) Other comprehensive income								
Total of (I) and (II)							234,994,766.07	234,994,766.07
(III) Capital contribution and withdrawal by owners	0	288,000	0	0	0	0	1,830,000	2,118,000
1.Capital contribution by owners								
2. Amount of shares paid and accounted as owners' equity								
3. Others		288,000					1,830,000	2,118,000
(IV)Profit distribution	0	0	0	0	23,499,476.61	0	-58,077,404.61	-34,577,928

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1. Appropriation to surplus reserves					23,499,476.61		-23,499,476.61	0
2. Providing of common risk provisions								
3. Profit distribution to equity owners							-34,577,928	-34,577,928
4. Others								
(V) Transfer within owners' equity	0	0	0	0	0	0	0	0
1. Transfer from capital surplus to paid-in capital								
2. Transfer from surplus reserves to paid-in capital								
3. Surplus reserves used to offset accumulated losses								
4. Others								
(VI) Special reserves								
1. Provided this year								
2. Used this term								
(VII) Other								
IV. Balance at 31 December 2011	288,149,400	14,116,726.93			63,480,745.16		579,298,401	945,045,273.09

Legal representative: Wei Yulin

Principal in charge of accounting: Wei Pingxiao

Head of accounting department: Chi Guoguang

(III) General information

China National Accord Medicines Co., Ltd. ('the Company'), formerly known as Shenzhen Health Mineral Water Co., Ltd., was approved by the People's Government of Shenzhen with SFBF (1993) No.356 document to establish on February 1, 1993 through stock restructure as a company limited by shares. In March 1993, with the approval from the Shenzhen Branch of the People's Bank of China, the Company issued 30 million A-shares (including 16.5 million public shares, 3.5 million employee shares and 10 million corporation shares) and 20 million B-shares. After this issuance, the Company's share capital was RMB105 million. Through transfer of capital surplus to share capital and bonus issues for years, the share capital of the Company increased to RMB288,149,400 up to June 30, 2012. The employee shares, domestic public shares and foreign public shares have all been listed on the Shenzhen Stock Exchange.

In November 2000, the Company entered into an Assets Exchange Agreement with Shenzhen Investment Management Company, the original main shareholder of the Company, to exchange all the assets and liabilities of the Company as of August 31, 2000 for Shenzhen Investment Management Company's 100% equity interests in 11 pharmaceutical companies and certain properties as well as 51% equity interests in Shenzhen Tefa Modern Computer Co., Ltd. On December 29, 2000, the above assets exchange proposal was approved by shareholder's voting in the second extraordinary general meeting in 2000. The transaction was completed on January 8, 2001. On June 18, 2001, the Company changed its name to Shenzhen Accord Pharmaceutical Co., Ltd., and belongs to the pharmaceutical manufacturing industry.

On February 18, 2004, the Company's original main shareholder, Shenzhen Investment Management Company, entered into a Stock Transfer Agreement with Sinopharm Group Co., Ltd. (formerly known as Sinopharm Group Medicine Holding Co., Ltd, hereinafter referred to as "Sinopharm Group") to transfer its 43.33% shares in the Company to Sinopharm Group. The legal procedures of the above equity transfer were completed on December 9, 2004. At the same time, as approved by GZCQ (2004) No.525 document from the State-owned Assets Supervision and Administration Commission of the State Council and ZJGSZ (2004) No.94 document from the China Securities Regulatory Commission, the nature of these shares was transferred from state-owned stock to state-owned legal entity stock and Sinopharm Group became the top shareholder of the Company.

On April 14, 2006, the Company's proposal on reformation of segregated stocks was approved. To gain liquidity for the restricted stocks of the Company, the holders of the restricted stocks of the Company agreed to pay the following consideration: based on the stock registration as of April 27, 2006, the Company issued bonus shares on April 28, 2006 at the ratio of 3 shares to every 10 A-shares to liquidated A-share holders which went public on the same day. After this bonus issue, the total number of shares of the Company remained unchanged with corresponding changes in the composition of share holdings. As at June 30, 2012, there were 288,149,400 shares in total.

On December 22, 2011, the Company changed its name from "Shenzhen Accord Pharmaceutical Co.,Ltd" to "China National Accord Medicines Co.,Ltd".

The Company is registered with Shenzhen Administration for Industry & Commerce. Its business license number is 440301103040048 and the serial number of the license is N24657. The operation period of the

Company is from August 2, 1986 to August 2, 2036. The registered capital of the Company is RMB288,149,400. The legal representative of the Company is Wei Yulin.

(IV) Summary of significant accounting policies and accounting estimates

1,Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and 38 specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CAS”) and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting (2010 revised) issued by the China Securities Regulatory Commission.

2,Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the period ended 30 June 2012 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position as of 30 June 2012 and the operating results, cash flows and other information for the period then ended of the Group and the Company.

3,Accounting year

The Company’s accounting year starts on 1 January and ends on 31 December. This financial report period starts on 1 January and ends on 30 June.

4,Recording currency

The recording currency is Renminbi (RMB).

The recording currency of Foreign Subsidiaries: N/A

5,Business combinations

(1)Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(2)Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquirer's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquirer's identifiable net assets, the difference is recognized in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognized amounts of the equity or debt securities.

6,Preparation of consolidated financial statements**(1)Preparation of consolidated financial statements**

A. The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

B. Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realized before the combination date is presented separately in the consolidated income statement.

C. In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

D. All significant inter-group balances, transactions and unrealized profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profits and losses for the period not attributable to Company are recognized as minority interests and presented separately in the consolidated financial statements within equity and net profits respectively.

(2)Disclose the accounting treatment when in the two consecutive fiscal years, buying and then sell, or selling to buy another for the same subsidiary.

N/A

7,Cash and cash equivalent recognition

Cash comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8,Foreign currency translation**(1)Foreign currency translation**

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

(2)Foreign currency translation

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

9,Financial Instruments

Please refer to next paragraphs

(1)Classification of financial assets

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets. The Group currently holds the financial assets including receivables. Receivables, including notes receivables, accounts receivable and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(2)Recognition and measurement

A. Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. Receivables are measured at amortised cost using the effective interest method.

B. Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities of the Group mainly comprise other financial liabilities, including payables and borrowings:

- a. Payables, including notes payable, accounts payable and other payables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
- b. Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised costs using the effective interest method.
- c. Other financial liabilities with maturities no more than one year are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year at the balance sheet date are

classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

(3)Recognition and measurement basis of financial asset transposition

Recognition and measurement basis of financial asset transposition:

A. A financial asset is derecognised when any of the below criteria is met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

B. When commercial asset derecognized, the difference between carrying amount of the asset and consideration received is recognized in profit and loss for the current period.

(4)Financial liability derecognised

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognised part of the financial liability and the consideration paid is recognised in profit or loss.

(5)Recognition basis of financial assets and financial liabilities' fair value

N/A

(6)Impairment of financial assets

N/A

(7)State the basis for the change of intention and ability when reclassification from held-to-maturity investments to available-for-sale financial assets.

N/A

10. Receivables

(1)Receivables with amounts those are individually significant and subject to separate assessment for provision for bad debts

The criterion for determining "individually significant" amounts	Any individual amount is more than RMB 5 million.
The method of providing for bad debts for those individually significant amounts	The amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount

(2)Receivables that are subject to provision for bad debts on the grouping basis

Grouping name	provision for bad debts on the grouping basis	Basis for the Groupings
Aging Groupings	Based on the ageing of receivables	Receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

In the Groupings, The adopting aging analysis method:

☒ Applicable ☐ Not applicable

Aging	Provision ratios used for accounts receivables (%)	Provision ratios used for other receivables (%)
Within 1 year	0%	0%
1 to 2 years	5%	5%
2 to 3 years	10%	10%
More than 3 years	20%	20%
3 to 4 years	20%	20%
4 to 5 years	20%	20%
More than 5 years	20%	20%

In the groups, adopting balance percentage method to withdraw bad debt provision

☐ Applicable ☒ Not applicable

In the groups, adopting other methods to withdraw bad debt provision:

☐ Applicable ☒ Not applicable

(3)Receivables with amounts those are not individually significant but subject to separate assessment for provision for bad debts

The reason for making separate assessment for provision for bad debts:

there exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable

The provision for bad debts:

based on the amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.

11,Inventories

(1)Classification

Inventories include raw materials, work in progress, finished goods and turnover materials, and are measured at the lower of cost and net realizable value.

(2)Costing of inventories

☐First-in first-out method ☒Weighted averages method ☐Specific identification method ☐Others

Cost is determined on the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor and an allocation of systematically allocated overhead expenditures incurred based on normal operating capacity.

(3)Basis for determining net realizable values of inventories and method for making provision for decline in the value of inventories

Provisions for declines in the value of inventories are determined at the excess amount of the carrying value of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes.

(4)Inventory System:

☒Perpetual inventory system ☐Periodic inventory system ☐Others

The Group adopts the perpetual inventory system.

(5)Amortization methods of low value consumables and packaging materials

Turnover materials include low value consumables and packaging materials, which are expensed when issued.

12,Long-term equity investments

(1)Determination of investment cost

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

(2) Subsequent measurement and recognition of related profit and loss

A. For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

B. For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

C. For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus, provided that the Group's proportion of shareholding in the investee remains unchanged. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

(3) Basis for determining existence of control, jointly control or significant influence over investees

A. Control is the power to determine the financial and operating policies of the investee, through what can receive future economic benefits from the business.

B. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

(4) Impairment of long-term equity investments

The carrying amount of long-term equity investments in subsidiaries and associates is reduced to the recoverable amount when the recoverable amount is less than the carrying amount (Note II (20)).

13. Investment properties

A. Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing, and buildings that are being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits

will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred.

B. The Group adopts the cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated or amortized to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values that are expressed as a percentage of cost and the annual depreciation (amortization) rates of investment properties are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation (amortization) rates
Buildings	20-35 years	5%	2.71% to 4.75%
Land use rights	30-50 years	-	2.00% to 3.33%

C. When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer.

D. The investment property's estimated useful life, net residual value and depreciation (amortisation) method applied are reviewed and adjusted as appropriate at each year-end.

E. An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

F. The carrying amount of an investment property is reduced to the recoverable amount if the recoverable amount is below the carrying amount.

14,Fixed assets

(1)Recognition and initial measurement of fixed assets

A. Fixed assets comprise buildings, machinery and equipment, motor vehicles, other equipment and leasehold improvements.

B. Fixed assets are recognised when they are probable that the related economic benefits will flow to the Group and the cost can be reliably measured. Fixed assets purchased or constructed are initially measured at cost at the time of acquisition. The fixed assets contributed by the State shareholders at the reorganisation of the Company into a corporation entity are recognised based on the revaluated amounts approved by the state-owned assets administration department.

C. Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

(2)Recognition and initial measurement of fixed assets from financing lease

N/A

(3) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

items	Estimated useful lives	Estimated residual value	Annual depreciation rates
Buildings	20-35 years	5%	2.71% to 4.75%
Machinery and equipment	10-14 years	5%	6.79% to 9.5%
electronic equipment			
Motor vehicles	5-10 years	5%	9.5% to 19%
Fixed asset improvements	Within 5 years	0	Above 20%
Other equipment	5-10 years	5%	9.5% to 19%
fixed assets from financing lease:	--	--	--
Incl: Buildings			
Machinery and equipment			
electronic equipment			
Motor vehicles			
Other equipment			

(4) Testing and provision method of impairment of fixed assets

When the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(5) Other explanation

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

15, Construction in progress**(1) Classification of construction in progress**

Construction in progress is measured by the construction project.

(2)Timing of construction in progress transferred to fixed assets

Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month.

(3)Testing and provison method of impairment of construction in progress

The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is less than the carrying amount

16,Borrowing costs**(1)Confirmed basis for capitalization of borrowing costs**

The borrowing costs that is directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use. Borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognized in profit or loss for the current period

(2)Period for capitalization of borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalized and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognized in profit or loss for the current period.

(3)Suspended period for capitalization of borrowing costs

Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(4)Calculation of capitalization of borrowing costs

A. For the specific borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalization, the amount of borrowing costs eligible for capitalization is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalization period.

B. For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalization, the amount of borrowing costs eligible for capitalization is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the

rate at which the estimated future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.

17, Bearer biological assets

N/A

18, Oil and gas assets

N/A

19, Intangible assets

(1)The valuation methods of intangible assets

Intangible assets include land use rights, computer softwares, technology patents and trademarks, which initially recognised at cost. Intangible assets contributed by state-owned shareholders during the company reorganisation were recorded based on the valuation amount approved by the state-owned assets supervision and management department. Intangible assets (sales network) acquired in business combinations under common control were recorded based on the fair value at the acquisition date

(2)Adjustment basis for intangible asset with a finite useful life

items	Expected useful life	Basis
Land use rights	30 to 50 years	A land use right granted by government with a infinite useful life would not be amortized. Other land use rights are amortised on the straight-line basis over their approved useful period of 30 to 50 years. If the acquisition costs of land use rights and the buildings located thereon cannot be reliably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.
Computer softwares	3 to 5 years	Computer softwares purchased by the Group are initially measured at cost, which are amortised on the straight-line basis over their approved useful period of 3 to 5 years.
Trademarks	5 to10years	over their effective useful lives
Technology Patents	5 years	over their effective useful lives
Sales Network	Amortization over expected beneficial period	Sales network includes client relationship and distribution channels, amortization over expected beneficial period

(3)Adjustment basis for intangible asset without a definite useful life

- A. The intangible asset rights from the contractual or other legal, but no definite useful life provide.
- B. We cannot determine the period of intangible assets to bring economic benefits for the company although we integrated with the industry or related experts 'discussion.

(4)Impairment of intangible assets

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is less than the carrying amount

(5)The classification basis of expenditure on the research phase and expenditure on the development phase

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred.

Expenditure on the development phase is capitalized only if all of the following conditions are satisfied:

- (1) It is technically feasible to complete the intangible asset so that it will be available for use;
- (2) Management intends to complete the intangible asset, and use or sell it;
- (3) It can be demonstrated how the intangible asset will generate economic benefits;
- (4) Adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development phase can be reliably measured.

(6)The calculation of expenditure on an internal research and development project

Other development expenditures that do not meet the conditions above are recognized in profit or loss in the period in which they are incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period. Capitalized expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

20,Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets under operating leases, and other expenditures that have been made but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

21, Asset transfer with conditions of repurchasing

N/A

22, Expected liabilities

(1)Recognition of expected liabilities

N/A

(2)Measurement of expected liabilities

N/A

23, Share-based payment and equity instruments

N/A

24, Repurchase of shares of the company

N/A

25, Revenue recognition

A. Revenue recognition of sale of goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

B. Revenue recognition of transfer of asset use rights

Revenue is recognized when the economic benefits associated with the transaction will flow to the Group, the related revenue and cost can be reliably measured; the interest income is determined by using the effective interest method, based on the length of time for which the Group's cash is used by others. The income from an operating lease is recognized on a straight-line basis over the period of the lease.

C. Recognition of contract completion status using percentage-of-completion method to recognize the revenue of Service income and Construction contracts revenue.

N/A

26. Government grants

(1)Types

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil

consideration, including refund of taxes and financial subsidies, etc.

(2)Accounting treatment method

1, A government grant is recognized when the conditions attached to it can be complied with and the government grant can be received. For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable; the grant is measured at nominal amount.

2, A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset. Government grants measured at nominal amounts are recognized immediately in profit or loss for the current period.

3, For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognized as deferred income, and included in profit or loss over the periods in which the related costs are recognized; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognized immediately in profit or loss for the current period.

27,Deferred tax assets and deferred tax liabilities

A. Basis for deferred tax assets recognized

a. Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

b. Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws.

c. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss).

d. When it is probable that the temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilized, the corresponding deferred tax assets are recognized.

e. Deferred tax assets are only recognized for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized.

f. At the balance sheet date, deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

B. Basis for deferred tax liabilities recognized

a. Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences).

b. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill.

c. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the

initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss).

d. Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

e. At the balance sheet date, deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

28, Operating leases, Financing leases

A. Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the leaser are classified as operating leases. Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets or charged as an expense for the current period.

B. Accounting treatment for financing leases

N/A

29, Available-for-sale financial assets

A. Recognition basis for available for sale assets

N/A

B. Accounting treatment for available for sale assets

N/A

30, Asset securitization business

N/A

31, Hedge accounting

N/A

32, Changing of main accounting policies, accounting estimations

Changing of main accounting policies, accounting estimations for this period

☐ Yes ☒ No

A. Changing of main accounting policies

Changing of main accounting policies for this period

☐ Yes ☒ No

B. Changing of main accounting estimations

Changing of main accounting estimations for this period

☐ Yes ☒ No

33,Correcting of accounting errors in the prior period

Correcting of accounting errors in the prior period for this period

☐ Yes ☒ No

A. Retrospective Restatement

Accounting errors in the prior period for this period using retrospective restatement

☐ Yes ☒ No

B. Prospective Application

Accounting errors in the prior period for this period using Prospective Application

☐ Yes ☒ No

34. Other main accounting policies, accounting estimations, and preparing financial Statements methods

A. Governmental medical reserve funds and specially approved reserving materials

Appointed by the PRC Government, China National Pharmaceutical Group Corporation ("CNPGC") is responsible for purchasing, allocating and providing the governmental medical reserves, which include the medical products, traditional Chinese medicine and medical appliances for nation-wide emergency rescue and disaster relief. Appointed by the Government of Guangxi Province, Sinopharm Medicine Holding Nanning Co., Ltd. ("Sinopharm Nanning"), a subsidiary of the Group, is responsible for purchasing, allocating and providing the medical reserves, which include the medical products needed for common disease and emergencies triggered by major disasters, epidemics and other situations in Guangxi Province. In accordance with the regulation of CNPGC, as being the enterprise who bears the obligation for specially approved medical reserving materials, the medical reserve funds received from the PRC Government or local government are recognised in other Non-current liabilities. The Group reserves the specially approved medical reserving materials according to the reserve program (by category and by quantity), applies dynamic management and recognises in other non-current assets.

B. Impairment of long-term assets

1, Fixed assets, construction in progress, intangible assets with finite useful lives, Long-term prepaid expenses and investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

2. Goodwill that is separately presented in the financial statements and intangible assets with infinite useful lives are tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the goodwill allocated, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of other assets.

3. Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

C. Employee benefits

Employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, annuity, social security contributions, housing funds, labour union funds, employee education funds and other expenditures incurred in exchange for service rendered by employees

Where the Group terminates the employment relationship with employees before the end of the employment contract or offers compensation for encouraging employees to accept voluntary redundancy, a provision for termination benefits for the compensation arising from termination of the employment relationship with employees is recognized, with a corresponding charge to profit or loss when the Group has made a formal plan for termination of the employment relationship or an offer for voluntary redundancy which will be implemented immediately and cannot be withdrawn by the Group unilaterally.

Except for compensation paid for termination of employment, employee benefits are recognised as salaries and wages payable in the accounting period in which an employee has rendered service, as costs of assets or expenses to whichever the employee service is attributable.

Certain subsidiaries have the defined benefit plans. The Group recognizes salaries, social insurance premiums, etc., to be paid for the early retired employees, during the period from the date when the employees stop rendering service to the normal retirement date, as employee benefits payable through administrative expenses for the current period, when the above conditions for the recognition of termination benefit plan are satisfied.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of the RMB denominated (the currency in which the benefits will be paid) PRC government bonds, and that have terms to maturity approximating to the terms of the related pension liability.

D. Dividend distribution

Cash dividends distribution is recognised as a liability in the period in which it is approved by the annual shareholders' meeting.

E. Rendering of services

The Group provides freight service and storage service to external parties. The freights are recognized as revenue right after the goods are transported to the place of delivery according to contracts or agreements, received and confirmed by the purchasers. The storage charges are recognized as revenue on the basis of services provided during the storage period. Other service revenue is ascertained from the providing of labor services in accordance with the received or to-be-received price of the party that receives the labor services as stipulated in the contract or agreement.

F. Customer Loyalty Programme

Shenzhen Zhijun Pharmaceutical Co., Ltd. ('Zhijun Pharm'), a subsidiary of the group, offers loyalty points programmes where points earned through the purchase of goods can only be redeemed for goods provided by Zhijun Pharm or other free goods. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. Fair value of award points is measured on the basis of the value of the awards (that is, goods or services) for which they could be redeemed, the fair value of the award credits should take account of expected forfeitures as well as the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale.

G. Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

H. Critical accounting estimates and judgments

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(a) Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of asset groups and groups of asset groups is the present value of the future cash flows expected to be derived from them. These calculations require use of estimates.

If management revises the gross margin that is used in the calculation of the future cash flows of asset groups and groups of asset groups, and the revised gross margin is lower than the one currently used, the Group would need to recognise further impairment against goodwill and fixed assets.

If management revises the pre-tax discount rate applied to the discounted cash flows, and the revised pre-tax discount rate is higher than the one currently applied, the Group would need to recognize further impairment against goodwill and fixed assets.

If the actual gross margin/pre-tax discount rate is higher/lower than management's estimates, the impairment loss of goodwill previously provided for is not allowed to be reversed by the Group.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. The Group recognizes income taxes in each jurisdiction based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Accounting estimates on impairment of accounts receivable

In accordance with the Group's accounting policy of receivables (Note II (10)), the Group's management tests annually whether receivables have suffered any impairment. Impairment of receivables has been assessed by taking into account the customers' credit history and financial position together with the current market conditions. Even if the Group's management has made bad debt provision for the expected loss at its best estimate, there is a possibility that changes in customers' financial position or market conditions will alter the result.

(d) Accounting estimates on impairment of inventories

In accordance with the Group's accounting policy of provision for declined in value of inventories, the Group's management estimates the net realizable value of the inventory. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. Even if the Group's management has made stock provision for the expected impairment at its best estimate, there is a possibility that changes in market conditions will alter the result.

(e) Accounting estimates on impairment of long-term assets

In accordance with the Group's accounting policy of impairment of long-term assets, the Group's management tests annually whether long term assets with an indication of impairment have suffered any

impairment, including fixed assets, construction in progress, intangible assets with finite useful lives, Long-term prepaid expenses and investment properties measured using the cost model and long-term equity investments in subsidiaries and associates. The calculation of present value of projection cash flows of these long-term assets requires the use of accounting estimate which is similar to the impairment test of goodwill.

It is reasonably possible that outcomes based on current experience within the next financial year would be significantly different, which will result in a significant impact on the carrying amount of those long-term assets described above.

(f) Useful lives and residual values of property, plant and equipment

The Group determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Management will period review estimated useful lives and estimated residual values of fix assets. Periodic review could result in a change in depreciable lives and residual values, and therefore depreciation expense in the future years, when foreseeable economic lives or foreseeable residual values differ from estimated useful lives or estimated residual values.

(g) Useful lives of sales network

The Group determines the estimated useful lives and consequently the related amortization charges for its sales network. These estimates are based on the historical experience of the actual useful lives of sales network of similar nature and functions and considering the current market environment in PRC and estimations of future changes. Management will increase the amortization charges where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in amortizable lives and therefore amortization expenses in future years.

(V)Taxation

1. The types and rates of taxes applicable to the Group are set out below:

Type	Taxable base	Tax rate
Value added tax ("VAT")	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)	0%,6%,3%,13% or 17%
consumption tax	N/A	
Business tax	Rental income, storage income and Freight income etc.	3%, 5%
City maintenance and construction tax	VAT and business tax	7%
Enterprise income tax("EIT")	Taxable income	15%,20% or 25%
Education surcharge	VAT and business tax	3%
Local Education Surcharge	VAT and business tax	2%

Income tax rate for per Subsidiaries

1. Explanation for different income tax rate for the Subsidiaries

①15%: Shenzhen Zhijun Pharmaceutical Co., Ltd., Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd. and Sinopharm Medicine Holding Shenzhen Herbal Co., Ltd., subsidiaries of the Company, are New Technology Enterprises, and the applicable tax rates are 15%.

②20%: Sinopharm Medicine Holding Guangxi Herbal Sliced Co., Ltd. is a small low-profit enterprise and the income tax rate is 20%.

③25%:Other Subsidiaries are all 25%.

2. Explanation for different VAT for the Subsidiaries

①13% Applicable for herbal sales;

②6% For Sinopharm Medicine Holding Shenzhen Yanfeng Co., Ltd, biological products sales;

③0% For the Contraception products sales.

2,Tax preferences

In 2011, Shenzhen Zhijun Pharmaceutical Co., Ltd. and Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd.,

subsidiaries of the Company, separately obtained the certificate of High and New Technology Enterprises with effective period of 3 years. In 2009, Sinopharm Medicine Holding Shenzhen Herbal Co., Ltd. obtained the certificate of High and New Technology Enterprises with effective period of 3 years. In 2011, Sinopharm Medicine Holding Shenzhen Herbal Co., Ltd. submitted application with Shenzhen Baoshui Local Taxation Bureau concerning tax exemption and reduction of high-tech enterprise. Under the relevant regulations of article 28 of the Corporate Income Tax Law, the applicable tax rates for Shenzhen Zhijun Pharmaceutical Co., Ltd., Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd. and Sinopharm Medicine Holding Shenzhen Herbal Co., Ltd. are 15% (2011: 15%).

3, Others.

N/A

(VI) Business combinations and consolidated financial statements

Business combinations and consolidated financial statements conclusion:

China National Accord Medicines CO., LTD. has 30 subsidiaries, including 24 second subsidiaries and 6 third subsidiaries.

1, Subsidiaries

China National Accord Medicines CO., LTD. has 30 subsidiaries, including:

24 secondary subsidiaries: China National Accord Medicines CO., LTD., Sinopharm Medicine Holding Guangzhou Co., Ltd. ('Sinopharm Guangzhou'), Sinopharm Guangdong Accord Hengxing Pharmaceutical Co., Ltd. ('Sinopharm Hengxing'), Guangdong Huixin Investment Co., Ltd. ('Huixin Investment'), Sinopharm Medicine Holding Foshan Co., Ltd. ('Sinopharm Foshan'), Sinopharm Medicine Holding Huizhou Co., Ltd. ('Sinopharm Huizhou'), Sinopharm Medicine Holding Zhaoqing Co., Ltd. ('Sinopharm Zhaoqing'), Sinopharm Medicine Holding Jiangmen Renren Co., Ltd. ('Sinopharm Jiangmen'), Sinopharm Medicine Holding Guangdong Logistics Co., Ltd. ('Guangdong Logistics'), Sinopharm Medicine Holding Dongguan Co., Ltd. ('Sinopharm Dongguan'), Sinopharm Medicine Holding Yuexing Co., Ltd. ('Sinopharm Yuexing'), Sinopharm Medicine Holding Zhanjiang Co., Ltd. ('Sinopharm Zhanjiang'), Sinopharm Medicine Holding Meizhou Co., Ltd. ('Sinopharm Meizhou'), Sinopharm Medicine Holding Shenzhen Logistics Co., Ltd. ('Shenzhen Logistics'), Sinopharm Medicine Holding Shenzhen Jianmin Co., Ltd. ('Sinopharm Jianmin'), Sinopharm Medicine Holding Shenzhen Yanfeng Co., Ltd. ('Sinopharm Yanfeng'), Sinopharm Medicine Holding Shenzhen Material Co., Ltd. ('Sinopharm Material'), Guangdong Accord Pharmaceutical Vocational Skills Training Center ('Training Center'), Sinopharm Medicine Holding Shenzhen Herbal Co., Ltd. ('Shenzhen Herbal'), Shenzhen Zhijun Pharmaceutical Co., Ltd. ('Zhijun Pharm'), Shenzhen Zhijun Trade Co., Ltd. ('Zhijun Trade'), Suzhou Zhijun Wanqing Pharmaceutical Co., Ltd. ('Suzhou Wanqing'), Sinopharm Medicine Holding Liuzhou Co., Ltd. ('Sinopharm Liuzhou'), Sinopharm Medicine Holding Guangxi Co., Ltd. ('Sinopharm Guangxi'), Shenzhen Medicine Trade Co., Ltd.

6 third subsidiaries: Sinopharm Medicine Holding Guangxi Herbal Sliced Co., Ltd. ('Guangxi Herbal'), Sinopharm Medicine Holding Wuzhou Co., Ltd. ('Sinopharm Wuzhou'), Sinopharm Medicine Holding Guangxi Logistics Co., Ltd. ('Guangxi Logistics'), Sinopharm Medicine Holding Yulin Co., Ltd. ('Sinopharm Yulin'), Sinopharm Medicine Holding Baise Co., Ltd. ('Sinopharm Baise'), Sinopharm Medicine Holding Guilin Co., Ltd. ('Sinopharm Guilin Co., Ltd.').

(1)Subsidiaries acquired under set up or the means such as investment

Newly setup subsidiaries Sinopharm Baise and Sinopharm Guilin.

Currency: RMB

Subsidiaries Name	Subsidiaries type	Place of registration	Nature of business	Registered capital	Currency	Principal activities	Year-End balance of investment	Other assets constitute investment in substance	Equity interest held (%)	Voting rights held (%)	Consolidated or not	Minority interests	Loss shared by minority interest	The balance between current losses assumed by minority shareholders' deducted from owners' equity belongs to parent company and the minority shareholders' attributable share of owners' equity at the opening balance
Sinopharm Baise	Wholly owned subsidiary	Baise	Commercial	10,000,000	CNY	Chinese herbs, medicine, Chinese Herbal Medicine, chemical raw materials and their preparations, antibiotics, biochemical medicines, biological items (except	10,000,000	0	100%	100%	Yes	0	0	0

						vaccines), psychotropic substances, the Narcotic Drugs								
Sinopharm Guilin	Wholly owned subsidiary	Guilin	Commercial	10,000,000	CNY	Chinese herbs, medicine, Chinese Herbal Medicine, chemical raw materials and their preparations, antibiotics, biochemical medicines, biological items (except vaccines), the second class of psychotropic drugs, medical toxic drugs, etc.	10,000,000	0	100%	100%	Yes	0	0	0

Other explanation for subsidiaries acquired under set up or the means such as investment

N/A

(2)Subsidiaries acquired under common control

Zhijun Pharm, Sinopharm Jianmin, Shenzhen Medicine Trade Co., Ltd. ('Shenzhen Trade') (i), Sinopharm Material, Zhijun Trade, Shenzhen logistics, Training Center, Sinopharm Hengxing, Sinopharm Yulin(Note 2), Sinopharm Liuzhou, Guangxi Herbal, Huixin Investment, Sinopharm Foshan, Sinopharm Yuexing,Guangdong Logistics, Sinopharm Guangxi, Guangxi Logistics, Shenzhen Herbal, Sinopharm Wuzhou.

Unit:RMB

Subsidiaries name	Subsidiaries type	Place of registration	Nature of business	Registered capital (RMB '0000)	Currency	Principal activities	Year-End balance of investment	Other assets constitute investment in substance	Equity interest held (%)	Voting rights held (%)	Consolidated or not	Minority interests	Loss share d by minority interests	The balance between current losses assumed by minority shareholders' deducted from owners' equity belongs to parent company and the minority shareholders' attributable share of owners' equity at the opening balance
Zhijun Pharm	Wholly owned subsidiary	Shenzhen	Manufacturing	200,000,000.00	CNY	Original chemical medicine manufacture, Chinese patent medicine processing, chemical raw material of medicine, the imports and exports business which transacted according to examined and	237,062,000	0	100%	100%	Yes	0	0	0

						approved certificate								
Sinop harm Jianm in	Wholly owned subsidiary	Shenzhe n	Commerci al	5,000, 000	CNY	Wholesale of chemical agent, antibiotics agent, chemical and biological agent, blood products, raw material of chemical product, Chinese medicine and diagnosis products	53,4 83,0 00	0	100 %	100 %	Yes	0	0	0
Shen zhen Medic ine Trade Co., Ltd. (‘She nzh n Trade’) (i)	Wholly owned subsidiary	Shenzhe n	Commerci al	1,880, 000	CNY	Wholesale and retail of drugs and textiles	8,47 9,00 0	0	100 %	100 %	Yes	0	0	0
Sinop harm Materi al	Wholly owned subsidiary	Shenzhe n	Commerci al	6,000, 000	CNY	Chinese patent medicine, western medicine,	8,16 7,00 0	0	100 %	100 %	Yes	0	0	0

						medicine treatment apparatus								
Zhijun Trade	Wholly owned subsidiary	Shenzhe n	Commerci al	1,890, 000	CNY	Purchase and sale of Chinese traditional medicinal materials, Chinese patent medicine, chemical raw material for medical treatment, antibiotic preparation, chemical medicine preparation etc.	3,73 4,00 0	0	100 %	100 %	Yes	0	0	0
Shen zhen logisti cs	Wholly owned subsidiary	Shenzhe n	Service	1,000, 000	CNY	Storage service, convey, liquidation of cargo external package and common transportation of road	1,01 9,00 0	0	100 %	100 %	Yes	0	0	0
Traini ng	Wholly owned	Shenzhe n	Service	30,00 0	CNY	Training service	30,0 00	0	100 %	100 %	Yes	0	0	0

Ce nte r	subsidiary													
Sinop harm Guan gzhou	Wholly owned subsidiary	Guangzh ou	Commerci al	400,0 00,00 0	CNY	Chinese patent medicine, chemical medicine preparation, antibiotics, biochemical medicine, biological products, diagnosis medicine, treatment diagnosis biological products, finalized packing food, chemical products, self-support and surrogate the imports and exports of various merchandise and skills.	483, 888, 000	0	100 %	100 %	Yes	0	0	0

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Sinop harm Heng xing	Wholly owned subsidiary	Guangzh ou	Commerci al	40,00 0,000	CNY	Drugs, medical apparatus sales	37,1 42,0 00	0	100 %	100 %	Yes	0	0	0
Sinop harm Yulin	Wholly owned subsidiary	Yulin	Commerci al	5,000, 000	CNY	Drug sales	0	0	100 %	100 %	Yes	0	0	0
Sinop harm Liuzh ou	Wholly owned subsidiary	Liuzhou	Commerci al	20,53 0,600	CNY	Chinese traditional medicinal materials, Chinese patent medicine, Chinese traditional medicine in pieces, chemical raw material, chemical medicine preparation, antibiotics, biochemical drugs, psychotropic drugs, chemical raw material drug and its preparation. (that	22,2 06,0 00	0	51%	51 %	Yes	31,2 55,6 61.6 9	0	0

						involving specific examination and approve should be operated based on the scope that checked and ratified by the license)								
Guanxi Herbal	Share holding subsidiary	Liuzhou	Manufacturing	2,000,000	CNY	Manufacturing and sales of Chinese herbal pieces		0	51%	100%	Yes	0	0	0
Huixin Investment	Wholly owned subsidiary	Guangzhou	Service	5,000,000	CNY	Project investment, property management and leasing, medical information consultancy, car park management	64,417,000	0	100%	100%	Yes	0	0	0
Sinopharm Foshan	Wholly owned subsidiary	Foshan	Commercial	10,000,000	CNY	Drug sales	14,995,000	0	100%	100%	Yes			
Sinopharm Yuexi	Wholly owned subsidiary	Guangzhou	Commercial	30,000,000	CNY	Sales of medicine and medical treatment	43,459,000	0	100%	100%	Yes	0	0	0

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ng						apparatus								
Guan gdong Logist ics	Wholly owned subsidiary	Guangzh ou	Service	5,000, 000	CNY	Storage loading and unloading	5,59 6,00 0	0	100 %	100 %	Yes	0	0	0
Sinop harm Guan gxi	Wholly owned subsidiary	Nanning	Commerci al	100,0 00,00 0	CNY	Drug sales	104, 049, 000	0	100 %	100 %	Yes	0	0	0
Guan gxi Logist ics	Wholly owned subsidiary	Nanning	Service	7,100, 706.8 8	CNY	Storage loading and unloading, consultation service		0	100 %	100 %	Yes	0	0	0
Shen zhen Herba l	Wholly owned subsidiary	Shenzhe n	Manufact uring	50,00 0,000	CNY	Manufacturing of granules, lotion, tablet, capsule, oral liquid and mixture, and syrup; manufacturing and sale of hair products, bath foam and cosmetics, and detergent (antibiosis washing liquid); manufacturing of plastic bottle;	48,0 81,0 00	0	100 %	100 %	Yes	0	0	0

						manufacturing and sale of health food.								
Sinop harm Wuzh ou	Share holding subsidiar y	Wuzhou	Commerci al	3,300, 000	CNY	Chinese herbs, medicine, Chinese Herbal Medicine, chemicals and their preparations, antibiotics, biochemical medicines, biological products, medical toxic drugs, anabolic agents and peptide hormones medicines	3,15 0,00 0	0	99.7 %	100 %	Yes	-346. 07	0	0

Other explanation for subsidiaries acquired under common control:

Note1: Shenzhen Trade ceased its operation in 2003.

Note2: Sinopharm Yulin, a former wholly owned subsidiary of the Company, became wholly owned of Sinopharm Guangxi on January 1st, 2012, is indirectly held of 100% in equity by the Company.

Note3: Guangxi Herbal, a wholly owned subsidiary of Sinopharm Liuzhou, is indirectly held of 51% in equity by the Company.

Note4: Guangxi Logistics, a wholly owned subsidiary of Sinopharm Guangxi, is indirectly held of 100% in equity by the Company.

(3) Subsidiaries acquired not under common control

Suzhou Wanqing, Sinopharm Dongguan, Sinopharm Zhanjiang, Sinopharm Yanfeng, Sinopharm Meizhou, Sinopharm Huizhou, Sinopharm Zhaoqing, Sinopharm Jiangmen.

Currency: RMB

Subsidiaries name	Subsidiary Type	Place of registration	Nature of business	Registered capital	Currency	Principal activities	Year-End balance of investment	Other assets constituting investment in substance	Equity interest held (%)	Voting rights held (%)	Consolidated or not	Minority interests	Loss shared by minority interests	The balance of current loss assumed by shareholders deducted from owners' equity belongs to company's minority share attributable share of ownership equity at the opening
Suzhou Wanqing	Share holding subsidiary	Suzhou	Manufacturing	80,000,000	CNY	Production and sales of general raw materials of medicine, raw medicine and preparation of cephalosporin; do export	134,250,000	0	75%	75%	Yes	22,961,028.55	0	

business of production and
technology of the Company

Sinopharm Dongguan	Wholly owned subsidiary	Dongguan	Commercial	10,000,000	CNY	Wholesales of Chinese traditional medicinal materials, Chinese patent medicine, Chinese traditional medicine in pieces, chemical raw material; sales of daily general merchandise and health protection food	9,942,000	0	100%	100%	Yes	0	0	
Sinopharm Zhanjiang	Wholly owned subsidiary	Zhanjiang	Commercial	15,000,000	CNY	Wholesale of medicine	15,769,900	0	100%	100%	Yes	0	0	
Sinopharm Yanfeng	Share holding subsidiary	Shenzhen	Commercial	30,000,000	CNY	Wholesale of medicine	38,207,800	0	51%	51%	Yes	24,627,430.79	0	
Sinopharm Meizhou	Wholly owned subsidiary	Meizhou	Commercial	1,200,000	CNY	Wholesale of medicine	4,481,900	0	100%	100%	Yes	0	0	
Sinopharm Huizhou	Wholly owned subsidiary	Huizhou	Commercial	7,000,000	CNY	Wholesale of medicine	5,644,200	0	100%	100%	Yes	0	0	
Sinopharm	Wholly	Zhaoqing	Commercial	2,000,000	CNY	Chinese herbs, medicine,	3,542,000	0	100%	100%	Yes	0	0	

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rm zhaoqin g	owned subsidia ry		rcial			Chinese Herbal Medicine, chemicals and their preparations, antibiotics, biochemical medicines, biological products (except vaccines), psychotropic drugs, narcotic drugs, medicinal toxic drugs, anabolic agents and peptide hormones, drugs, etc.								
Sinopha rm Jiangm en	Wholly owned subsidia ry	Jiangmen	Comme rcial	10,000,000	CNY	Chinese herbs, medicine, Chinese Herbal Medicine, chemicals and their preparations, antibiotics, biochemical medicines, biological products (except vaccines), psychotropic drugs, narcotic drugs, medicinal toxic drugs, anabolic agents and peptide hormones, drugs, etc.	40,900,000	0	100%	100%	Yes	0	0	

Other explanation of subsidiaries acquired not under common control

N/A

2,Special purpose entities, or the operating entity foster the control power through entrusted with the operation or lessee

☐ Applicable ☒ Not applicable

Other explanation for special purpose entities, or the operating entity foster the control power through entrusted with the operation or lessee

N/A

3,Explantion for change of scope of consolidation

Explantion for change of scope of consolidation:

New acquisition subsidiaries for this period:Sinopharm Zhaoqing,Sinopharm Jiangmen,Sinopharm Wuzhou

New set-up subsidiaries:Sinopharm Baise,Sinopharm Guilin

☒ Applicable ☐ Not applicable

There are 5 more subsidiaries for consolidation compared with last period because:

For the realization of the Twelve Five-Year Strategic Development Plan, expand market share, and vigorously promote the epitaxial expansion mode.

There are no subsidiaries for consolidation reduce compared with last period because:

N/A

4, Newly incorporated into the main body of the scope of consolidation and no longer included in the main body of the scope of consolidation during the reporting period

Newly incorporated into the main body of the scope of consolidation:Sinopharm Zhaoqing, Sinopharm Jiangmen Sinopharm Wuzhou,Sinopharm Baise,Sinopharm Jiangmen, Sinopharm Guilin

Subsidiaries for newly incorporated into the main body of the scope of consolidation,special purpose entities, or the operating entity foster the control power through entrusted with the operation or lessee

Currency: RMB

Name	Net asset in the period-end	Net profit for this peirod
Sinopharm Zhaoqing	2,475,950.25	10,291.78
Sinopharm Jiangmen	11,292,546.68	1,138,843.24
Sinopharm Wuzhou	-115,353.36	9,616.04
Sinopharm Baise	10,000,211.89	211.89
Sinopharm Guilin	10,001,386.84	1,386.84

Subsidiaries no longer included in the main body of the scope of consolidation, special purpose entities, or the operating entity foster the control power through entrusted with the operation or lessee during the reporting period

N/A

5, Business combinations under common control for this period

Currency: RMB

The merged party	Judgement Basis for Business combinations under common control	The actual controller under common control	Revenue from period-beginning to consolidation date	Net profit from period-beginning to consolidation date	Cash flow from operating activities from period-beginning to consolidation date
Sinopharm Wuzhou	under common control China National Medicines Co.,Ltd.	China National Medicines Co.,Ltd.	7,055,650.23	-240,695.14	-1,367,454.11

Other explanation for business combinations under common control:

N/A

6, Business combinations not under common control for this period

Currency: RMB

The merged party	Goodwill amount	Goodwill calculation method
Sinopharm Zhaoqing	2,594,341.53	combination cost 5,060,000.00RMB - the acquiree's identifiable net assets at fair value on combination date 2,465,658.47 =Goodwill 2,594,341.53.
Sinopharm Jiangmen	21,192,317.73	combination cost 56,000,000.00 - the acquiree's identifiable net assets at fair value on combination date 34,807,682.27=Goodwill 21,192,317.73

Other explanation for business combinations not under common control for this period:

N/A

7, Subsidiaries reduced by selling equities without control right during the reporting period

N/A

8, The counter purchases in the reporting period

N/A

9, Mergers in the reporting period

N/A

10, Exchange rates of major items in financial statements for foreign entities

N/A

VII Notes to the consolidated financial statements**1. Cash at bank and on hand**

Item	30 June 2012			31 December 2011		
	Foreign currency	Exchange rate	RMB	Foreign currency	Exchange rate	RMB
Cash on hand:	--	--	67,571.77	--	--	48,381.59
RMB	--	--	67,571.77	--	--	48,381.59
Cash at bank:	--	--	868,490,566.82	--	--	907,835,780.55
RMB	--	--	868,490,541.75	--	--	907,835,721.38
HKD	30.75	0.82	25.07			
USD				9.17	6.453	59.17
Other cash balances:	--	--	26,468,409.99	--	--	45,066,005.42
RMB	--	--	26,468,409.99	--	--	45,066,005.42
Total	--	--	895,026,548.58	--	--	952,950,167.56

As at 30 June 2012, except a deposit of HKD which was equivalent to RMB25.07 (31 December 2011: USD deposit equivalent to RMB59.17), all other cash at bank and on hand are in RMB. Other cash balances represent RMB26,468,409.99 of deposits for the purpose of applying for bank acceptance notes (31 December 2011: RMB25,066,005.42 of deposits for the purpose of applying for bank acceptance notes and RMB20,000,000.00 of the temporary capital deposits of Sinopharm Nanning for the establishments of new subsidiaries).

2. Financial assets held for trading**(1) Financial assets held for trading**

☐Applicable ☒Not applicable

(2) Financial assets held for trading with limited use

☐Applicable ☒Not applicable

(3) Hedging instruments and notes to relevant hedging transaction

□Applicable √Not applicable

3. Notes receivable**(1) The notes receivable by category are analysed below:**

Categories	30 June 2012	31 December 2011
Bank acceptance notes	272,877,889.51	252,793,459.39
Trade acceptance notes	332,150,999.81	282,129,281.91
Total	605,028,889.32	534,922,741.3

(2) Notes receivable which have been pledged as security at the end of the period:

□Applicable √Not applicable

(3) Notes receivable reclassified to accounts receivable due to the drawers' inability to settle the note on maturity, and notes endorsed by the Company to other parties which are not yet due at the end of the period:

Notes receivable reclassified to accounts receivable due to the drawers' inability to settle the note on maturity

□Applicable √Not applicable

The top five notes receivable are analysed as below.

	Issue date	Expiry date	Amount	Remark
General Hospital of Guangzhou Military Command of PLA	6 June 2012	6 September 2012	14,768,782.62	Trade acceptance notes
Guangdong Provincial People's Hospital	14 June 2012	14 October 2012	5,486,233.58	Trade acceptance notes
General Hospital of Guangzhou Military Command of PLA	26 June 2012	26 September 2012	4,996,767.11	Trade acceptance notes
Guangdong Provincial People's Hospital	10 May 2012	10 September 2012	4,307,560.8	Trade acceptance notes
Guangdong Yinhe Pharmaceutical Co., Ltd.	28 May 2012	28 November 2012	3,000,000	Bank acceptance notes
Total	--	--	32,559,344.11	--

Note:

The top five note receivable are 32,559,344.11, 5.38% of total note receivable.

Note to discounted undue notes receivable:

As at 30 June 2012, notes receivable including undue trade acceptance notes of RMB148,162,109.72 (31 December 2011: RMB154,597,987.59), and undue bank acceptance notes of RMB282,652,468.19 (31 December 2011: RMB80,801,595.56) have been discounted.

4. Dividends receivable

☐Applicable ☒Not applicable

5. Interest receivable

(1) Interest receivable

☐Applicable ☒Not applicable

(2) Overdue interest

☐Applicable ☒Not applicable

(3) Notes to interest receivable

☐Applicable ☒Not applicable

6. Accounts receivable

(1) The accounts receivable and related provision for bad debts by category are analysed below:

	30 June 2012				31 December 2011			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
individually significant are subject to separate impairment assessment	40,107,637.53	0.91%	19,174,686.68	47.81%	34,637,925.19	0.96%	16,677,034.14	48.15%
receivable accounts within similar credit risk group								
Aging	4,353,734,542.08	98.5%	460,028.09	0.01%	3,553,033,667.61	98.62%	212,211	0.01%
		0%						
Subtotal	4,353,734,542.08	98.5%	460,028.09	0.01%	3,553,033,667.61	98.62%	212,211	0.01%
Individually not significant but	26,280,748.65	0.59%	5,751,391.31	21.88%	15,046,840.16	0.42%	5,322,792.12	35.37%

individually evaluated for impairment								
Total	4,420,122,928.26	--	25,386,106.08	--	3,602,718,432.96	--	22,212,037.26	--

Notes to category of accounts receivable:

(1) Accounts receivables with amounts that are individually significant: Period end balance is great than 500 million.

(2) Accounts receivables that are subject to provision for bad debts on the grouping basis:

Accounts receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

A provision for impairment of accounts receivables is made based on the ageing of receivables at the following percentage:

	Provision ratios used for accounts receivables
Within 1 year	-
1 to 2 years	5%
2 to 3 years	10%
More than 3 years	20%

(3) Accounts receivables with amounts that are not individually significant but subject to separate assessment for provision for bad debts: there exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable.

As at 30 June 2012, impairment provision for accounts receivable individually significant are analysed as below:

☒ Applicable ☐ Inapplicable

	Carrying amount	Bad debt provision	Rate	Assessment for impairment
Guangdong Liyuan Pharmaceutical Co. Ltd.	15,686,460.93	15,686,460.93	100%	Disputed receivable with higher risk of recoverability.
NanNing Second People's Hospital	7,348,181.43	779,734.43	10.61%	Disputed receivable with higher risk of recoverability.
LiuZhou LiuTie Central Hospital	10,590,547.63	210,838.78	1.99%	Disputed receivable with higher risk of recoverability.
Beijing Shirentang Pharmaceutical Co., Ltd.	6,482,447.54	2,497,652.54	38.53%	Disputed receivable
Total	40,107,637.53	19,174,686.68	--	

Provisions for impairment of the receivables which have a similar risk group by using an ageing analysis are analysed below:

√ Applicable □ Inapplicable

	30 June 2012			31 December 2011		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	amount	% of total balance		amount	% of total balance	
Within 1 year						
	--	--	--	--	--	--
	4,347,493,017.59	99.86%	0	3,549,990,947.87	99.92%	0
Subtotal	4,347,493,017.59	99.86%	0	3,549,990,947.87	99.92%	0
1 to 2 years	4,058,806.94	0.09%	211,559.04	1,841,219.74	0.05%	92,061
2 to 3 years	1,880,742.64	0.04%	188,074.26	1,201,500	0.03%	120,150
Over 3 years	301,974.91	0.01%	60,394.79			
Total	4,353,734,542.08	--	460,028.09	3,553,033,667.61	--	212,211

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

□ Applicable √ Not applicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision

□ Applicable √ Not applicable

As at 30 June 2012, accounts receivable individually not significant but individually evaluated for impairment are analysed below :

	Carrying amount	Bad debt provision	Rate	Assessment for impairment
Longgang Central Hospital of Shenzhen	4,739,471.54	333,620.92	7.04%	Uncertainty in recoverability under legal process
Peking University Shenzhen Hospital	4,456,371.28	670,476.15	15.05%	Lawsuit progressing, but probably cannot recover the bad debt
The Second People's Hospital of Shenzhen	4,657,006.34	1,434,789.46	30.81%	Uncertainty in recoverability under legal process
The Third People's Hospital	3,742,512.44	150,786.50	4.03%	Uncertainty in recoverability under legal process
The First People's Hospital of Hechi	1,366,392.40	7,177.72	0.53%	Disputed receivable with some risk of recoverability

The Red Cross Hospital of Wuzhou	997,915.83	11,688.32	1.17%	Disputed receivable with some risk of recoverability
The Red Cross Hospital of Liuzhou	829,149.55	12,682.17	1.53%	Disputed receivable with some risk of recoverability
Guangzhou Da Shenlin Medicine Co., Ltd	773,956.27	773,956.27	100.00 %	Uncertainty in recoverability under legal process
Shatang Central Health Center of Liuzhou	686,959.39	69,646.03	10.14%	Uncertainty in recoverability under legal process
Others	4,031,013.61	2,286,567.77	56.72%	Uncertainty in recoverability under legal process
Total	26,280,748.65	5,751,391.31	21.88%	--

(2) Accounts receivable reversed or collected in the reporting period

√Applicable □Not applicable

Currency: RMB

Accounts receivable type	Receive or reverse reason	Basis for provision	provision for bad debts before received and reversed	Amount
Payment	Receivable recover	Aging	368,610.79	316,056.31
Total	--	--	368,610.79	--

As at 30 June 2012, accounts receivable individually significant or not significant but individually evaluated for impairment are analysed below

Accounts receivable type	Carrying amount	Bad debts	provision	Reason
Guangxi zhuang autonomous region medicines co	46,065.66	46,065.66	100%	Ageing of this account receivable is over 3 years
Wuxuan zhenjia pharm	61,064.32	61,064.32	100%	The customer suffer bankrupt, unable repay of receivable.
Total	107,129.98	107,129.98	--	--

(3) Accounts receivable written off in the period

□Applicable √Not applicable

(4) Accounts receivable due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below:

√ Applicable □ Inapplicable

	30 June 2012		31 December 2011	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Sinopharm Group	5,707,245.6	0	13,341,144.9	0
Total	5,707,245.6	0	13,341,144.9	0

(5) As at 30 June 2012, the top five accounts receivable by customer are analysed as below:

	Relationship with the Group	Amount	Ageing	% of the total accounts receivable
Center for Disease Control and Prevention of Guangdong Province	Third party	136,428,786.00	Within 1 year	3.09%
The Third Affiliated Hospital of ZhongShan University	Third party	67,061,477.35	Within 1 year	1.52%
The First Affiliated Hospital of GuangXi Medical University	Third party	63,793,560.29	Within 1 year	1.45%
Zhujiang Hospital of Southern Medical University	Third party	47,483,249.06	Within 1 year	1.08%
GuangDong Province People's Hospital	Third party	43,974,559.17	Within 1 year	1.00%
Total	--	358,741,631.87	--	8.14%

(6) Accounts receivable due from related party

	Relationship with the Company	Amount	% of total accounts receivable
Accounts receivable due from related party	Related parties	238,168,565.18	5.39%
Total	--	238,168,565.18	5.39%

(7) Derecognized accounts receivable

	Derecognized amount	Profit or loss related to derecognition
Irrevocable factoring contracts	393,967,878.74	0
Total	393,967,878.74	0

(8) Description of securitization on the accounts receivables

□Applicable √Not applicable

7. Other Receivables**(1) Other receivables and related provision for bad debts by category are analysed below:**

	30 June 2012				31 December 2011			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	% of total amount	Amount	% of total amount	Amount	% of total amount	Amount	% of total amount
Individually significant are subject to separate impairment assessment	8,980,000	13.59%	8,980,000	100%	8,980,000	21.87%	8,980,000	100%
Receivable accounts within similar credit risk group								
Aging	48,770,440.75	73.78%	188,085.88	0.39%	24,168,535.85	58.85%	74,161.25	0.31%
Subtotal	48,770,440.75	73.78%	188,085.88	0.39%	24,168,535.85	58.85%	74,161.25	0.31%
Individually not significant but individually evaluated for impairment	8,347,463.78	12.63%	4,071,413.06	48.77%	7,915,439.63	19.28%	3,353,793.65	42.37%
Total	66,097,904.53	--	13,239,498.94	--	41,063,975.48	--	12,407,954.9	--

Note: Note: The nature of other receivables including:

(1) Other receivables with amounts that are individually significant: Period end balance is great than 500 million.

(2) Other receivables that are subject to provision for bad debts on the grouping basis:

Other receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

A provision for impairment of other receivables is made based on the ageing of receivables at the following percentage:

	Provision ratios used for other receivables
Within 1 year	-
1 to 2 years	5%

2 to 3 years	10%
More than 3 years	20%

(3) Other receivables with amounts that are not individually significant but subject to separate assessment for provision for bad debts: there exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable.

.As at 30 June 2012, impairment provision for other receivables individually significant are analysed as below:

☒ Applicable ☐ Not applicable

	Amount	Bad debt provision	Rate	Assessment for impairment
Shenzhen Yinghai Technology investment Co., Ltd.	8,980,000	8,980,000	100%	Uncertainty in recoverability
Total	8,980,000	8,980,000	--	--

Provisions for impairment of the receivables which have a similar risk group by using an ageing analysis are analysed below:

☒ Applicable ☐ Not applicable

	30 June 2012			31 December 2011		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	amount	% of total amount		amount	% of total amount	
Within 1 year						
	43,649,901.26	89.5%	0	20,723,468.05	85.75%	0
Subtotal	43,649,901.26	89.5%	0	20,723,468.05	85.75%	0
1 to 2 years	4,647,258.66	9.53%	140,757.79	3,439,603.8	14.23%	73,068.45
2 to 3 years	473,280.83	0.97%	47,328.09			
Over 3 years				5,464	0.02%	1,092.8
Total	48,770,440.75	--	188,085.88	24,168,535.85	--	74,161.25

In the group, other accounts receivable that provisions for bad debts by balance percentage:

☐ Applicable ☒ Not applicable

In the group, other accounts receivable that provisions for bad debts by other methods:

☐ Applicable ☒ Not applicable

As at 30 June 2012, other receivables individually not significant but individually evaluated for impairment are analysed

below:

√ Applicable □ Not applicable

	Amount	Bad debt provision	Rate	Assessment for impairment
ShenZhen Health Food I&E Co. Ltd.	1,157,860	1,157,860	100%	Uncertainty in recoverability
Service fee etc.	7,189,603.78	2,913,553.06	40.52%	Uncertainty in recoverability
Total	8,347,463.78	4,071,413.06	48.77%	--

(2) Reversals and collections during the period

√ Applicable □ Not applicable

Currency: RMB

Other Receivable content	Receive or Reverse	basis of provision for bad debts	provision for bad debts before received and reversed	Amount
Deposit, bonds, etc	Receive	According to aging	210,338.25	15,699.81
Total	--	--	210,338.25	--

(3) Other receivables written off in the period

□ Applicable √ Not applicable

(4) Accounts receivable due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below

□ Applicable √ Not applicable

(5) Nature of other receivables with significant amount

	Amount	Nature	% of the total other receivable
ShenZhenShi YingHai Technology&Investment Co. Ltd.	8,980,000	Receivable of equity transaction	13.59%
Guangdong Huize Investment Co., Ltd.	4,980,000	Compensation to be clearing	7.53%
GuangXi Autonomous Region Housing system Reformed Department	1,901,707.85	Payment made on behalf	2.88%
Liuzhou Housing Fund Management Centre	1,708,508.47	Housing fund	2.58%

Shanghai Novartis Trading Co., Ltd.	1,490,073.54	Service fee	2.25%
Total	19,060,289.86	--	28.84%

Note: N/A

(6) As at 30 June 2012, the top five other receivables by customer are analysed below:

	Relationship with the Group	Amount	Ageing	% of the total other receivable
ShenZhenShi YingHai Technology&Investment Co. Ltd.	Third party	8,980,000	Over 5 years	13.59%
Guangdong Huize Investment Co., Ltd.	Third party	4,980,000	Within 1 year	7.53%
GuangXi Autonomous Region Housing system Reformed Department	Third party	1,901,707.85	Over 5 years	2.88%
Liuzhou Housing Fund Management Centre	Third party	1,708,508.47	Over 5 years	2.58%
Shanghai Novartis Trading Co., Ltd.	Third party	1,490,073.54	Within 1 year	2.25%
Total	--	19,060,289.86	--	28.84%

(7) Other receivables due from related party

	Relationship with the company	Amount	% of the total other receivable
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group	1,215,000	1.84%
Total	--	1,215,000	1.84%

(8) Derecognized of other receivables

☐Applicable ☒Not applicable

(9) Description of securitization on the other receivables

☐Applicable ☒Not applicable

8. Advances to suppliers**(1) The ageing of advances to suppliers is analysed below:**

	30 June 2012		31 December 2011	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	55,887,027.34	96.23%	61,704,597.49	93.69%
1 to 2 years	1,862,742.23	3.21%	623,928.87	0.95%
2 to 3 years	127,331.01	0.22%	0	0%
Over 3 years	197,532.36	0.34%	3,529,434.95	5.36%
Total	58,074,632.94	--	65,857,961.31	--

The illustration for the ageing of advances to suppliers:

As at 30 June 2012, the balance of advances to suppliers that ageing over one year is RMB2,187,605.60, which is mainly deposits for patent Research and Development.

(2) As at 30 June 2012, the top five advances to suppliers by customer are analysed below:

	Relationship with the group	Amount	Date	Reason for unsettlement
NCPC Hebei Huamin Pharmaceutical Co., LTD	Third party	4,050,969.6	27 April 2012	Advances for procurement
Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	Related party	3,370,000	1 March 2012	Advances for procurement
Qinghai Pharmaceutical factory Co., Ltd	Related party	3,182,179	28 April 2012	Advances for procurement
Sunflower Group Pharmaceutical Co., LTD	Third party	2,604,470.5	21 June 2012	Advances for procurement
GLAXOSMITHKLINE LIMITED	Third party	2,070,547.25	17 January 2012	Advances for procurement
Total	--	15,278,166.35	--	--

(3) Advances to suppliers due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below

☐Applicable ☒Not applicable

(4) Notes to advances to suppliers

Advances to suppliers are mainly related taxes and purchase.

9. Inventories**(1) Inventories by category are analysed as below:**

	30 June 2012			31 December 2011		
	Book value	Provision	Net book value	Book value	Provision	Net book value
Raw materials	101,876,103.83	6,558,397.11	95,317,706.72	128,933,630.01	8,749,136.38	120,184,493.63
Work in progress	32,297,407.44		32,297,407.44	32,594,856.82		32,594,856.82
Finished goods	1,146,855,856.69	11,473,610.19	1,135,382,246.5	1,130,907,025.1	14,444,602.02	1,116,462,423.08
Turnover materials						
Consumptive biological assets						
Consigned processing material	1,605,877.04		1,605,877.04	2,379,345.2		2,379,345.2
Goods in transition	34,032,748.32	298,360.03	33,734,388.29	40,099,925.25	157,915.73	39,942,009.52
Low cost consumable	1,387,627.71		1,387,627.71	857,373.23		857,373.23
Packaging materials	712,421.43	6,601.05	705,820.38	792,913.2		792,913.2
Total	1,318,768,042.46	18,336,968.38	1,300,431,074.08	1,336,565,068.81	23,351,654.13	1,313,213,414.68

(2) Provision for declines in value of inventories is analysed as below:

	31 December 2011	Increase	Decrease		30 June 2012
			Reversal	Write-off	
Raw materials	8,749,136.38	14,492.9	2,205,232.17		6,558,397.11
Work in progress					
Finished goods	14,444,602.02	9,644,224.2	1,316,075.56	11,299,140.47	11,473,610.19
Turnover materials					
Consumptive biological assets					
Consigned					

processing material					
Goods in transition	157,915.73	298,360.03		157,915.73	298,360.03
Low cost consumable					
Packaging materials		18,413.58		11,812.53	6,601.05
Total	23,351,654.13	9,975,490.71	3,521,307.73	11,468,868.73	18,336,968.38

(3) Provision for decline in value of inventories

	Reasons for provision	Reasons for reversal of provision	Reversal of total inventories
Raw materials	Cost higher than net realisable value	Rising net realisable value of inventories higher than cost	2.16%
Work in progress	Cost higher than net realisable value	Rising net realisable value of inventories higher than cost	0.11%
Finished goods			0%
Turnover materials			0%
Consumptive biological assets			0%
Consigned processing material	Cost higher than net realisable value		0%
Goods in transition	Cost higher than net realisable value		0%

Note to inventories: N/A

10. Other current assets

	30 June 2012	31 December 2011
Corporate income tax to be deducted	39,482.38	1,785,503.23
VAT to be deducted	4,023,733.05	5,868,232.98
Total	4,063,215.43	7,653,736.21

Note to other current assets: N/A

11. Available-for-sale financial assets

(1) Available-for-sale financial assets

☐Applicable ☒Not applicable

(2) Available-for-sale equity instruments

□Applicable √Not applicable

12. Held-to-maturity investments**(1) Held-to-maturity investments**

□Applicable √Not applicable

(2) Sales amounts of undue held-to-maturity investments during the period

□Applicable √Not applicable

13. Long-term receivables

□Applicable √Not applicable

14. Investment in joint venture and associates

Investee	Type	Registr ation place	Legal repres entativ e	Busine ss	Share capita l	Curr ency	Shari ng(%)	Voting share(%)	Total assets at balanc e sheet date	Total liabilitie s at balanc e sheet date	Total net assets at balanc e sheet date	Reven ue	Net profit
I. Joint venture													
II. Associate													
Shenzhen Wanle Pharmaceutical Co., Ltd.	sino-for eign joint venture s	Shenz hen	Yan Zhigan g	Manuf aturing	19,54 4,550	USD	35.19 %	33.33 %	632,48 9,530.9	359,57 0,438.9 8	272,91 9,091.9 2	285,06 8,709.7 8	50,570, 426.44

Note: N/A

15. Long-term equity investments

(1) Associates

	Accounting method	Original investment cost	31 December 2011	Increases/ (Decreases)	30 June 2012	Equity interest held (%)	Voting rights held (%)	Explanation for the inconsistency between equity interest held and voting rights held	Provision	Accrual of provision in current year	Current cash dividend
Shenzhen Wanle Pharmaceutical Co., Ltd.	Equity method	4,457,400	95,799,627.42	2,495,698.29	98,295,325.71	35.19%	33.33%	Board of the directors is the highest decision making organization, which is formed by 3 shareholders of Wanle Medical evenly, each shareholder appoints 2 directors set up the board	0	0	13,520,461.47
Total	--	4,457,400	95,799,627.42	2,495,698.29	98,295,325.71	--	--	--	0	0	13,520,461.47

(2) Information of the limitation on the capability to transfer capital to investee

□Applicable √Not applicable

16. Investment properties**(1) Investment properties measured by cost**

	31 December 2011	Increase in current year	Decrease in current year	30 June 2012
A. Cost	172,885,351.28	4,269,156.45	682,657.05	176,471,850.68
1.Buildings	152,728,757.27	4,269,156.45	682,657.05	156,315,256.67
2.Land use rights	20,156,594.01	0	0	20,156,594.01
B. Accumulated depreciation/ amortisation	85,420,421.58	4,724,047.78	654,559.3	89,489,910.06
1.Buildings	83,682,458.72	4,527,372.09	654,559.3	87,555,271.51
2.Land use rights	1,737,962.86	196,675.69	0	1,934,638.55
C. Net book value	87,464,929.7	0	0	86,981,940.62
1.Buildings	69,046,298.55	0	0	68,759,985.16
2.Land use rights	18,418,631.15	0	0	18,221,955.46
D. Provision for impairment loss	1,300,000	0	0	1,300,000
1.Buildings	1,300,000	0	0	1,300,000
2.Land use rights		0	0	
F. Carrying amount	86,164,929.7	0	0	85,681,940.62
1.Buildings	67,746,298.55	0	0	67,459,985.16
2.Land use rights	18,418,631.15	0	0	18,221,955.46

	January to June, 2012
Amount of depreciation and amortization	3,220,900.39
Amount of provision for impairment loss	0

(2) Investment properties measured by fair value

N/A

17. Fixed assets

(1) Fixed assets

	31 December 2011	Increase in current year		Decrease in current year	30 June 2012
A. Cost	945,127,066.76	40,528,309.05		27,362,936.1	958,292,439.71
Buildings	423,670,934.61	8,531,909.72		19,410,291.59	412,792,552.74
Machinery and equipment	321,122,580.44	23,340,427.88		3,656,107.31	340,806,901.01
Motor vehicles	54,663,635.74	962,562.29		1,630,024.2	53,996,173.83
Other	130,056,178.02	7,147,409.16		2,666,513	134,537,074.18
Leasehold improvements	15,613,737.95	546,000			16,159,737.95
--	31 December 2011	Increase in current year	Accrual in current year	Decrease in current year	30 June 2012
B. Accumulated depreciation	342,921,138.89	328,155.21	36,867,919.01	20,625,326.64	359,491,886.47
Buildings	97,277,640.3		8,178,822.07	13,514,330.95	91,942,131.42
Machinery and equipment	128,933,323.69		15,158,696.56	3,220,475.45	140,871,544.8
Motor vehicles	23,122,665.5	127,200.66	3,084,824.76	1,345,180.88	24,989,510.04
Other	83,325,003.85	200,954.55	9,679,682.86	2,545,339.36	90,660,301.9
Leasehold improvements	10,262,505.55		765,892.76		11,028,398.31
--	31 December 2011	--			30 June 2012
C. Net book value	602,205,927.87	--			598,800,553.24
Buildings	326,393,294.31	--			320,850,421.32
Machinery and equipment	192,189,256.52	--			199,935,356.21
Motor vehicles	31,540,970.24	--			29,006,663.79
Other	46,731,174.4	--			43,876,772.28
Leasehold improvements	5,351,232.4	--			5,131,339.64
D. Provision	0	--			0
Buildings	0	--			0
Machinery and equipment	0	--			0
Motor vehicles	0	--			0
Other	0	--			0
Leasehold improvements	0	--			0
E. Carrying amount	602,205,927.87	--			598,800,553.24
Buildings	326,393,294.31	--			320,850,421.32

Machinery and equipment	192,189,256.52	--	199,935,356.21
Motor vehicles	31,540,970.24	--	29,006,663.79
Other	46,731,174.4	--	43,876,772.28
Leasehold improvements	5,351,232.4	--	5,131,339.64

The depreciation charged in Six months ended 30 June 2012 are RMB36,867,919.01; In Six months ended 30 June 2012, fixed assets transferred from construction in progress are RMB24,820,831.01.

(2) Idle fixed assets

☐Applicable ☒Not applicable

(3) Fixed assets leased out under operating leases

☐Applicable ☒Not applicable

(4) Fixed assets leased out under operating leases.

☐Applicable ☒Not applicable

(5)Held-for-sale fixed asset

☐Applicable ☒Not applicable

(6) Fixed assets of which certificates of title have not been obtained

☐Applicable ☒Not applicable

18. Construction in progress

(1)

	30 June 2012			31 December 2011		
	Book value	Provision	Net book value	Book value	Provision	Net book value
Zhijun Pharm Guanlan Stage II Project	56,362,027.08		56,362,027.08	34,454,871.59		34,454,871.59
Guangxi Logistics Center Project	25,338,725.42		25,338,725.42	22,481,720.32		22,481,720.32
Menstruum Recycling Plant Project	14,832,852.18		14,832,852.18	15,141,346.09		15,141,346.09
Asepsis Materials Plant Project				14,830,665.89		14,830,665.89

Peinan Project	11,946,120.84		11,946,120.84	11,311,813.32		11,311,813.32
Chebei Project	8,515,595.20		8,515,595.2	7,515,595.20		7,515,595.20
Cefoxitin Plant Improvement Project	6,358,080.42		6,358,080.42	6,189,414.31		6,189,414.31
Multifunctional Warehouse Project	1,785,174.70		1,785,174.70	1,253,509.03		1,253,509.03
Reconstruction of Wastewater Treatment Project and others	15,610,982.09		15,610,982.09	17,133,027.52		17,133,027.52
Other projects	253,886.24		253,886.24	730,809.32		730,809.32
Total	141,003,444.17	0	141,003,444.17	131,042,773.59	0	131,042,772.59

(2) Significant changes of construction in progress in Six months ended 30 June 2012 are below:

	Budget of project	31 December 2011	Current year additions	Transfer to fixed assets during current year	Current year decreases	Cost up to date out of budget (%)	Construction progress (%)	Accumulated capitalized borrowing cost	Borrowing cost capitalized in Six months ended 30 June 2012	Weighted average interest rate (%)	Financed by	30 June 2012
Asepsis Materials Plant Project	59,340,000	14,830,665.89	1,545,360.81	16,376,026.7	0	100%	99%	1,509,020.73	1,357,663.87	5.99%	Working capital and borrowings	0
Nanning Logistics Center Project	154,667,633	22,481,720.32	5,170,423.89	2,120,256.40	193,162.39	82%	99%	5,739,988.86	252,779.33	6.71%	Working capital and borrowings	25,338,725.42
Menstruum Recycling Plant Project	18,216,000	15,141,346.09	0	308,493.91	0	100%	99%	1,376,457.93	0		Working capital	14,832,852.18
Cefoxitin Plant Improvement Project	9,180,000	6,189,414.31	168,666.11	0	0	100%	99%	75,510.7	75,510.7	5.99%	Working capital and borrowings	6,358,080.42
Chebei Project	11,810,000	7,515,595.2	1,000,000	0	0	72%	72%	0	0		Working capital	8,515,595.2
Multifunctional Warehouse	11,520,000	1,253,509.03	570,127.21	38,461.54	0	98%	99%	255,242.18	255,242.18	5.99%	Working capital and borrowings	1,785,174.7

Project												
Peinan Project	40,000,000	11,311,813.32	634,307.52	0	0	99%	99%	283,975.28	283,975.28	5.99%	Working capital and borrowings	11,946,120.84
Zhijun Zhiyao Guanglan Stage II Project	250,000,000	34,454,871.59	22,191,237.55	284,082.06	0	43%	43%	233,898.64	233,898.64	7.16%	Working capital and borrowings	56,362,027.08
Wastewater Treatment Project and others	117,038,000	17,133,027.52	3,641,550.44	5,163,595.87	0	40%	40%	1,367,996.46	27,363.96	5.99%	Working capital and borrowings	15,610,982.09
Other projects	0	730,809.32	52,991.45	529,914.53	0			23,723.92	23,723.92	5.99%	Working capital and borrowings	253,886.24
Total	671,771,633	131,042,772.59	34,974,664.98	24,820,831.01	193,162.39	--	--	10,865,814.7	2,510,157.89	--	--	141,003,444.17

(3) Provision

☐Applicable ☒Not applicable

(4) Construction on progress

	Construction on progress	Remark
Asepsis Materials Plant Project	99%	
Guangxi Logistics Center Project	99%	
Menstruum Recycling Plant Project	99%	
Cefoxitin Plant Improvement Project	99%	
Multifunctional Warehouse Project	99%	
Zhijun Zhiyao Guanglan Stage II Project	43%	
Reconstruction of Wastewater Treatment Project and others	40%	

(5) Notes to construction in progress

☐Applicable ☒Not applicable

19. Construction material

☐Applicable ☒Not applicable

20. Disposal of fixed assets

☐Applicable ☒Not applicable

21. Biological assets

☐Applicable ☒Not applicable

22. Oil and gas assets

☐Applicable ☒Not applicable

23. Intangible assets**(1) Intangible assets**

	31 December 2011	Current year additions	Current year decreases	30 June 2012
A. Cost	204,789,616.11	27,836,352.37	6,000,831	226,625,137.48
Computer software	13,200,777.11	2,119,213.18		15,319,990.29
Land use rights	138,308,055.67	917,139.19	6,000,831	133,224,363.86
Trademarks	196,850			196,850
Proprietary	53,083,933.33			53,083,933.33
Sales Network		24,800,000		24,800,000
B. Accumulated amortization	82,188,137.25	4,071,832.86	0	86,259,970.11
Computer software	10,023,615.71	909,517.39		10,933,133.1
Land use rights	27,791,450.58	1,483,757.09		29,275,207.67
Trademarks	174,916.66	16,117.54		191,034.2
Proprietary	44,198,154.3	1,662,440.84		45,860,595.14
Sales Network				
C. Net book value	122,601,478.86	0	0	140,365,167.37
Computer software	3,177,161.4			4,386,857.19
Land use rights	110,516,605.09			103,949,156.19
Trademarks	21,933.34			5,815.8
Proprietary	8,885,779.03			7,223,338.19
Sales Network				24,800,000
D. Provision for impairment loss	3,000,000	0	0	3,000,000
Computer software				
Land use rights				
Trademarks				
Proprietary	3,000,000			3,000,000
Sales Network				
E. Carrying amount	119,601,478.86	0	0	137,365,167.37
Computer software	3,177,161.4			4,386,857.19
Land use rights	110,516,605.09			103,949,156.19
Trademarks	21,933.34			5,815.8
Proprietary	5,885,779.03			4,223,338.19

Sales Network				24,800,000
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In Six months ended 30 June 2012, amortisation of intangible assets that are recognized in profit or loss for the current period amount to RMB 4,071,832.86.

(2) Expenditures on research and development incurred in . are listed as below:

	31 December 2011	Current year additions	Current year decreases		30 June 2012
			Current profit or loss	Recognized intangible asset	
Expenditures on research and development	3,998,433.69	368,069.83	0	0	4,366,503.52
Total	3,998,433.69	368,069.83	0	0	4,366,503.52

The percentage of expenditures on research and development in Six months ended 30 June 2012 of total expenditures on research and development is 1.01%.

The percentage of recognized intangible asset of total intangible assets is 0%.

(3) Intangible asset of which certificates of title have not been obtained

☐Applicable ☒Not applicable

(4) Others

In May 2012, the Company received Shen Gui Tu Ping Han[2012]293<G13113-0100, land right and other related information belongs to> issued by the Bureau of Planning, Land and Resources of Shenzhen Municipality, which said the Company is exempted from vacant land fee approved by the municipal government. As a result, the Company reversed the liability of RMB 9,190,000 and the project on Ping Shan of Longgang district would be launched in year end.

24. Goodwill

	30 December 2011	Increases	Decreases	30 June 2012	Provision
Sinopharm Yanfeng	16,868,644.87			16,868,644.87	
Sinopharm Meizhou	1,610,819.66			1,610,819.66	
Sinopharm Huizhou	923,184.67			923,184.67	
Sinopharm Zhanjiang	282,135.55			282,135.55	
Sinopharm Dongguan	1,499.02			1,499.02	

Suzhou Wanqing	33,869,393.32			33,869,393.32	
Sinopharm Zhaoqing		2,594,341.53		2,594,341.53	
Sinopharm Jiangmen		27,392,317.73		27,392,317.73	
Total	53,555,677.09	29,986,659.26	0	83,542,336.35	0

Note: The illustration of goodwill impairment testing method and the method of provision for goodwill impairment is as below:

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of assets other than goodwill.

25. Long-term prepaid expenses

	31 December 2011	Current year additions	Current year amortisation	Current year other decreases	30 June 2012	Assessment for other decreases
Leasehold improvements	19,019,005.23	314,352.72	2,158,908.05		17,174,449.9	N/A
Others	1,084,133.76	77,306.86	227,694.69		933,745.93	N/A
Total	20,103,138.99	391,659.58	2,386,602.74	0	18,108,195.83	--

Note:N/A

26. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets/liabilities and relevant deductible and taxable temporary difference after offsetting:

	30 June 2012	31 December 2011
Deferred tax assets:		
Provision for assets impairment	12,178,300.29	12,251,957.13
Establishment charge	0	0
Deductible losses	9,005,882.06	5,707,702.49
Accrued expenses	9,970,659.41	5,903,465.72
Accrued payroll	7,802,988.37	9,558,094.14
Deferred revenue	7,397,319.86	7,064,337.65

Others	2,239,017.04	3,584,507.12
Subtotal	48,594,167.03	44,070,064.25
Deferred tax liabilities:		
Valuation of financial instruments held for trading and derivatives	0	0
Accumulated changes in fair value of available-for-sale financial assets to other comprehensive income	0	0
Business combination involving entities not under common control	8,719,201.28	2,761,423.21
Changes in fair value from assets revaluation	10,598,993.53	13,179,149.48
Others	3,947,635.18	3,960,214.61
Subtotal	23,265,829.99	19,900,787.3

Details of unrecognized deferred tax assets

	30 June 2012	31 December 2011
Deductible losses	0	3,975,000
Other deductible temporary differences	38,213,685.61	24,516,268.65
Total	38,213,685.61	28,491,268.65

The deductible losses which are not recognized as deferred tax assets will expire in following years.

	30 June 2012	31 December 2011	Remark
2013	0	0	
2014	0	0	
2015	13,657,521.99	9,748,417.56	
2016	14,767,851.09	14,767,851.09	
2017	9,788,312.53	0	
Total	38,213,685.61	24,516,268.65	--

Details of taxable differences and deductible differences items

	Temporary difference	
	30 June 2012	31 December 2011
Taxable differences items		
Assets evaluation difference of corporation restruction	42,395,974.12	52,716,597.93

Acquisition under non-common control	41,594,675.18	18,409,488.08
Other	16,255,383.85	16,339,246.79
Subtotal	100,246,033.15	87,465,332.8
Deductible differences items		
Provision of accounts receivable	25,315,110.51	22,077,157.93
Provision of other receivables	13,019,861.35	12,187,579.91
Provision for decline in value of inventories	18,245,498.33	23,212,083.12
Provision for long-term equity investments	0	0
Provision for impairment of investment properties	657,609.76	671,168.73
Accrued selling expense	65,492,333.33	37,652,168.18
Employee benefit payable	38,934,016.52	46,916,608.47
Accrued payments to retiree	0	0
Deferred income	48,782,132.4	46,562,251.05
Deductible losses	48,716,529.09	35,323,416.95
Accrued liabilities	0	
Other	10,846,902.96	17,691,687.07
Subtotal	270,009,994.25	242,294,121.41

(2) Deferred tax assets and liabilities are listed as the net value after offset

☐Applicable ☒Not applicable

27. Provision for asset impairment

	31 December 2011	Increases	Decreases		30 June 2012
			Reversal	Written off	
Provision for receivables	34,619,992.16	4,337,368.98	331,756.12		38,625,605.02
Provision for declines in value of inventories	23,351,654.13	9,975,490.71	3,521,307.73	11,468,868.73	18,336,968.38
Provision for impairment of available-for-sale financial assets					
Provision for impairment of held-to-maturity investment					
Provision for impairment of long-term equity investments		0			0

Provision for investment property impairment	1,300,000	0			1,300,000
Provision for impairment of fixed assets	0				0
Provision for impairment of construction project materials					
Provision for impairment of construction in progress	0	0			0
Provision for impairment of bearer biological assets					
Including: Provision for impairment of mature bearer biological assets					
Provision for impairment of oil and gas assets	0	0			0
Provision for intangible assets impairment	3,000,000	0			3,000,000
Provision for impairment of goodwill					0
Other					
Total	62,271,646.29	14,312,859.69	3,853,063.85	11,468,868.73	61,262,573.4

Note: N/A

28. Other non-current assets

	30 June 2012	31 December 2011
Medical reserve fund	38,836,485.73	37,163,948.02
Prepayment for equipment	27,169,645.44	3,109,894.9
Compensation in goods from demolition	70,250,000	0
Total	136,256,131.17	40,273,842.92

Note: The subsidiary Guangxi Logistics obtained RMB120.25millions compensation for the demolition carried out by the government; As at 30 June,2012, the company has received cash compensation amounted RMB50million and another physical compensation amounted RMB70.25million would be received in year 2015 when completion.

29. Short-term borrowings**(1) Category**

	30 June 2012	31 December 2011
Pledge borrowings	29,246,624.78	0
Secured borrowings	0	0
Guaranteed borrowings	358,884,666.23	146,054,097.48
Unsecured borrowings	1,099,265,571.06	1,201,815,980.61
Entrusted borrowings	202,630,000	337,370,000
Discounted notes	148,162,109.72	154,597,987.59
Total	1,838,188,971.79	1,839,838,065.68

Note: As at 30 June 2012, pledged loans represented the account receivable in irrevocable factoring contracts agreed with financial institute are not derecognized; guaranteed borrowings are RMB 358,884,666.23 (2011: 146,054,097.48). Unsecured borrowings are RMB1,099,265,571.06 (2011: 1,201,815,980.61), guaranteed between the company and its subsidiaries.

(2) Short-term borrowings overdue but not yet repaid

☐Applicable ☒Not applicable

30. Held-for-trading financial liabilities

☐Applicable ☒Not applicable

31. Notes payable

	30 June 2012	31 December 2011
Trade acceptance notes	178,435,156.6	182,966,615.77
Bank acceptance notes	927,305,115.47	876,460,337.07
Total	1,105,740,272.07	1,059,426,952.84

As at 30 June 2012, notes receivable of RMB1,105,740,272.07 would be expired within 1 year (31 December 2011: RMB1,059,426,952.84).

32. Accounts payable**(1)**

	30 June 2012	31 December 2011
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Accounts payable for purchases	3,048,521,150.09	2,496,755,405.3
Total	3,048,521,150.09	2,496,755,405.3

(2) Accounts payable due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below:

	30 June 2012	31 December 2011
Sinopharm Group	41,973,797.04	74,626,867.68
Total	41,973,797.04	74,626,867.68

Notes to accounts payable aged over 1 year:

As at 30 June 2012, accounts payable of RMB72,816,707.69 (31 December 2011: RMB44,732,970.31) were aged over 1 year, which were mainly for quality deposit. Before the financial statement is approved, no such long aged accounts payable have been settled.

33. Advances from customers

(1)

	30 June 2012	31 December 2011
Advances from customers	42,747,675.56	58,705,230.49
Total	42,747,675.56	58,705,230.49

(2) Advances from customers due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below:

☐Applicable ☒Not applicable

Notes to advances from customers aged over 1 year:

As at 30 June 2012, advances from customers of RMB1,468,389.74, were aged over 1 year. Before the financial statement is approved, no such long aged advances have been settled.

34. Employee benefits payable

	31 December 2011	Current year additions	Current year reductions	30 June 2012
Wages and salaries bonuses	114,611,695.4	187,353,067.58	187,843,090.61	114,121,672.37
Staff welfare	354,584.16	12,547,104.09	12,773,828.25	127,860
Social security contributions	767,833.16	19,881,556.23	19,126,612.37	1,522,777.02
Including: Medical insurance	113,984.87	5,780,144.9	5,662,822.14	231,307.63

Basic pensions	550,795.78	12,164,784.51	11,605,408.91	1,110,171.38
Unemployment insurance	84,413.64	927,093.34	902,459.06	109,047.92
Work injury insurance	3,037.29	558,041.67	527,549.5	33,529.46
Maternity insurance	15,601.58	451,491.81	428,372.76	38,720.63
Housing funds	497,601.75	6,232,688.47	6,034,497.78	695,792.44
Supplemental pensions	10,647,031.09	1,323,517.76	1,949,257.95	10,021,290.9
Others	15,535,700.5	8,258,278.38	10,131,869.22	13,662,109.66
Including: Supplemental pensions	2,998,247.13	1,392,710.56	3,127,251.18	1,263,706.51
Labor union funds and employee education funds	10,638,569.27	6,725,103.13	6,048,254.73	11,315,417.67
Others	1,898,884.1	140,464.69	956,363.31	1,082,985.48
Total	142,414,446.06	235,596,212.51	237,859,156.18	140,151,502.39

As at 30 June 2012, there are no payroll payables in arrears.

As at 30 June 2012, labor union funds and employee education funds paid are 6,048,254.73 and there is no non-monetary welfare. The compensation for employee dismissal are 1,097,167.38.

Employee benefits payable will be settled at the year end.

35. Taxes payable

	30 June 2012	31 December 2011
Value-added-tax payable	18,298,428.82	21,194,777.26
Consumption tax payable	0	
Business tax payable	1,403,309.56	1,714,936.36
Enterprise income tax payable	39,010,068.72	30,342,766.82
Individual income tax payable	2,696,782.75	869,908.61
City maintenance and construction tax payable	1,212,310.39	1,875,216.54
Real estate tax payable	687,455.41	1,042,234.4
Stamp duty tax payable	520,414.82	1,368,858.31
Land use rights	1,364.2	286,607.27
Educational surcharge payable	909,545.39	1,283,779.92

Rivers management fee	2,681,814.33	2,813,891.79
Anti-flood fund	334,373.24	552,568.54
Others	554,250.04	255,284.29
Total	68,310,117.67	63,600,830.11

Note: N/A

36. Interests payable

	30 June 2012	31 December 2011
Long-term borrowings with periodic payment of interest	106,231.58	0
Debenture interest		
Interest payable for short-term borrowings	8,261,755.93	10,451,229.03
Total	8,367,987.51	10,451,229.03

Note: N/A

37. Dividend payable

□Applicable √Not applicable

38. Other payables**(1)**

	30 June 2012	31 December 2011
Accrued selling expenses	197,974,304.76	156,473,454
Payables for construction in progress and equipment	40,353,619.63	51,532,375.56
Amount collected on behalf of third party	19,498,033.24	36,761,462.92
Deposit	19,229,217.21	12,555,627.33
Investment consideration payable	17,968,000	0
Compensation expense	17,600,000	
Others	102,554,769.94	89,642,262.53
Total	415,177,944.78	346,965,182.34

(2) Other payables due to shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below:

	30 June 2012	31 December 2011
Sinopharm Group	3,930,696.87	3,730,696.87
Total	3,930,696.87	3,730,696.87

(3) Explanation of large amounts of other payables aged over 1 year:

As at 30 June 2012, other payables aged over 1 year are RMB82,844,706.44, which are accrued selling expenses, payment for equipment and deposit mainly.

(4) Significant amount of other payables

	Amount	Ageing	Remark
Peng Jianxiong, Liu Mengzhou, Wu yong	15,100,000.00	Within 1 year	Equity trasaction payable
Liuzhou Antai construction Co., Ltd.	9,222,017.47	1 to 2 years	Compensation
Wyeth Pharmaceutical Co., Ltd.	12,409,433.72	Within 1 year	Payable of transaction
Guangdong Huize Investment Co., Ltd.	17,600,000.00	Within 1 year	Compensation

39. Accrued liabilities

□Applicable √Not applicable

40. Current portion of non-current liabilities**(1)**

	30 June 2012	31 December 2011
Current portion of long term borrowings	10,000,000	15,000,000
Long term loans due within one year		
Promotion rewards program – due within one year	4,928,000	8,960,000
Total	14,928,000	23,960,000

(2) Current portion of long term borrowings

Current portion of long term borrowings

	30 June 2012	31 December 2011
Pledge borrowings		
Secured borrowings		
Guaranteed borrowings		
Unsecured borrowings	10,000,000	15,000,000
Total	10,000,000	15,000,000

Overdue borrowings of long-term borrowings due within one year are RMB 0.

The top five current portion of long term borrowings are analysed as below:

Lender	Begin with	Due to	Currency	Interest (%)	30 June 2012		31 December 2011	
					Original currency	RMB	Original currency	RMB
Bank of China Longhua Branch	19 January 2012	28 March 2013	CNY	7.25%		3,351,400		
Bank of China Longhua Branch	19 January 2012	28 June 2013	CNY	7.25%		2,908,600		
Bank of China Longhua Branch	9 March 2012	28 June 2013	CNY	7.25%		2,091,400		
Bank of China Longhua Branch	12 January 2012	28 March 2013	CNY	7.25%		1,648,600		

Agricultural Bank of China	28 January 2011	26 June 2012	CNY	5.99%				10,000,000
Agricultural Bank of China	31 March 2011	18 May 2012	CNY	6.65%				5,000,000
Total	--	--	--	--	--	10,000,000	--	15,000,000

Overdue borrowings of long-term borrowings due within one year are RMB 0.

(3) Bond payable due within one year

☐Applicable ☒Not applicable

(4) Long-term payable due within one year

☐Applicable ☒Not applicable

41. Other current liabilities

☐Applicable ☒Not applicable

42. Long-term borrowings

(1) Categories of long-term borrowings

	30 June 2012	31 December 2011
Pledge borrowings		
Secured borrowings		
Guaranteed borrowings		
Unsecured borrowings	112,111,487.71	93,082,967.96
Total	112,111,487.71	93,082,967.96

Notes to categories of long-term borrowings:

As at 30 June 2012, Bank unsecured borrowings of RMB30,000,000.00 (31 December 2011: 30,000,000.00) are guaranteed by Suzhou Wanqing, a subsidiary of the Company. Interest is paid every month and the principal is due for repayment on 5 September 2013; Bank unsecured borrowings of RMB 66,908,487.71 (31 December 2011: 63,082,967.96) borrowed by Guangxi Logistic, a subsidiary of the Company are guaranteed by the Company. Interest is paid every month and the principal is due for repayment on 20 December 2015. Bank unsecured borrowings of RMB 15,203,000.00(31 December 2011:0) borrowed by Zhijun Pharm, a subsidiary of the Company are guaranteed by the Company, Interest is paid every month and the principal will be paid 5 million every quarter since 28 September 2013.

(2) The top five long-term borrowings are analysed as below:

Lender	Begin with	Due to	Currency	Interest(%)	30 June 2012		31 December 2011	
					Original currency	RMB	Original currency	RMB
Agricultural Bank of China	6 September 2010	5 September 2013	CNY	5.985%		10,000,000		10,000,000
Agricultural Bank of China	13 October 2010	5 September 2013	CNY	5.985%		10,000,000		10,000,000
Agricultural Bank of China	16 December 2010	5 September 2013	CNY	5.985%		10,000,000		10,000,000
Bank of Communications Guangxi Branch	28 February 2012	20 December 2013	CNY	7.31%		9,889,765		0
Bank of Communications Guangxi Branch	31 March 2011	20 December 2015	CNY	6.9%		7,000,000		7,000,000
Total	--	--	--	--	--	46,889,765	--	37,000,000

Note: Illustration of long-term debt:

N/A

43. Bond payable

□Applicable √Not applicable

44. Long-term payable**(1)Top five long-term payable**

		31 December 2011	Interest(%)	Interest payable	30 June 2012	Condition
Compensation for employees	January 2004 to August 2012	7,193,731	0%	0	32,915.4	N/A

(2) Details of financing lease payable

☐Applicable ☒Not applicable

45. Payables for specific projects

	31 December 2011	Increases	Decreases	30 June 2012	Remark
Special Funds granted by Government	852,000			852,000	
Government grants for ERP system construction	667,000		232,000	435,000	
Industrial technology funds	3,000,000			3,000,000	
Total	4,519,000	0	232,000	4,287,000	--

Note:N/A

46. Other non-current liabilities

	30 June 2012	31 December 2011
Medical reserve funds	45,427,343.31	45,427,343.31
Deferred income	167,731,534.4	48,817,680.23
Total	213,158,877.71	94,245,023.54

Note: It contains the government grants related to income or assets.

Deferred income

	30 June 2012	31 December 2011
Government grants related to assets		
R&D library (in progress)	5,000,000.00	5,000,000.00
Medical R&D center II (in progress)	5,000,000.00	5,000,000.00

progress)		
Medication for Stomach disease R&D project	5,000,000.00	5,000,000.00
New Cephalosporin R&D Project	2,745,627.70	3,000,000.00
Guangxi Logistics Project	6,400,398.36	3,908,000.00
Cefpirome Sulfate R&D Project	3,008,309.53	1,594,835.02
Shared logistics center(completed)	3,152,868.40	3,275,514.96
Compensation from demolition project	108,490,364.32	-
Other projects	5,252,461.42	5,739,825.58
Subtotal	144,050,029.73	32,518,175.56
Promotion rewards program	23,681,504.67	16,299,504.67
Total	167,731,534.40	48,817,680.23

47. Share capital

	31 December 2011	Additions/Reversals (shares)					30 June 2012
		New issue of share	Bonus issue	Capitalisation of surplus reserve	Others	Subtotal	
Total shares	288,149,400	0	0	0	0	0	288,149,400

Note: N/A

48. Shares in stock

☐Applicable ☒Not applicable

49. Special reserves

☐Applicable ☒Not applicable

50. Capital surplus

	31 December 2011	Current year addition	Current year deduction	30 June 2012
Share premium	3,416,966.47	0	3,416,966.47	0
Other capital surplus	5,318,338.57	232,000	0	5,550,338.57

Total	8,735,305.04	232,000	3,416,966.47	5,550,338.57
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Note: N/A

51. Surplus reserve

	31 December 2011	Addition	Decrease	30 June 2012
Statutory surplus reserve	63,480,745.16			63,480,745.16
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
Total	63,480,745.16	0	0	63,480,745.16

Note: Illustration of surplus reserve:

N/A

52. General risk reserve☐Applicable ☒Not applicable**53. Undistributed profits**

	30 June 2012		31. December 2011	
	Amount	Appropriation rate	Amount	Appropriation rate
Opening balance of retained earnings(before adjusted)	993,269,387.62	--	719,209,302.41	--
Adjustment - Business combination under common control (a)	-3,541,560.96	--	-1,557,687.89	--
Opening balance of retained earnings(after adjusted)	989,727,826.66	--	717,651,614.52	--
Add: net profit attributable to the shareholders of the company	240,033,990.64	--	328,323,616.76	--
Less: appropriation of statutory surplus reserve			23,499,476.61	10%
Appropriation of				

discretionary surplus reserve				
Ending balance of retained earnings				
Dividends	37,459,422		34,577,928	
Ordinary dividends converted into share capital				
Other outflow	-1,083,033.53			
Others			1,830,000	
Ending balance of retained earnings	1,191,219,361.77	--	989,727,826.66	--

Note:

- 1) RMB0.00 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB0.00 opening retained profits was affected by changes on accounting policies.
- 3) RMB0.00 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB -3,541,560.96 opening retained profits was affected by changes in combination scope arising from common control.
- 5) RMB0.00 opening retained profits was affected totally by other adjustments.

Notes: as for IPO companies, if the accumulated profits were enjoyed by new and original shareholders according to the resolutions made at the shareholders' general meeting before public offering, the Company shall explain clearly; if the accumulated profits were distributed before public offering and enjoyed by the original shareholders according to the resolutions made at the shareholders' general meeting, the Company shall clearly disclose the audited profits of dividends payable enjoyed by the original shareholders.

A. The impact under common control represented the impact from acquisition of Sinopharm Wuzhou in year 2012. The acquisition is defined as business combination involving entities under common control. Thus, difference between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration paid by it, shall be adjusted against the owners' equity. As the account capital surplus is not sufficient to be offset, the retained earnings have been adjusted.

B. Pursuant to the resolution of shareholders of the company on 27 April 2012, cash dividends of RMB37,459,422.00 (RMB1.3 per 10 shares) was proposed based on the issued shares of 288,149,400, RMB37,459,422.00 total.

54. Sales and cost of sales

(1) Revenue and cost of main operations

	Six months ended 30 June 2012	Six months ended 30 June 2011
Revenue of main operations	8,752,759,527.58	7,177,726,706
Other operating income	50,492,818.62	31,928,694.57

Cost of sales	7,967,951,745.26	6,532,714,090.9
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(2) Revenue and cost of main operations analysed by industries are set out below:

	Six months ended 30 June 2012		Six months ended 30 June 2011	
	Revenue of main operations	Cost of main operations	Revenue of main operations	Cost of main operations
Pharmaceutical manufacturing	958,587,821.6	586,940,582.21	925,760,135.84	651,752,176.74
Pharmaceutical distribution	7,732,883,805.68	7,305,030,960.94	6,202,743,225.42	5,832,034,727.05
Retail pharmacy	42,601,423.59	37,631,664	33,299,118.36	29,382,536.04
Logistics and freights	13,418,721.21	8,388,634.09	10,782,275.27	7,935,256.43
Rental and training income	5,267,755.5	1,936,498.16	5,141,951.11	1,741,882.39
Total	8,752,759,527.58	7,939,928,339.4	7,177,726,706	6,522,846,578.65

(3) Revenue and cost of main operations analysed by products are set out below:

	Six months ended 30 June 2012		Six months ended 30 June 2011	
	Revenue of main operations	Cost of main operations	Revenue of main operations	Cost of main operations
Cough mixtures	119,971,315.43	30,955,097.16	124,000,525.36	28,491,668.48
Cephalosporin products	818,010,646.93	550,838,694.61	800,488,365.71	585,799,888.19
Other	7,814,777,565.22	7,358,134,547.63	6,253,237,814.93	5,908,555,021.98
Total	8,752,759,527.58	7,939,928,339.4	7,177,726,706	6,522,846,578.65

(4) Revenue and cost of main operations analyzed by regions are set out below:

	Six months ended 30 June 2012		Six months ended 30 June 2011	
	Revenue of main operations	Cost of main operations	Revenue of main operations	Cost of main operations
Domestic sales	8,745,190,813.43	7,934,652,320.86	7,172,996,548.72	6,520,346,160.5
Oversea sales	7,568,714.15	5,276,018.54	4,730,157.28	2,500,418.15
Total	8,752,759,527.58	7,939,928,339.4	7,177,726,706	6,522,846,578.65

(5) Top five companies according to sales

	Sales	% of total sales of the group
GuangDong Province People's Hospital	133,948,293.8	1.53%

Nanfang Hospital of Southern Medical University	92,626,161.83	1.06%
Center for Disease Control and Prevention of Guangdong Province	91,538,611.86	1.05%
The First Affiliated Hospital of Sun Yat-Sen University	73,596,191.61	0.84%
The Third Affiliated Hospital of Sun Yat-Sen University	66,691,951.1	0.76%
Total	458,401,210.2	5.24%

Note: N/A

55. Contractual revenue

□Applicable √Not applicable

56. Tax and surcharges

	Six months ended 30 June 2012	Six months ended 30 June 2011	
Consumption tax			
Business tax	6,025,659.72	4,419,817.81	Gains from rents, storage, interest and service providing times 5%; Gains from transportation, freight times 3%.
City maintenance and construction tax	11,284,952.83	7,211,916.23	Aggregate payment of value added tax and business tax times 7%.
Educational surcharge	7,966,077.69	3,677,904.4	Aggregate payment of value added tax and business tax times 5%.
Resource tax			
Other	1,372,969.63	312,552.08	Embankment protection fee: different standard of various cities. Property tax: Property tax of owner-occupied properties is calculated by the base upon cost of the property deducted 10%-30%; For lease property, property tax is calculated by rents times 12%. Land holding tax: Calculated by

			actual squares of land dominant times applicable tax rate
Total	26,649,659.87	15,622,190.52	--

Note: The increase in turnover tax is in the line with revenue, including sales income and rental income, which leads rising educational surcharge, city maintenance and construction tax, rivers management fee and real estate tax.

1. The increase in taxes and surcharges is in the line with sales compare to the same period previous year, value added tax also raised, which results in educational surcharge, city maintenance and construction tax etc. increase.

2. Other taxes and surcharges increase is in the line with revenue compare to the same period previous year, including sales income and rental income, which leads rising embankment protection fee and property tax.

57. Gains from changes in fair value

☐Applicable ☒Not applicable

58. Investment income

(1) Details of investment income

	Six months ended 30 June 2012	Six months ended 30 June 2011
Gains/losses recognized under cost method	0	0
Gains/losses recognized under equity method	16,016,159.76	12,810,289.3
Gains/losses on disposal of long-term equity investments		
Gains from holding of held-for-trading financial assets		
Gains from holding of held-to-maturity investments		
Gains from holding of available –for-sale financial assets		
Gains/losses on disposal of held-for-trading financial assets		
Gains/losses on held-to-maturity investment		
Gains/losses on available-for-sale financial assets		
Others		
Total	16,016,159.76	12,810,289.3

(2) Gains/losses recognized under cost method

N/A

(3) Gains/losses recognized under equity method

Investee	Six months ended 30 June 2012	Six months ended 30 June 2011	Reason for changes
Shenzhen Wanle Pharmaceutical Co., Ltd.	16,016,159.76	12,810,289.3	Profitability rises
Total	16,016,159.76	12,810,289.3	--

Note: N/A

59. Asset impairment

	Six months ended 30 June 2012	Six months ended 30 June 2011
Provision for bad debts	2,065,816.3	2,330,699.15
Provision for inventory write-down	6,322,397.59	3,544,952.04
Provision for impairment of available-for-sale financial assets		
Provision for impairment of held-to-maturity investments		
Provision for impairment of long-term equity investments		
Provision for impairment of investment properties		
Provision for impairment of fixed assets		
Provision for impairment of construction project materials		
Provision for impairment of construction in progress		
Provision for impairment of bearer biological assets		
Provision for impairment of oil and gas assets		
Provision for impairment of intangible assets		
Provision for impairment of goodwill		
Others		
Total	8,388,213.89	5,875,651.19

60. Non-operating income**(1)**

	Six months ended 30 June 2012	Six months ended 30 June 2011
--	-------------------------------	-------------------------------

Gains on disposal of non-current assets	172,051.62	702,412.18
Including: Gains on disposal of intangible assets	172,051.62	702,412.18
Gains on disposal of fixed assets		
Gains on debt restructuring		
Gains on exchange of non-monetary assets		
Donations received		
Government grants	17,984,705.34	7,391,233.49
Others	952,409.97	6,921,764.36
Total	19,109,166.93	15,015,410.03

(2) Details of government grants

Items	Six months ended 30 June 2012	Six months ended 30 June 2011	Explanation
Compensation from government's demolition project	11,771,909.83		Compensation from reconstruction project
Government grants for medicine reserve expenses	419,146.56	406,909.68	Subsidy for medical reserve
Government grants for technical improvement	2,296,845.49	1,521,000	Subsidy for technical improvement of high and new technology enterprises
Government grants for R&D expenses	0	4,750,000	Subsidy for R&D expenditure for enterprises located in Bao An district Shenzhen
Financial discount policy	3,000,000		Compensation from financial discount policy
Others	496,803.46	713,323.81	Cash reward for contribution to taxation and patent
Total	17,984,705.34	7,391,233.49	--

Note: N/A

61. Non-operating expenses

	Six months ended 30 June 2012	Six months ended 30 June 2011.
Losses on disposal of non-current assets	8,985,832.5	70,253.22
Including: disposal of fixed assets	2,985,001.5	70,253.22
disposal of intangible assets	6,000,831	

Losses on debt restructurings		
Non-monetary asset exchange losses		
Donations	202,000	
Compensation payment for suspension of chebei project co-operation	17,600,000	
Others	3,126,420.02	146,941.3
Total	29,914,252.52	217,194.52

Note: N/A.

62. Income taxes expenses

	Six months ended 30 June 2012	Six months ended 30 June 2011
Current income tax calculated with Taxation Law and related rules	71,306,851.26	46,961,974.63
Deferred income tax	-7,359,069.09	3,030,417.47
Total	63,947,782.17	49,992,392.1

63. Basic earnings per share and diluted earnings per share

1. Basic earnings per share equals consolidated net profit attributable to shareholders of the Company (RMB240,033,990.64) dividing by the weighted average number of ordinary shares in issue(288,149,400).
2. Diluted earnings per share is calculated by dividing the consolidated net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue, which both should be adjusted for the effects of all potential dilutive factors. The Company has no potential outstanding ordinary shares in Six months ended 30 June 2012, the diluted earnings per share equals the basic earnings per share, is RMB 0.833 per share.

64. Other comprehensive income

☐Applicable ☒Not applicable

65. Notes for cash flow statement

(1) Cash received relating to other operating activities

Items	Amount
Government Grant	9,266,182.51
Intereset income	2,112,748.84

Others	42,840,503.98
Total	54,219,435.33

Note: N/A

(2) Cash paid relating to other operating activities

Items	Amount
Entertainment expenses	12,651,427.09
Rental expenses	5,414,283.78
Advertising expenses	5,462,304.88
Bank charges	7,967,890
R&D expenses	36,054,514.95
Other expenses and current balance	68,460,930.71
Total	136,011,351.41

Note: N/A

(3) Cash received relating to other investing activities☐Applicable ☒Not applicable

Currency: RMB

Item	Amount
Government demolition grant	50,000,000.00
Total	50,000,000.00

Cash received relating to other investing activities:

The subsidiary Guangxi Logistics get the government grants due to the Government to implement the city the old districts alterations and relocation of reconstruction

(4) Cash paid relating to other investing activities☐Applicable ☒Not applicable**(5) Cash received relating to other financing activities**

Item	Amount
Entrusted borrowings borrowed from Sinopharm Group	232,630,000
Others	146,663,299.15
Total	379,293,299.15

Note: N/A

(6) Cash paid relating to other financing activities

Item	Amount
Repayment of entrusted borrowings lent by Sinopharm Group	367,370,000
Total	367,370,000

Note:N/A

66. Supplementary information of cash flow statements**(1) Supplementary information of cash flow statements**

Supplementary information	Six months ended 30 June 2012	Six months ended 30 June 2011
1. Adjusting net profit to net cash flow in operating activities:	--	--
Net profit	243,210,512.66	167,430,135.84
Add: Provision for assets impairment	8,388,213.89	5,875,651.19
Depreciation of fixed assets and investment properties	40,088,819.4	37,142,491.37
Amortisation of intangible assets	4,071,832.86	8,406,252.01
Amortisation of long-term prepaid Expenses	2,386,602.74	3,283,779.61
Gains on disposal of fixed assets, intangible assets and other non-current assets	8,813,780.88	-2,048,289.48
Loss from scrapping of fixed assets	0	0
Loss from fair change	0	0
Financial expenses	82,634,319.99	32,690,661.36
Investment income	-16,016,159.76	-12,810,289.3
Increase of deferred tax assets	-4,050,396.74	-1,903,625.93
Decrease of deferred tax liabilities	-2,834,957.31	-1,126,791.54
Decrease/(increase) of inventory	24,862,393.79	-32,777,045.79
Increase in operating receivables	-751,703,629.02	-429,302,367.94
Increase in operating payables	480,460,939.36	331,786,731.06
Others	18,597,595.43	
Net cash flow from operating activities	138,909,868.17	106,647,292.46
2. Net increase of cash and cash equivalent	--	--
Transferring debts to capital		

Convertible corporate bond to mature within one year		
Leasing fixed assets through financing		
3. Movement of cash	--	--
Cash at period end	868,558,138.59	891,983,994.63
Less: cash at beginning of year	907,884,162.14	684,764,869.84
Add: cash equivalent at the end of the period		
Less: cash equivalent at the beginning of the period		
Net increase in cash	-39,326,023.55	207,219,124.79

(2) Acquisition or disposal of subsidiaries or other operating units

Supplement information	Six months ended 30 June 2012	Six months ended 30 June 2011
I. Acquire of subsidiaries or other operating units:	--	--
1. Price for acquire of subsidiaries or other operating units	65,560,000	0
2. Cash or cash equivalent for acquire of subsidiaries or other operating units	47,592,000	
Less: cash and cash equivalent held by subsidiaries or other operating units	22,973,111.76	
3. Net cash received from acquire of subsidiaries or other operating units	24,618,888.24	
4. Acquire of subsidiaries net assets	12,473,340.74	0
Current assets	209,109,746.1	
Non-current assets	661,710.01	
Current liabilities	197,298,115.37	
Non-current liabilities		
II. Disposal of subsidiaries or other operating units:	--	--
1. Price for Disposal of subsidiaries or other operating units		
2. Cash or cash equivalent for disposal of subsidiaries or other operating units		
Less: cash and cash equivalent held by subsidiaries or other operating units		
3. Net cash received from disposal of subsidiaries or other operating units		0

4. Disposal of subsidiaries net assets		0
Current assets		
Non-current assets		
Current liabilities		
Non-current liabilities		

(3)Cash and cash equivalents

Item	30 June 2012	31 December 2011
I. Cash	868,558,138.59	907,599,239.81
Including: cash in hand	67,571.77	48,381.59
Call deposits with banks	868,490,566.82	907,550,858.22
Other cash		
Central Bank deposit on demand		
Due from banks		
Call loan to banks		
II. Cash equivalents		
Including: bond investment due within 3 months		
III. Cash and cash equivalents at period end	868,558,138.59	907,599,239.81

Note:N/A

67. Notes to equity movement

Note:

The Group acquired Sinopharm Wuzhou under common control in this period, raised period beginning capital surplus balance by RMB3,416,966.47, eliminated undistributed profits by RMB3,541,560.96, eliminated equity of minority interest by RMB374.91.

VIII Accounting treatment of asset securitization**1, Notes of main trade arrangement and its accounting treatment of assets securitization business as well as articles of bankruptcy remote****2, Main information about the special purpose entities in which the Company has no control right but bears relevant risks**

□Applicable √Not applicable

(IX) Related party relationships and related party transactions**1. General information of the parent company**

Currency: RMB

Name of the parent company	Relationship	Enterprise Type	Place of registration	Legal representative	Principal business	Register capital	Currency	% interest held	% voting rights	Company's ultimate controlling equity holder	Organisation code
Sinopharm Group Co., Ltd. ("Sinopharm Group")	Majority shareholder	Company limited by shares(Listed company)	Shanghai	She Lulin	Commercial	2,402,625,299	CNY	38.33%	38.33%	China National Pharmaceutical Group Corporation ("CNPGC")	746184344

2. General information of the subsidiaries

Currency: RMB

Full name of subsidiaries	Type of subsidiary	Enterprise Type	Place of registration	Legal representative	Principal business	Register capital	Currency	% interest held	% voting rights	Organisation code
Zhijun pharm	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Shenzhen	Yan Zhigang	Manufacturing	200,000,000	CNY	100%	100%	192190290
Sinopharm Jianmin	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Shenzhen	Lin Xinyang	Commercial	5,000,000	CNY	100%	100%	192194224
Sinopharm	Wholly owned	Limited company (sole proprietorship of legal person)	Shenzhen	Jiao Qi	Commercial	6,000,000	CNY	100%	100%	192193205

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Material	subsidiary	proprietorship of legal person)								
Zhijun trade	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Shenzhen	Deng Baojun	Commercial	1,890,000	CNY	100%	100%	192190303
Shenzhen logistics	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Shenzhen	Lin Min	Service	1,000,000	CNY	100%	100%	779873509
Training Center	Wholly owned subsidiary	The private non-enterprise units (sole proprietorship of legal person)	Shenzhen	Tan Guoshu	Service	30,000	CNY	100%	100%	738593893
Sinopharm Guangzhou	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guangzhou	Shi Jinming	Commercial	400,000,000	CNY	100%	100%	753491772
Huixin Investment	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guangzhou	Shi Jinming	Service	5,000,000	CNY	100%	100%	190335492
Sinopharm Yuexing	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guangzhou	Luo Qin	Commercial	30,000,000	CNY	100%	100%	190369967
Sinopharm Hengxing	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guangzhou	Lin Zhaoxiong	Commercial	40,000,000	CNY	100%	100%	770157530
Sinopharm Foshan	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Foshan	Lin Xinyang	Commercial	10,000,000	CNY	100%	100%	190335978

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Guangdong Logistics	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guangzhou	Lin Min	Service	5,000,000	CNY	100%	100%	190365958
Sinopharm Dongguan	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Dongguan	Lin Xinyang	Commercial	10,000,000	CNY	100%	100%	732144309
Sinopharm Zhanjiang	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Zhanjiang	Lin Xinyang	Commercial	15,000,000	CNY	100%	100%	194379580
Sinopharm Guangxi	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Nanning	Lin Zhaoxiong	Commercial	100,000,000	CNY	100%	100%	75975844 X
Guangxi Logistics	Controlled by wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Nanning	Lin Zhaoxiong	Service	7,100,706.88	CNY	100%	100%	198222724
Sinopharm Yulin	Controlled by wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Yulin	Zhou Ruili	Commercial	5,000,000	CNY	100%	100%	708731730
Sinopharm Wuzhou	Share holding subsidiary	Limited company	Wuzhou	Zhou Ruili	Commercial	3,300,000	CNY	99.7%	99.7%	199125299
Sinopharm Guilin	Controlled by wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Guilin	Zhou Ruili	Commercial	10,000,000	CNY	100%	100%	595145427
Sinopharm Baise	Controlled by wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Baise	Zhou Ruili	Commercial	10,000,000	CNY	100%	100%	595135915
Sinopharm	Share holding	Limited company	Liuzhou	Lin Zhaoxiong	Commercial	20,530,600	CNY	51%	51%	198591263

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Liuzhou	subsidiary									
Guangxi Herbal	Controlled by wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Liuzhou	Lei Chaotian	Manufacturing	2,000,000	CNY	51%	51%	662132598
Suzhou Wanqing	Share holding subsidiary	Limited company	Jiangsu Taicang	Huang Kai	Manufacturing	80,000,000	CNY	75%	75%	747314606
Sinopharm Yanfeng	Share holding subsidiary	Limited company	Shenzhen	Lin Zhaoxiong	Commercial	30,000,000	CNY	51%	51%	279302101
Sinopharm Meizhou	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Meizhou	Yangyan	Commercial	1,200,000	CNY	100%	100%	721170640
Shenzhen Herbal	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Shenzhen	Deng Baojun	Manufacturing	50,000,000	CNY	100%	100%	192194304
Sinopharm Huizhou	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Huizhou	Yangyan	Commercial	7,000,000	CNY	100%	100%	761583845
Sinopharm Zhaoqing	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Zhaoqing	Yangyan	Commercial	2,000,000	CNY	100%	100%	71238345 X
Sinopharm Jiangmen	Wholly owned subsidiary	Limited company (sole proprietorship of legal person)	Jiangmen	Yangyan	Commercial	10,000,000	CNY	100%	100%	752068307

3.General information of the Joint venture and associates

Currency: USD

Name of entity invested	<u>Enterprise Type</u>	<u>Place of Registration</u>	<u>Legal Representative</u>	<u>Principal business</u>	<u>Registered capital</u>	Currency	<u>% interest held</u>	<u>% voting rights</u>	Total asset at the end of the period	Total liability at the end of the period	Net asset at the end of the period	Operating income of the period	Profit of the period	Relationship	Organisation code
1. Joint venture	--	--	--	--	--		--	--	--	--	--	--	--	--	--
Nil															
2. Associate	--	--	--	--	--		--	--	--	--	--	--	--	--	--
Shenzhen Wanle Pharmaceutical Co., Ltd.	Foreign capital	Shenzhen	Yan Zhigang	Medicine manufacture	USD 19,544,550.00	USD	35.19%	33.33%	632,489,530.9	359,570,438.98	272,919,091.92	285,068,709.78	50,570,426.44	Associate	618861849

4,Other related parties of the Company

Name of other related party	Relationship	Organisation code
China National Medicines Co.,Ltd.	Controlled by Sinopharm Group	710925737
Sino-Swed Pharmaceutical Corp.Ltd.	Significant influence by CNPGC	607912321
Shenzhen Wanle Pharmaceutical Co., Ltd.	Associate	618861849
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Subsidiary of Fosun Pharm	678970887
Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	Controlled by CNPGC	190374694
Sinopharm Group Wei qida Medicine Co., Ltd	Controlled by CNPGC	734026330
Sinopharm Holding Guizhou Co., Ltd.	Controlled by Sinopharm Group	551920145
Chongqing Haisiman Pharmaceutical Co.,Ltd.	Subsidiary of Fosun Pharm	66355774X
Chongqing Yaoyou Pharmaceutical Co.,Ltd.	Subsidiary of Fosun Pharm	202851807
Shenzhen Wanwei Medicine trading Co., Ltd	Associate of Sinopharm Group	792583311
Sinopharm Holding Fujian Co., Ltd.	Controlled by Sinopharm Group	699902760
Sinopharm Holding Beijing Co., Ltd.	Controlled by Sinopharm Group	756042307
Guangdong East Uptodate & Special Medicines Co.,Ltd.	Controlled by Sinopharm Group	190370941
Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	Controlled by Sinopharm Group	893521152
Sinopharm Holding Putian Co., Ltd.	Controlled by Sinopharm Group	768592007
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group	74563928X
Sinopharm Group Chemical Reagent Co., Ltd.	Controlled by Sinopharm Group	755715856
Shanghai Shyndec Pharmaceutical Co., Ltd.	Controlled by CNPGC	630459924
Sinopharm Holding Hainan Co., Ltd.	Controlled by Sinopharm Group	721236689
Lanzhou Biological Technology R&D Co.,Ltd.	Controlled by CNPGC	296583830
Yunnan Medical Herbs Co., Ltd	Controlled by CNPGC	727297466
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Controlled by Sinopharm Group	76514709X
Foshan Nanhai Medicine Co.,Ltd.	Controlled by Sinopharm Group	193533599
Guilin South pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm	729742527
Sinopharm Holding Yunnan Co., Ltd.	Controlled by Sinopharm Group	216548323
Sinopharm Yixin Medicine Co.,Ltd.	Controlled by Sinopharm Group	244063809
China Otsuka Pharmaceutical Co.,Ltd.	Significant influence by CNPGC	600550022
Guangdong Accord Drug Store Co., Ltd.	Controlled by Sinopharm Group	764954314
Harson Shanghai Modern Pharmaceutical (Shangqiu) Co., Ltd.	Controlled by CNPGC	716735619
Sinopharm Holding Hunan Co., Ltd.	Controlled by Sinopharm Group	727983896

Yichang Humanwell Pharmaceutical Co.,Ltd.	Significant influence by CNPGC	730843405
Shenyang Hongqi Pharmaceutical Co.,Ltd.	Subsidiary of Fosun Pharm	117872427
Handan Pharmaceutical Co.,Ltd	Subsidiary of Fosun Pharm	713115924
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Controlled by CNPGC	132293917
Sichuan Jiang You Zhong Ba Science and Technology Development Co.,Ltd.	Controlled by CNPGC	723229466
Sinopharm Holding Suzhou Co., Ltd.	Controlled by Sinopharm Group	137762671
Sinopharm Group Guorui Medicine Co.,Ltd.	Controlled by Sinopharm Group	72334670X
Shenzhen Accord Pharmaceutical Chain Co., Ltd	Controlled by Sinopharm Group	192190047
Sinopharm Holding Zhangzhou Co., Ltd.	Controlled by Sinopharm Group	550962343
Chengdu Rongsheng Pharmacy Co., Ltd.	Controlled by CNPGC	633122307
Qinghai Pharmaceutical factory Co., Ltd	Significant influence by CNPGC	710403023
Sinopharm Holding Anhui Co., Ltd.	Controlled by Sinopharm Group	683617690
Sinopharm Holding Meiluo (Dalian) Co., Ltd	Controlled by Sinopharm Group	550636695
Shanghai Sailun Biological Technology Co.,Ltd.	Significant influence by CNPGC	631521822
China National Pharmaceutical Foreign Trade Corporation	Controlled by CNPGC	100000315
Shanghai Medicine Hospital Medical Co., Ltd.	Controlled by CNPGC	132836790
Sinopharm Holding Jiangsu Co., Ltd.	Controlled by Sinopharm Group	140735017
Sinopharm Holding Beijing Huahong Co., Ltd.	Controlled by Sinopharm Group	634303054
Shanghai Chaohui Pharmecurical Co., Ltd.	Subsidiary of Fosun Pharm	133232446
Sinopharm Group United Medical Equipment Co.,Ltd	Controlled by CNPGC	717852139
Sinopharm Group Southwest Medicine Co., Ltd	Controlled by Sinopharm Group	201885298
Sinopharm Holding Tianjin Co., Ltd.	Controlled by Sinopharm Group	754836883
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group	239672271
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Controlled by Sinopharm Group	103190601
Sinopharm Holding Shengyang Co., Ltd.	Controlled by Sinopharm Group	755766207
Sinopharm Holding Shenyang Co., Ltd. Dalian Branch	Controlled by Sinopharm Group	755784309
Sinopharm Holding Meiluo (Dalian) Co., Ltd	Controlled by Sinopharm Group	550636695
Sinopharm Holding Jinzhou Co., Ltd.	Controlled by Sinopharm Group	564630956
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group	727365182
Sinopharm Holding Hubei Co., Ltd.	Controlled by Sinopharm Group	72612386X
Sinopharm Holding Jingzhou Co., Ltd.	Controlled by Sinopharm Group	559724317
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group	757272243
Sinopharm Holding Guoda Pharmacy Co.,Ltd	Controlled by Sinopharm Group	760569195

Guangzhou Accord Pharm Chain Co., Ltd.	Controlled by Sinopharm Group	732155681
Guangxi Accord Pharm Chain Co., Ltd.	Controlled by Sinopharm Group	735145382
Sinopharm Holding (Jiangsu) Chinese Western Medicine Branch Company	Controlled by Sinopharm Group	840719974
Sinopharm Holding Jiangsu Co., Ltd. Taizhou Branch	Controlled by Sinopharm Group	75390782X
Sinopharm Holding Hunan Deyuan Medicine Co., Ltd.	Controlled by Sinopharm Group	580900979
Sinopharm Holding Zhejiang Co., Ltd.	Controlled by Sinopharm Group	704305945
Sinopharm Holding Lishui Co., Ltd	Controlled by Sinopharm Group	148909819
Sinopharm Holding Taizhou Co., Ltd.	Controlled by Sinopharm Group	720046242
Sinopharm Holding Sub Marketing Center Co., Ltd.	Controlled by Sinopharm Group	736202721
Sinopharm Holding Henan Co., Ltd.	Controlled by Sinopharm Group	796766860
Sinopharm Holding Anqing Co., Ltd.	Controlled by Sinopharm Group	551801410
Sinopharm Holding Wuhu Co., Ltd.	Controlled by Sinopharm Group	580120147
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group	154439104
Sinopharm Holding Shandong Co., Ltd.	Controlled by Sinopharm Group	78719109X
Sinopharm Holding Yantai Co., Ltd	Controlled by Sinopharm Group	790381556
Sinopharm Holding Jinan Co., Ltd.	Controlled by Sinopharm Group	728624078
Sinopharm Holding Qujing Co., Ltd.	Controlled by Sinopharm Group	560075959
Sinopharm Holding Hainan Hongyi Co., Ltd.	Controlled by Sinopharm Group	562407873
Sinopharm Holding Gansu Co., Ltd.	Controlled by Sinopharm Group	695642113
Sinopharm Holding Longyan Co., Ltd.	Controlled by Sinopharm Group	749066714
Sinopharm Holding Sanming Co., Ltd	Controlled by Sinopharm Group	733636241
Sinopharm Holding Ningde Co., Ltd.	Controlled by Sinopharm Group	770698599
Sinopharm Holding Ningxia Co., Ltd.	Controlled by Sinopharm Group	670440734
Sinopharm Holding Jiangxi Co., Ltd.	Controlled by Sinopharm Group	696051171
Sinopharm Holding Inner Mongolia Co., Ltd.	Controlled by Sinopharm Group	555460203
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	228670174
Sinopharm Group Xinjiang Special Drugs Karamay Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	228900400
Sinopharm Holding Xinjiang Special Drugs Kaxqar Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	751667746
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	928597916
Sinopharm Holding Xinjiang Special Ginsheng and Pilose Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	712966022

Sinopharm Xinjing Korla Medicine Co., Ltd.	Controlled by Sinopharm Group	229499006
Sinopharm Holding Xinjiang Kumul Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	229100085
Sinopharm Holding Xinjiang Iliense Tongde Pharmaceutical Co.,Ltd.	Controlled by Sinopharm Group	710843598
Sinopharm Group Shanghai Likang Medicine Stock Co.,Ltd.	Controlled by Sinopharm Group	631289090
Sinopharm Holding Jilin Co., Ltd.	Controlled by Sinopharm Group	82394386X
Sinopharm Holding Siping Co., Ltd.	Controlled by Sinopharm Group	569950772
Sinopharm Holding Wenzhou Co., Ltd.	Controlled by Sinopharm Group	145049964
Sinopharm Holding Chongqing Co., Ltd.	Controlled by Sinopharm Group	554093173
Sinopharm Holding Nanjing Co., Ltd.	Controlled by Sinopharm Group	730570291
Sinopharm Holding Wuxi Co., Ltd.	Controlled by Sinopharm Group	733303105
Sinopharm Holding Changzhou Co., Ltd.	Controlled by Sinopharm Group	778039651
Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	Controlled by Sinopharm Group	723500551
Sinopharm Holding Xuzhou Co., Ltd.	Controlled by Sinopharm Group	753237643
Sinopharm Holding Yancheng Co., Ltd.	Controlled by Sinopharm Group	781299067
Sinopharm Holding Heilongjiang Co., Ltd.	Controlled by Sinopharm Group	560630879
Sinopharm Le -Ren-Tang Medicine Co., Ltd.	Controlled by Sinopharm Group	695852364
Sinopharm Holding Hebei Medicine Co., Ltd.	Controlled by Sinopharm Group	104320228
Sinopharm Holding Qinghai Co., Ltd.	Controlled by Sinopharm Group	710525311
Sinopharm Holding Nantong Co., Ltd.	Controlled by Sinopharm Group	251879443
China National Scientific Instruments & Materials Corporation	Controlled by CNPGC	19218478X
Heilongjiang Sinopharm Medical Herbs Co.,Ltd.	Controlled by CNPGC	68141657X
Sichuan Hexin Pharmaceutical Co.,Ltd.	Subsidiary of Fosun Pharm	743617685
Sinopharm Holding Xinyu Co., Ltd.	Controlled by Sinopharm Group	727761679
Sinopharm Holding Tianjin Co.,Ltd. Tangshan Branch	Controlled by Sinopharm Group	784061636
Sinopharm Holding Linyi Co., Ltd	Controlled by Sinopharm Group	168730189
Sinopharm Holding Suzhou Boai Co., Ltd.	Controlled by Sinopharm Group	137715509
Sinopharm Holding Anshun Co., Ltd.	Controlled by Sinopharm Group	215650449
China National Medical Equipment & Supplies I/E (Shenzhen) Co.,Ltd.	Controlled by CNPGC	192191402
Sinopharm Group Beijing Medical equipment Co.,Ltd	Controlled by CNPGC	710924937
Jiangsu Wanbang Bio-Chemical Medicine Co., Ltd.	Subsidiary of Fosun Pharm	714139872
Shanghai Fosun Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm	132951385
Shanghai Fosun Long March Medical Science Co., Ltd.	Subsidiary of Fosun Pharm	607209011

Sinopharm Qianjing Stomatological Technology (Beijing) Co.,Ltd	Significant influence by Sinopharm Group	766289610
Xiamen XingShahuaide Pharmaceutical Co.,Ltd.	Significant influence by Sinopharm Group	154983628
Sinopharm Holding Guoda Pharmacy Store Shenyang Chain Co.,Ltd	Controlled by Sinopharm Group	001591869
China National Pharmaceutical Group Shanghai Co.,Ltd	Controlled by Sinopharm Group	132203651
China National Corporation of Traditional & Hebal Medical	Controlled by CNPGC	100005992
National Pharmaceutical Group Wuhan Pharmaceutical Industry Design Institute	Controlled by CNPGC	177588428
Wangyang	Family member of actual holder of subsidiary minority interest	N/A
Reed Sinopharm Exhibitions Co., Ltd.	Controlled by CNPGC	710929017
Shanghai Pharmaceutical Industry Research Institute	Controlled by CNPGC	425002562
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Associate of CNPGC	133060541
Jiangmen RenRen Medical equipment Co.,Ltd	Controlled by key management of subsidiary	794614898
Peng JianXiong	Key Management of Subsidiary	N/A
Shenzhen Jiufeng investment Co., Ltd.	Minority interest of subsidiary	565715669

The illustration of other related parties is as below:

Nil

5. Related party transactions

(1)Purchase of goods and other services

Currency: RMB

Entity	Transaction Type	Pricing policies	Current year transaction		previous year transaction	
			Amount	% of same transaction	Amount	% of same transaction
Sinopharm Holding Sub Marketing Center Co., Ltd.	Purchase of goods	Market price	429,186,432.72	5.57%	44,704,255.95	0.71%
Sinopharm Group	Purchase of goods	Market price	189,162,974.49	2.45%	482,405,743	7.66%
China National Medicines Co.,Ltd.	Purchase of goods	Market price	109,126,979.62	1.42%	85,103,173.12	1.35%
Sino-Swed Pharmaceutical	Purchase of	Market price	39,391,683.63	0.51%	32,848,388.57	0.52%

Corp.Ltd.	goods					
Shenzhen Wanle Pharmaceutical Co., Ltd.	Purchase of goods	Market price	19,511,130.88	0.25%	16,929,822.33	0.27%
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Purchase of goods	Market price	7,257,728.02	0.09%	6,577,760.52	0.1%
Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	Purchase of goods	Market price	7,158,703.82	0.09%	12,431,866.06	0.2%
Sinopharm Group Wei qida Medicine Co., Ltd	Purchase of goods	Market price	6,720,034.2	0.09%	10,059,829.05	0.16%
Sinopharm Holding Guizhou Co., Ltd.	Purchase of goods	Market price	5,781,496.33	0.07%	1,712,877.82	0.03%
Chongqing Haisiman Pharmaceutical Co.,Ltd.	Purchase of goods	Market price	5,081,718.52	0.07%	2,871,577.04	0.05%
Chongqing Yaoyou Pharmaceutical Co.,Ltd.	Purchase of goods	Market price	4,939,960.19	0.06%	2,035,925.47	0.03%
Shenzhen Wanwei Medicine trading Co., Ltd	Purchase of goods	Market price	4,079,158.04	0.05%		0%
Sinopharm Holding Fujian Co., Ltd.	Purchase of goods	Market price	3,544,824.12	0.05%	1,013,784.92	0.02%
Sinopharm Holding Beijing Co., Ltd.	Purchase of goods	Market price	2,440,546.99	0.03%	1,988,649.55	0.03%
Guangdong East Uptodate & Special Medicines Co.,Ltd.	Purchase of goods	Market price	2,226,860.84	0.03%	822,378.11	0.01%
Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	Purchase of goods	Market price	821,817.22	0.01%	7,678,827.22	0.12%
Sinopharm Holding Putian Co., Ltd.	Purchase of goods	Market price	798,076.9	0.01%		0%
Sinopharm Group Medicine Logistic Co., Ltd.	Transfer cost	Market price	746,184.31	0.01%	493,143.14	0.01%
Sinopharm Group	Purchase of	Market price	481,441.65	0.01%	201,043.42	0%

Chemical Reagent Co., Ltd.	goods					
Shanghai Shyndec Pharmaceutical Co., Ltd.	Purchase of goods	Market price	299,666.04	0%	93,090.96	0%
Sinopharm Holding Hainan Co., Ltd.	Purchase of goods	Market price	294,361.99	0%	40,361.56	0%
Lanzhou Biological Technology R&D Co.,Ltd.	Purchase of goods	Market price	265,051.27	0%		0%
Yunnan Medical Herbs Co., Ltd	Purchase of goods	Market price	263,716.81	0%	382,300.88	0.01%
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Purchase of goods	Market price	193,531.19	0%	246,401.71	0%
Foshan Nanhai Medicine Co.,Ltd.	Purchase of goods	Market price	157,891.08	0%	21,290.36	0%
Guilin South pharmaceutical Co., Ltd	Purchase of goods	Market price	152,806.82	0%	361,945.48	0.01%
Sinopharm Holding Yunnan Co., Ltd.	Purchase of goods	Market price	125,333.33	0%		0%
Sinopharm Yixin Medicine Co.,Ltd.	Purchase of goods	Market price	122,337.6	0%		0%
China Otsuka Pharmaceutical Co.,Ltd.	Purchase of goods	Market price	97,326.51	0%	14,112.83	0%
Guangdong Accord Drug Store Co., Ltd.	Purchase of goods	Market price	81,807.69	0%	-420.51	0%
Harson Shanghai Modern Pharmaceutical (Shangqiu) Co., Ltd.	Purchase of goods	Market price	80,438.05	0%		0%
Sinopharm Holding Hunan Co., Ltd.	Purchase of goods	Market price	67,716.92	0%	4,358.97	0%
Yichang Humanwell Pharmaceutical Co.,Ltd.	Purchase of goods	Market price	33,144.9	0%	9,398.29	0%
Shenyang Hongqi Pharmaceutical	Purchase of goods	Market price	26,956.82	0%	19,371.37	0%

Co.,Ltd.						
Handan Pharmaceutical Co.,Ltd	Purchase of goods	Market price	25,624.01	0%	100,366.66	0%
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Purchase of goods	Market price	21,571.2	0%	14,973.85	0%
Sichuan Jiang You Zhong Ba Science and Technology Development Co.,Ltd.	Purchase of goods	Market price	20,831.86	0%	9,371.68	0%
Sinopharm Holding Suzhou Co., Ltd.	Purchase of goods	Market price	12,767.18	0%		0%
Sinopharm Group Guorui Medicine Co.,Ltd.	Purchase of goods	Market price	12,410.25	0%	4,717.96	0%
Shenzhen Accord Pharmaceutical Chain Co., Ltd	Purchase of goods	Market price	11,884.41	0%		0%
Sinopharm Holding Zhangzhou Co., Ltd.	Purchase of goods	Market price	3,469.23	0%	150,769.24	0%
Chengdu Rongsheng Pharmacy Co., Ltd.	Purchase of goods	Market price		0%	6,165,564.15	0.1%
Sinopharm Holding Anhui Co., Ltd.	Purchase of goods	Market price		0%	970,025.22	0.02%
Sinopharm Holding Beijing Huahong Co., Ltd.	Purchase of goods	Market price		0%	-9,241.23	0%
Sinopharm Holding Jiangsu Co., Ltd.	Purchase of goods	Market price		0%	-3,661.53	0%
Shanghai Sailun Biological Technology Co.,Ltd.	Purchase of goods	Market price		0%	139,957.41	0%
Shanghai Medicine Hospital Medical Co., Ltd.	Purchase of goods	Market price		0%	2,564.1	0%
China National Pharmaceutical Foreign Trade Corporation	Purchase of goods	Market price		0%	9,241.23	0%

Qinghai Pharmaceutical factory Co., Ltd	Purchase of goods	Market price	4,108,923.06	0.05%	6,075,384.62	0.1%
Sinopharm Holding Meiluo (Dalian) Co., Ltd	Purchase of goods	Market price		0%	219,469.22	0%
Shanghai Chaohui Pharmecurical Co., Ltd.	Purchase of goods	Market price	-1,061.53	0%	570,811	0.01%
Sinopharm Group United Medical Equipment Co.,Ltd	Purchase of goods	Market price	-3,551.91	0%	3,320,995.53	0.05%
Reed Sinopharm Exhibitions Co., Ltd.	Exhibition charges	Market price	19,200	3.52%	16,000	3.18%
Shanghai Pharmaceutial Industry Research Institute	Testing charges	Market price	0	0%	10,000	100%

Sales of goods and rendering of service

Currency: RMB

Entity	Transaction Type	Pricing policies	Current year transaction		previous year transaction	
			Amount	% of same transaction	Amount	% of same transaction
Sinopharm Holding Hunan Co., Ltd.	Sales of goods	Market price	55,248,823.85	0.63%	50,878,689.48	0.71%
Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	Sales of goods	Market price	51,040,955.56	0.58%	32,371,341.13	0.45%
Sinopharm Holding Beijing Co., Ltd.	Sales of goods	Market price	42,601,658.91	0.49%	37,163,184.52	0.52%
Guangdong Accord Drug Store Co., Ltd.	Sales of goods	Market price	41,143,865.47	0.47%	43,181,782.6	0.6%
Sinopharm Holding Hubei Co., Ltd.	Sales of goods	Market price	42,211,035.26	0.48%	45,530,710.17	0.63%
Sinopharm Group Southwest Medicine Co., Ltd	Sales of goods	Market price	41,963,939.79	0.48%	31,872,690.08	0.44%
Chongqing Yaoyou Pharmaceutical Co.,Ltd.	Sales of goods	Market price	40,123,076.88	0.46%	43,459,829.31	0.61%
Sinopharm Group (Tianjin) Eastern Bokang	Sales of goods	Market price	24,315,570.13	0.28%	29,392,545.35	0.41%

Pharmaceutical Co., Ltd.						
Sinopharm Holding Beijing Huahong Co., Ltd.	Sales of goods	Market price	23,636,605.56	0.27%	21,242,420.68	0.3%
Sinopharm Holding Hainan Co., Ltd.	Sales of goods	Market price	21,501,585.17	0.25%	14,573,642.2	0.2%
Sinopharm Holding Shengyang Co., Ltd.	Sales of goods	Market price	18,240,892.25	0.21%	31,119,263.02	0.43%
Foshan Nanhai Medicine Co.,Ltd.	Sales of goods	Market price	15,435,981.47	0.18%	13,885,143.27	0.19%
Guangxi Accord Pharm Chain Co., Ltd.	Sales of goods	Market price	15,249,175.14	0.17%	21,509,468.96	0.3%
Sinopharm Holding Ningxia Co., Ltd.	Sales of goods	Market price	15,265,463.14	0.17%	10,159,836.64	0.14%
Sinopharm Holding Zhejiang Co., Ltd.	Sales of goods	Market price	14,342,607.57	0.16%	12,279,765.03	0.17%
Sinopharm Holding Hebei Medicine Co., Ltd.	Sales of goods	Market price	14,205,931.7	0.16%	22,796,569.41	0.32%
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co.,Ltd.	Sales of goods	Market price	14,204,647.28	0.16%	12,222,576.15	0.17%
Sinopharm Holding Sub Marketing Center Co., Ltd.	Sales of goods	Market price	13,513,766.43	0.15%		0%
Sinopharm Holding Tianjin Co., Ltd.	Sales of goods	Market price	13,052,985.97	0.15%	27,550,346.55	0.38%
Sinopharm Group	Sales of goods	Market price	12,457,454.09	0.14%	25,671,318.45	0.36%
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co.,Ltd.	Sales of goods	Market price	12,412,336.15	0.14%	16,107,057.43	0.22%
Sinopharm Le -Ren-Tang Medicine Co., Ltd.	Sales of goods	Market price	12,409,428.06	0.14%	609,978.82	0.01%
Sinopharm Holding Yunnan Co., Ltd.	Sales of goods	Market price	11,843,692.72	0.14%	13,666,728.6	0.19%
Sinopharm Holding Shandong Co., Ltd.	Sales of goods	Market price	11,598,587.98	0.13%	4,574,001.01	0.06%
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	Market price	11,187,921.12	0.13%	5,883,448.75	0.08%
Sinopharm Holding Hainan Hongyi Co., Ltd.	Sales of goods	Market price	10,458,325.4	0.12%		0%

Sinopharm Holding Gansu Co., Ltd.	Sales of goods	Market price	9,001,150.67	0.1%	6,790,236.57	0.09%
Sinopharm Holding Nantong Co., Ltd.	Sales of goods	Market price	8,427,781.84	0.1%		0%
Sinopharm Holding Wenzhou Co., Ltd.	Sales of goods	Market price	7,112,592.04	0.08%	4,749,817.53	0.07%
Guangdong East Uptodate & Special Medicines Co.,Ltd.	Sales of goods	Market price	6,862,934.45	0.08%	9,552,984.65	0.13%
Sinopharm Holding Chongqing Co., Ltd.	Sales of goods	Market price	6,727,493.88	0.08%	3,133,951.05	0.04%
Sinopharm Holding Fujian Co., Ltd.	Sales of goods	Market price	6,228,036.27	0.07%	7,036,241.86	0.1%
Sinopharm Holding Jiangsu Co., Ltd.	Sales of goods	Market price	5,892,015.78	0.07%	8,617,821.93	0.12%
Sinopharm Holding Fuzhou Co., Ltd.	Sales of goods	Market price	5,611,681.15	0.06%	2,314,222.39	0.03%
Sinopharm Holding Jinzhou Co., Ltd.	Sales of goods	Market price	5,459,179.44	0.06%	2,295,682.66	0.03%
China National Medicines Co.,Ltd.	Sales of goods	Market price	4,397,822.13	0.05%	2,281,895.47	0.03%
Sinopharm Holding Henan Co., Ltd.	Sales of goods	Market price	3,787,174.26	0.04%	8,457,904.34	0.12%
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	Market price	2,975,245.17	0.03%	6,550,615.82	0.09%
Sinopharm Holding Heilongjiang Co., Ltd.	Sales of goods	Market price	2,636,447.11	0.03%	1,096,112.21	0.02%
Sinopharm Holding Jilin Co., Ltd.	Sales of goods	Market price	2,542,553.22	0.03%	2,119,265.94	0.03%
Sinopharm Holding Inner Mongolia Co., Ltd.	Sales of goods	Market price	2,078,548.07	0.02%	2,400,974.22	0.03%
Sinopharm Holding Anhui Co., Ltd.	Sales of goods	Market price	1,862,026.57	0.02%	450,586.51	0.01%
Sinopharm Holding Xuzhou Co., Ltd.	Sales of goods	Market price	1,792,195.44	0.02%	1,515,730.05	0.02%
Shanghai Chaohui Pharmecurical Co., Ltd.	Sales of goods	Market price	1,571,794.86	0.02%	453,846.15	0.01%
Sinopharm Holding Ningde Co., Ltd.	Sales of goods	Market price	1,554,315.79	0.02%		0%

Sinopharm Holding (Jiangsu) Chinese Western Medicine Branch Company	Sales of goods	Market price	1,412,494.04	0.02%	1,102,883.74	0.02%
Sichuan Hexin Pharmaceutical Co.,Ltd.	Sales of goods	Market price	1,375,145.3	0.02%	2,492,731.63	0.03%
Sinopharm Holding Longyan Co., Ltd.	Sales of goods	Market price	1,356,643.44	0.02%	120,546.39	0%
Sinopharm Holding Guizhou Co., Ltd.	Sales of goods	Market price	1,288,133.65	0.01%	6,007,586.31	0.08%
Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	Sales of goods	Market price	1,217,723.12	0.01%	1,145,944.66	0.02%
Sinopharm Holding Guoda Pharmacy Co.,Ltd	Sales of goods	Market price	1,216,832.25	0.01%	1,597,271.88	0.02%
Sinopharm Holding Suzhou Co., Ltd.	Sales of goods	Market price	1,181,109.75	0.01%	1,370,447.69	0.02%
Sinopharm Holding Taizhou Co., Ltd.	Sales of goods	Market price	1,163,792.05	0.01%	340,002.46	0%
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Sales of goods	Market price	1,046,006.01	0.01%	855,842.8	0.01%
Sinopharm Holding Yancheng Co., Ltd.	Sales of goods	Market price	925,057.08	0.01%	139,829.06	0%
Sinopharm Holding Wuxi Co., Ltd.	Sales of goods	Market price	924,220.74	0.01%	1,104,686	0.02%
Sinopharm Holding Meiluo (Dalian) Co., Ltd	Sales of goods	Market price	868,575.67	0.01%	545,335.51	0.01%
Sinopharm Holding Hunan Deyuan Medicine Co., Ltd.	Sales of goods	Market price	835,051.29	0.01%		0%
Sinopharm Holding Nanjing Co., Ltd.	Sales of goods	Market price	788,118.16	0.01%	288,944.65	0%
Sinopharm Holding Zhangzhou Co., Ltd.	Sales of goods	Market price	782,560	0.01%	1,000,504.05	0.01%
Sinopharm Group Wei qida Medicine Co., Ltd	Sales of goods	Market price	723,803.43	0.01%	4,306,666.67	0.06%
Guangzhou Accord Pharm Chain Co., Ltd.	Sales of goods	Market price	377,376.59	0%	4,743,001.07	0.07%
Sinopharm Holding Yantai Co., Ltd	Sales of goods	Market price	350,953.82	0%	8,617.95	0%
Sinopharm Holding Putian	Sales of	Market	344,951.84	0%	43,954.07	0%

Co., Ltd.	goods	price				
Sinopharm Holding Jiangxi Co., Ltd.	Sales of goods	Market price	316,358.13	0%	749,689.48	0.01%
Sinopharm Holding Wuhu Co., Ltd.	Sales of goods	Market price	272,896.54	0%		0%
Sinopharm Holding Xinjiang Special Drugs Kaxqar Pharmaceutical Co.,Ltd.	Sales of goods	Market price	223,309.39	0%		0%
Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	Sales of goods	Market price	222,607.7	0%		0%
Sinopharm Holding Jinan Co., Ltd.	Sales of goods	Market price	171,535.9	0%		0%
Sinopharm Holding Shenyang Co., Ltd. Dalian Branch	Sales of goods	Market price	154,700.86	0%	304,504.27	0%
Sinopharm Group Shanghai Likang Medicine Stock Co.,Ltd.	Sales of goods	Market price	126,666.67	0%		0%
Sinopharm Holding Anqing Co., Ltd.	Sales of goods	Market price	117,651.25	0%	29,804.95	0%
Heilongjiang Sinopharm Medical Herbs Co.,Ltd.	Sales of goods	Market price	94,410.25	0%		0%
Sinopharm Holding Changzhou Co., Ltd.	Sales of goods	Market price	72,962.4	0%		0%
Sinopharm Holding Xinjiang Kumul Pharmaceutical Co.,Ltd.	Sales of goods	Market price	58,166.15	0%		0%
Sinopharm Holding Xinjiang Special Ginseng and Pilose Pharmaceutical Co.,Ltd.	Sales of goods	Market price	57,948.71	0%		0%
Sinopharm Holding Sanming Co., Ltd	Sales of goods	Market price	44,589.75	0%	53,101.54	0%
China National Scientific Instruments & Materials Corporation	Sales of goods	Market price	44,423.08	0%		0%
Sinopharm Holding Lishui Co., Ltd	Sales of goods	Market price	37,846.14	0%	36,883.98	0%
Sinopharm Group Xinjiang Special Drugs Karamay	Sales of	Market	32,741.02	0%		0%

Pharmaceutical Co.,Ltd.	goods	price				
Sinopharm Holding Qujing Co., Ltd.	Sales of goods	Market price	19,082.22	0%		0%
Sinopharm Holding Xinjiang Iliense Tongde Pharmaceutical Co.,Ltd.	Sales of goods	Market price	17,107.69	0%		0%
Sinopharm Holding Qinghai Co., Ltd.	Sales of goods	Market price	9,812.99	0%		0%
Sinopharm Holding Jingzhou Co., Ltd.	Sales of goods	Market price	8,256.41	0%	2,358.98	0%
Sinopharm Xinjing Korla Medicine Co., Ltd.	Sales of goods	Market price	3,010	0%		0%
Sinopharm Holding Jiangsu Co., Ltd. Taizhou Branch	Sales of goods	Market price	1,435.9	0%		0%
Sinopharm Holding Siping Co., Ltd.	Sales of goods	Market price	1,435.9	0%		0%
Sinopharm Holding Suzhou Boai Co., Ltd.	Sales of goods	Market price		0%	5,487.18	0%
Sinopharm Holding Linyi Co., Ltd	Sales of goods	Market price		0%	134,974.36	0%
Sinopharm Holding Xinyu Co., Ltd.	Sales of goods	Market price		0%	354,523.08	0%
Sinopharm Holding Tianjin Co.,Ltd. Tangshan Branch	Sales of goods	Market price		0%	146,504.49	0%
Jiangmen RenRen Medical equipment Co.,Ltd	Sales of goods	Market price	168,849.23	0%		
Guangdong Accord Drug Store Co., Ltd.	Dispatching and transportation charges	Market price	206,755.54	1.54%	301,229.06	2.79%
Guangdong Accord Drug Store Co., Ltd.	Dispatching and transportation charges	Market price	1,236,700	9.22%	1,294,300	12%
Sinopharm Group Medicine Logistic Co., Ltd.	Dispatching and transportation charges	Market price	5,110,500	38.09%	3,328,800	30.87%
China National Medicines	Dispatching and	Market	903,500	6.73%	681,400	6.32%

Co.,Ltd.	transportation charges	price				
Guangzhou Accord Pharm Chain Co., Ltd.	Dispatching and transportation charges	Market price	0		231,600	2.15%
Shenzhen Wanle Pharmaceutical Co., Ltd.	Conference and Training charges	Market price	135,600	0.00%	0	

(2) Information of related party trust / contract

Nil

(3)Lease

As lessor:

Currency: RMB

Lessor	Lessee	Type of assets use for	Status of asset leased	Value of leased asset	Contract beginning date	Contract terminated date	Price policy	Rental income of report period	Influence by lease income to the company
Sinopharm Liuzhou	Guangxi Accord Pharm Chain Co., Ltd.	Building	In good condition	2,002,540.83	1 July 2009	31 December 2012	Market price	566,283.3	No.
Sinopharm Liuzhou	Guangxi Accord Pharm Chain Co., Ltd.	Building	In good condition	437,313.81	10 March 2011	31 December 2012	Market price	32,086.02	No.
The company	Shenzhen Accord Pharmaceutical Chain Co., Ltd	Building	In good condition	1,137,599.42	1 June 2009	31 December 2012	Market price	234,780	No.
Sinopharm Material	Shenzhen Accord Pharmaceutical Chain Co., Ltd	Building	In good condition	327,350.23	1 January 2012	30 June 2012	Market price	27,000	No.
Huixin Investment	Guangzhou Accord Pharmaceutical Chain Co., Ltd	Building	In good condition	2,333,107.46	1 January 2012	31 December 2012	Market price	256,806	No.
Huixin Investment	Sinopharm Group United Medical Equipment Co.,Ltd	Building	In good condition	1,158,443.61	1 January 2012	31 December 2012	Market price	96,372	No.
Guangxi Logistics	Guangxi Accord Pharmaceutical Chain Co., Ltd	Building	In good condition	1,367,765.89	1 July 2009	31 December 2012	Market price	139,846.5	No.

As lessee:

Currency: RMB

Leasor	Lessee	Type of assets use for	Status of asset leased	Value of leased asset	Contract beginning date	Contract terminated date	Price policy	Rental income of report period	Influence by lease income to the company
Sinopharm Group Medicine Logistic Co., Ltd.	Sinopharm Guangzhou	Building	In good condition		1 January 2012	30 June 2012	Market price	3,540,000	No.
Sinopharm Group Medicine Logistic Co., Ltd.	Sinopharm Guangzhou	Equipment	In good condition		1 January 2012	30 June 2012	Market price	4,387,500	No.
Peng JianXiong	Sinopharm Jiangmen	Building	In good condition		1 January 2012	31 December 2012	Market price	31,168	No.
Wangyang	Sinopharm Yanfeng	Building	In good condition		1 July 2009	31 December 2012	Market price	198,000	No.

The illustration of lease from/to related parties is as below:

Nil

(4)Guarantees provided

Currency: RMB

Guarantor	Guarantee	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Sinopharm Guangzhou, Zhijun Pharm	The company	120,564,054.49	29 September 2011	28 September 2012	No
Zhijun Pharm	The company	59,553,711.58	22 March 2012	22 March 2013	No

Sinopharm Group	The company	60,000,000	18 November 2011	31 October 2012	No
Zhijun Pharm	The company	81,346,260.69	08 March 2012	08 March 2013	No
Zhijun Pharm	The company	30,591,928.22	02 June 2011	01 June 2012	No
Zhijun Pharm	The company	8,933,710.49	06 December 2011	06 December 2012	No
Zhijun Pharm	The company	11,328,891.94	18 May 2012	13 May 2013	No
Zhijun Pharm	Zhijun Trade	10,303,020	13 October 2011	13 October 2012	No
The Company	Sinopharm Zhanjiang	11,130,238.37	02 August 2011	02 August 2012	No
The Company	Sinopharm Guangzhou	66,712,162.97	26 July 2011	26 July 2012	No
The Company	Sinopharm Guangzhou	310,178,898.77	17 October 2011	17 October 2012	No
The Company	Sinopharm Guangzhou	79,951,751.04	14 December 2011	13 November 2012	No
The Company	Sinopharm Yuxing	18,492,051.29	28 April 2012	28 April 2013	No
The Company	Sinopharm Guangzhou	241,943,913.68	28 April 2012	28 April 2013	No
The Company	Sinopharm Guangzhou	120,561,447.44	21 May 2012	24 April 2013	No
The Company	Sinopharm Guangzhou	148,726,230.9	18 January 2012	18 January 2013	No
The Company	Sinopharm Guangzhou	98,162,109.72	10 February 2012	09 February 2013	No
The Company	Sinopharm Guangzhou	99,317,856.05	27 April 2012	12 April 2013	No
The Company	Sinopharm Yanfeng	19,516,551.08	28 February 2012	27 February 2013	No
The Company	Sinopharm Yanfeng	17,603,716.32	14 December 2011	13 November 2012	No
The Company	Zhijun Trade	11,901,330	14 December 2011	13 November 2012	No
The Company	Zhijun Trade	4,853,520	08 March 2012	08 March 2013	No
The Company	Zhijun Pharm	56,770,780.11	20 June 2012	20 June 2013	No
The Company	Zhijun Pharm	20,376,265.15	13 December 2011	13 November 2012	No
The Company	Zhijun Pharm	29,795,000	25 August 2011	24 August 2016	No

The Company	Zhijun Pharm	10,111,698.65	22 March 2012	22 March 2013	No
The Company	Sinopharm Liuzhou	15,000,000	14 December 2011	13 November 2012	No
The Company	Sinopharm Liuzhou	24,855,673.43	20 November 2011	20 November 2012	No
The Company	Wanqing Suzhou	39,900,000	28 June 2012	27 June 2013	No
The Company	Suzhou Wanqing	30,000,000	01 August 2010	01 August 2013	No
The Company	Suzhou Wanqing	49,789,168.92	17 January 2012	05 January 2013	No
The Company	Suzhou Wanqing	68,120,018.46	07 May 2012	06 May 2013	No
The Company	Suzhou Wanqing	40,000,000	14 December 2011	13 November 2012	No
The Company	Suzhou Wanqing	44,718,152.43	14 June 2012	14 June 2013	No
The Company	Guangxi Logistics	66,908,487.71	17 January 2011	17 January 2014	No
The Company	Sinopharm Guangxi	85,368,810	15 May 2012	15 May 2013	No
The Company	Sinopharm Guangxi	97,878,310	16 May 2012	16 May 2013	No
The Company	Sinopharm Guangxi	73,316,487.56	14 December 2011	13 December 2012	No
The Company	Sinopharm Guangxi	22,311,021.66	28 April 2012	28 April 2013	No
Sinopharm Group	Sinopharm Guangzhou	84,490,886.38	17 September 2011	28 September 2012	No
Sinopharm Group	Sinopharm Guangzhou	298,884,666.23	12 August 2011	12 August 2012	No

The illustration of guarantee provided to related parties is as below:

Nil

(5)Financing

Currency: RMB

Entity	Amount	Effective date	Maturity date	Instruction
Borrowed from-				
Sinopharm Group	42,630,000	09 January 2012	08 July 2012	
Sinopharm Group	50,000,000	08 March 2012	06 September 2012	
Sinopharm Group	40,000,000	14 March 2012	13 September 2012	
Sinopharm Group	50,000,000	12 January 2012	28 June 2012	
Sinopharm Group	8,010,000	22 May 2012	21 November 2012	
Sinopharm Group	41,990,000	22 May 2012	21 November 2012	
Lend to-				

(6)Information about assets transfer, debt reorganization of related parties

N/A

(7)Other related party transactions

Entity	Related party	Type of transaction	Six months ended 30 June 2012	Six months ended 30 June 2011
The Company	Sinopharm Group	Interest paid for the entrusted loans	5,390,597.65	4,770,475.00
Sinopharm Guangzhou	Sinopharm Group	Interest paid for the entrusted loans	4,560,912.16	4,091,034.71
Sinopharm Guangzhou	Sinopharm Holding Sub Marketing Center Co., Ltd.	Charges of discounted notes payable	1,713,450.07	723,564.37
Sinopharm Guangzhou	Sinopharm Group	Charges of discounted notes payable	1,113,332.61	4,677,816.74
Sinopharm Liuzhou	Sinopharm Group	Interest paid for the entrusted loans	503,661.67	0
Sinopharm Guangzhou	Sinopharm Group	Interest pay for the upstream factoring	0	1,223,377.02

6. Accounts receivable from and payables to related parties

Receivables from related parties:

Currency: RMB

Account name	Related party	Ending balance	Opening balance
Accounts receivable	Sinopharm Holding Hunan Co., Ltd.	24,920,892.15	21,728,617.94
Accounts receivable	Chongqing Yaoyou Pharmaceutical Co.,Ltd.	16,112,000	19,680,000
Accounts receivable	Sinopharm Holding Beijing Co., Ltd.	12,278,220.47	16,862,605.55
Accounts receivable	Sinopharm Holding Hubei Co., Ltd.	10,320,940.7	14,871,593.35
Accounts receivable	Sinopharm Group Southwest Medicine Co., Ltd	14,705,972.16	13,870,986.69
Accounts receivable	Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	16,675,738	13,724,106.87
Accounts receivable	Sinopharm Group	5,707,245.6	13,341,144.9
Accounts receivable	Guangdong Accord Drug Store Co., Ltd.	10,295,107.58	12,678,081.03
Accounts receivable	Sinopharm Holding Shengyang Co., Ltd.	9,573,436.2	12,096,831.46
Accounts receivable	Guangxi Accord Pharm Chain Co., Ltd.	6,210,009.23	9,114,338.57
Accounts receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co.,Ltd.	5,048,060.27	8,810,320.11
Accounts receivable	Sinopharm Holding Beijing Huahong Co., Ltd.	8,708,543.4	7,069,197.48
Accounts receivable	Sinopharm Holding Hainan Co., Ltd.	9,953,220.8	6,981,348.17
Accounts receivable	Sinopharm Le -Ren-Tang Medicine Co., Ltd.	2,726,926.7	6,849,253.91
Accounts receivable	Sinopharm Holding Tianjin Co., Ltd.	4,538,274.06	6,565,949.08
Accounts receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	6,912,251.6	6,143,790.4
Accounts receivable	Sinopharm Holding Fujian Co., Ltd.	276,221.35	5,925,114.49
Accounts receivable	Sinopharm Holding Yunnan Co., Ltd.	2,461,355.35	5,788,788.13
Accounts receivable	Sinopharm Holding Zhejiang Co., Ltd.	5,668,312.1	5,591,038.8
Accounts receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	4,450,446.81	4,316,031.04
Accounts receivable	Sinopharm Holding Hebei Medicine Co., Ltd.	2,918,142.12	3,628,184.4
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co.,Ltd.	4,024,737.71	3,553,021.64
Accounts receivable	Guangdong East Uptodate & Special Medicines Co.,Ltd.	2,487,114.31	3,150,435.77
Accounts receivable	Foshan Nanhai Medicine Co.,Ltd.	3,482,910.44	2,758,739.01
Accounts receivable	Sinopharm Holding Shandong Co., Ltd.	3,501,935.19	2,728,583.94
Accounts receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	4,754,869.6	2,664,042.1
Accounts receivable	Sinopharm Holding Jinzhou Co., Ltd.	870,143.76	2,157,238.28
Accounts receivable	Sinopharm Group Medicine Logistic Co., Ltd.	3,182,860.03	1,914,898.65
Accounts receivable	Sinopharm Holding Ningxia Co., Ltd.	4,657,171.88	1,635,547.72
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	817,166.96	1,479,776.58

Accounts receivable	Sinopharm Holding Wenzhou Co., Ltd.	2,134,742.51	1,314,190.2
Accounts receivable	China National Medicines Co.,Ltd.	740,077.4	1,247,692.04
Accounts receivable	Sinopharm Holding Jiangsu Co., Ltd.	1,439,815.92	1,205,326.99
Accounts receivable	Sinopharm Holding Guoda Pharmacy Co.,Ltd	829,995.18	898,459.41
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	4,505,489.29	848,442.92
Accounts receivable	Sinopharm Holding Tianjin North Medicine Co., Ltd.	455,040	772,312.82
Accounts receivable	Sinopharm Holding Henan Co., Ltd.	629,078.06	767,371.91
Accounts receivable	Sinopharm Holding Fuzhou Co., Ltd.	633,504	731,732
Accounts receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	711,133.2	611,446.26
Accounts receivable	Sinopharm Holding Gansu Co., Ltd.	1,481,660.52	547,254.55
Accounts receivable	Sinopharm Holding Jilin Co., Ltd.	853,527.3	511,469.28
Accounts receivable	Shanghai Chaohui Pharmecurical Co., Ltd.	577,848.74	479,842.84
Accounts receivable	Sinopharm Holding Longyan Co., Ltd.	202,676	450,684
Accounts receivable	Sinopharm Holding Chongqing Co., Ltd.	3,239,788.6	448,242.32
Accounts receivable	Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	363,168	408,424.32
Accounts receivable	Sinopharm Holding Heilongjiang Co., Ltd.	1,291,896.32	377,608.04
Accounts receivable	Sinopharm Holding Suzhou Co., Ltd.	466,703.4	376,056
Accounts receivable	Sinopharm Holding Shenyang Co., Ltd. Dalian Branch	90,500	368,970
Accounts receivable	Sinopharm Holding Taizhou Co., Ltd.	364,194.4	289,541.69
Accounts receivable	Sinopharm Holding Guizhou Co., Ltd.	272,530.4	278,098
Accounts receivable	Sinopharm Holding Xuzhou Co., Ltd.	617,568.61	270,367.47
Accounts receivable	Sinopharm Holding Wuxi Co., Ltd.	222,041.81	251,225.8
Accounts receivable	Guangzhou Accord Pharm Chain Co., Ltd.	149,021.81	230,271.27
Accounts receivable	Sinopharm Holding Meiluo (Dalian) Co., Ltd	391,886	219,559.66
Accounts receivable	Sinopharm Holding Zhangzhou Co., Ltd.	348,613.44	200,000
Accounts receivable	Sinopharm Holding Nanjing Co., Ltd.	157,950	139,160
Accounts receivable	Sinopharm Holding Yancheng Co., Ltd.	224,337	95,290
Accounts receivable	Sinopharm Group Wei qida Medicine Co., Ltd	932,920	86,070
Accounts receivable	Sinopharm Holding Ningde Co., Ltd.	537,926.24	43,224
Accounts receivable	Sinopharm Holding Anshun Co., Ltd.		35,600
Accounts receivable	Sinopharm Holding Changzhou Co., Ltd.	64,632	33,984
Accounts receivable	Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	71,517	28,770
Accounts receivable	Sinopharm Holding Lishui Co., Ltd	19,860	14,940

Accounts receivable	Sinopharm Holding Jiangxi Co., Ltd.	54,221	9,540
Accounts receivable	Sinopharm Holding Sanming Co., Ltd		2,610
Accounts receivable	China National Scientific Instruments & Materials Corporation		2,376
Accounts receivable	Sinopharm Holding Qijing Co., Ltd.		280
Accounts receivable	Sinopharm Holding Nantong Co., Ltd.	2,562,040.7	
Accounts receivable	Sinopharm Holding Anhui Co., Ltd.	207,931	
Accounts receivable	Sinopharm Holding (Jiangsu) Chinese Western Medicine Branch Company	1,067,570	
Accounts receivable	Sichuan Hexin Pharmaceutical Co.,Ltd.	269,800	
Accounts receivable	Sinopharm Holding Hunan Deyuan Medicine Co., Ltd.	89,800	
Accounts receivable	Sinopharm Holding Yantai Co., Ltd	150,861.6	
Accounts receivable	Sinopharm Holding Putian Co., Ltd.	99,842.6	
Accounts receivable	Sinopharm Holding Wuhu Co., Ltd.	112,491	
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Kaxqar Pharmaceutical Co.,Ltd.	40,032	
Accounts receivable	Sinopharm Group Shanghai Likang Medicine Stock Co.,Ltd.	148,200	
Accounts receivable	Sinopharm Holding Anqing Co., Ltd.	42,960	
Accounts receivable	Sinopharm Holding Xinjiang Kumul Pharmaceutical Co.,Ltd.	60,048	
Accounts receivable	Sinopharm Holding Xinjiang Iliense Tongde Pharmaceutical Co.,Ltd.	20,016	
Accounts receivable	Sinopharm Holding Qinghai Co., Ltd.	2,832	
Accounts receivable	Jiangmen RenRen Medical equipment Co.,Ltd	-21,950.40	
Other receivables	Sinopharm Group Medicine Logistic Co., Ltd.	1,215,000	1,215,000
Notes receivable	Chongqing Yaoyou Pharmaceutical Co.,Ltd.	14,712,000	21,648,000
Notes receivable	Sinopharm Holding Hunan Co., Ltd.	2,183,376.96	6,701,980.4
Notes receivable	Sinopharm Holding Tianjin Co., Ltd.	1,589,116	4,747,358
Notes receivable	Sinopharm Holding Hubei Co., Ltd.	1,985,352.82	2,566,237.92
Notes receivable	Sinopharm Holding Hainan Co., Ltd.	2,692,007.02	2,035,726.34
Notes receivable	Guangdong Accord Drug Store Co., Ltd.	4,212,488.44	1,854,083.26
Notes receivable	Sinopharm Group Southwest Medicine Co., Ltd	2,336,797.24	1,441,019.38
Notes receivable	Guangxi Accord Pharm Chain Co., Ltd.	624,439.15	474,582.55
Notes receivable	Sinopharm Holding Chongqing Co., Ltd.	346,772	443,273.4
Notes receivable	Sinopharm Holding Jiangsu Co., Ltd.		300,000

Notes receivable	Sinopharm Holding Xuzhou Co., Ltd.	700,350	254,442
Notes receivable	Sinopharm Holding Fuzhou Co., Ltd.	106,207.2	108,576
Notes receivable	Sinopharm Holding Yancheng Co., Ltd.		100,860
Notes receivable	Sinopharm Holding Guoda Pharmacy Store Shenyang Chain Co.,Ltd		68,299.4
Notes receivable	Sinopharm Holding Shengyang Co., Ltd.	560,040	40,227
Notes receivable	Sinopharm Holding Yantai Co., Ltd		22,752
Notes receivable	Sinopharm Holding Gansu Co., Ltd.	548,060	
Notes receivable	Sinopharm Holding Hebei Medicine Co., Ltd.	840,471.84	
Notes receivable	Sinopharm Holding Henan Co., Ltd.		
Notes receivable	Sinopharm Holding Shanxi Co., Ltd.	1,570,177	
Notes receivable	Sinopharm Holding Hunan Deyuan Medicine Co., Ltd.	10,000	
Notes receivable	Sinopharm Holding Zhangzhou Co., Ltd.	543,464.76	
Notes receivable	Sinopharm Holding (Jiangsu) Chinese Western Medicine Branch Company	50,000	
Notes receivable	Sinopharm Holding Beijing Huahong Co., Ltd.	351,254	
Notes receivable	Sinopharm Holding Guoda Pharmacy Co.,Ltd	208,952	
Notes receivable	Sinopharm Holding Wuhu Co., Ltd.	128,331	
Advances to suppliers	Qinghai Pharmaceutical factory Co., Ltd	3,182,179	3,053,637.46
Advances to suppliers	Company's ultimate controlling equity holder	50,000	50,000
Advances to suppliers	Handan Pharmaceutical Co.,Ltd		11,111.19
Advances to suppliers	Sinopharm Holding Suzhou Co., Ltd.		9,515.8
Advances to suppliers	Shenzhen Accord Pharmaceutical Chain Co., Ltd		5,800
Advances to suppliers	Sinopharm Holding Zhangzhou Co., Ltd.		3,469.23
Advances to suppliers	Yichang Humanwell Pharmaceutical Co.,Ltd.	2,087.21	2,138
Advances to suppliers	Sino-Swed Pharmaceutical Corp.Ltd.	38.21	101.69
Advances to suppliers	Harson Shanghai Modern Pharmaceutical (Shangqiu) Co., Ltd.	6,291.58	
Advances to suppliers	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	57,500	
Advances to suppliers	Guangdong Accord Drug Store Co., Ltd.	13,907.31	
Advances to suppliers	Sinopharm Group United Medical Equipment Co.,Ltd	278.92	

Payables to related parties:

Currency: RMB

Account name	Related party	Ending balance	Opening balance
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Accounts payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	128,944,353.8	123,766,255.86
Accounts payable	Sinopharm Group	41,973,797.04	74,626,867.68
Accounts payable	China National Medicines Co.,Ltd.	27,620,614.98	23,013,857.35
Accounts payable	Shenzhen Wanle Pharmaceutical Co., Ltd.	5,254,353.1	5,940,814.16
Accounts payable	Sino-Swed Pharmaceutical Corp.Ltd.	12,575,600.39	5,072,420.31
Accounts payable	Sinopharm Group Wei qida Medicine Co., Ltd	2,662,086.33	2,783,057.4
Accounts payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	2,746,484.43	2,627,673.78
Accounts payable	Chongqing Yaoyou Pharmaceutical Co.,Ltd.	2,094,402.89	2,462,129.34
Accounts payable	Shenzhen Wanwei Medicine trading Co., Ltd	1,772,854.1	2,090,570.05
Accounts payable	Chongqing Haisiman Pharmaceutical Co.,Ltd.	2,737,005.15	1,884,450.37
Accounts payable	Sinopharm Holding Guizhou Co., Ltd.	1,567,660.48	1,813,752.86
Accounts payable	Guangdong East Uptodate & Special Medicines Co.,Ltd.	212,547.01	1,734,004.4
Accounts payable	Guang dong South National Pharmaceutical Foreign Trade Co.,Ltd.	3,675,795.74	1,536,301.67
Accounts payable	Sinopharm Holding Beijing Co., Ltd.	111,479	536,279
Accounts payable	Guangdong Accord Drug Store Co., Ltd.		433,456.4
Accounts payable	Shanghai Shyndec Pharmaceutical Co., Ltd.	163,733.81	115,786.71
Accounts payable	China National Corporation of Traditional & Hebal Medical		201,022.5
Accounts payable	Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	98,873.68	178,143.35
Accounts payable	Sinopharm Group Medicine Logistic Co., Ltd.	183,845.92	128,845.92
Accounts payable	Foshan Nanhai Medicine Co.,Ltd.	30,812.17	86,263.8
Accounts payable	Guilin South pharmaceutical Co., Ltd	82,573.81	77,480.48
Accounts payable	Sinopharm Holding Fujian Co., Ltd.	2,152,778	52,439.34
Accounts payable	Handan Pharmaceutical Co.,Ltd	15,746.41	42,450
Accounts payable	Sinopharm Group Shanghai Medicine Device Co., Ltd.	16,603.02	40,615.74
Accounts payable	Shenyang Hongqi Pharmaceutical Co.,Ltd.	18,719.74	29,786.5
Accounts payable	Yichang Humanwell Pharmaceutical Co.,Ltd.	24,387.02	26,214.85
Accounts payable	Shanghai Chaohui Pharmecurical Co., Ltd.	18,551.36	24,069.49
Accounts payable	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	44,677.67	23,217.12
Accounts payable	Jiangsu Wanbang Bio-Chemical Medicine Co., Ltd.	14,906.71	14,906.71
Accounts payable	Shanghai Sailun Biological Technology Co.,Ltd.	10,671.57	10,671.57
Accounts payable	Sinopharm Group Beijing Medical equipment Co.,Ltd	8,827.77	8,827.77
Accounts payable	China Otsuka Pharmaceutical Co.,Ltd.	109,117.85	7,519.35
Accounts payable	Sinopharm Group Guorui Medicine Co.,Ltd.	7,996.92	4,920

Accounts payable	Shanghai Medicine Hospital Medical Co., Ltd.	1,361.96	3,681.96
Accounts payable	China National Medical Equipment & Supplies I/E (Shenzhen) Co.,Ltd.	3,519.19	3,519.19
Accounts payable	Sichuan Jiang You Zhong Ba Science and Technology Development Co.,Ltd.	360	2,110
Accounts payable	Shanghai Fosun Long March Medical Science Co., Ltd.	1,751.39	1,751.39
Accounts payable	Sinopharm Group United Medical Equipment Co.,Ltd		1,551.3
Accounts payable	China National Pharmaceutical Foreign Trade Corporation	929.12	929.12
Accounts payable	Sinopharm Qianjing Stomatological Technology (Beijing) Co.,Ltd	109.4	109.4
Accounts payable	Sinopharm Group Chemical Reagent Co., Ltd.	221,553.04	
Accounts payable	Sinopharm Holding Hainan Co., Ltd.	220,057.27	
Accounts payable	Sinopharm Yixin Medicine Co.,Ltd.	143,130	
Accounts payable	Sinopharm Holding Yunnan Co., Ltd.	146,640	
Accounts payable	Sinopharm Holding Hunan Co., Ltd.	79,228.8	
Accounts payable	Xiamen XingShahuaide Pharmaceutical Co.,Ltd.	1,113.85	
Accounts payable	Shenzhen Accord Pharmaceutical Chain Co., Ltd	773.3	
Accounts payable	Shanghai Fosun Pharmaceutical Co., Ltd.	189.71	
Notes payable	Sinopharm Group	33,766,814.21	106,150,930.62
Notes payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	190,996,505.07	27,725,806.59
Notes payable	China National Medicines Co.,Ltd.		16,351,542.29
Notes payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	1,352,200	3,072,000
Notes payable	Chongqing Haisiman Pharmaceutical Co.,Ltd.	1,845,400	1,713,387
Notes payable	Sinopharm Group Wei qida Medicine Co., Ltd	6,785,958	1,500,000
Notes payable	Shenzhen Wanle Pharmaceutical Co., Ltd.	873,870	1,197,872.4
Notes payable	Chongqing Yaoyou Pharmaceutical Co.,Ltd.	470,872	895,540
Notes payable	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	204,970.92	332,561.31
Notes payable	Guilin South pharmaceutical Co., Ltd		112,246
Notes payable	Sinopharm Holding Fujian Co., Ltd.		61,965
Notes payable	Shanghai Shyndec Pharmaceutical Co., Ltd.		33,674.8
Advances from customer	Sinopharm Holding Nanjing Co., Ltd.	7,750	7,750
Advances from customer	Sinopharm Holding Hunan Co., Ltd.		442
Advances from customer	Sinopharm Holding Hebei Medicine Co., Ltd.	278,906.08	

Advances from customer	Sinopharm Holding Taizhou Co., Ltd.	16,547.66	
Advances from customer	Sinopharm Holding Jinan Co., Ltd.	1,471.73	
Other payables	Guangdong East Uptodate & Special Medicines Co.,Ltd.	1,350,000	4,900,000
Other payables	Sinopharm Group	3,930,696.87	3,730,696.87
Other payables	China National Pharmaceutical Group Shanghai Co.,Ltd	1,660,431.38	1,660,431.38
Other payables	China National Corporation of Traditional & Hebal Medical	1,500,000	1,300,000
Other payables	National Pharmaceutical Group Wuhan Pharmaceutical Industry Design Institute	160,000	600,000
Other payables	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.		160,000
Other payables	Sinopharm Group Medicine Logistic Co., Ltd.	3,540,000	
Other payables	Sinopharm Group Shanghai Medicine Device Co., Ltd.	30,000	
Other payables	Sinopharm Holding Sub Marketing Center Co., Ltd.	0	200,000
Other payables	Peng JianXiong	93,504	0
Entrusted loans	Sinopharm Group	202,630,000	337,370,000
Interest payable	Sinopharm Group	374,692.26	697,845.63
Other non-current liabilities	Sinopharm Group	35,061,800	35,061,800

(X)Share-base payment

1. General information of Share-base payment

Nil

2,General information of Share-base payment in equity method

Nil

3. Information of Share-base payment in cash

Nil

4,Share-base payment on behalf of employees

Nil

5. Information of share-base payment amendment and termination

Nil

(XI) Contingency**1. Contingent liabilities and its financial effect arising from unsettled litigation or arbitration**

N/A

2. Contingent liabilities and its financial effect arising from loan guarantee offered to other companies

N/A

Other contingent liabilities and its financial effect:

N/A

(XII) Commitments**1. Significant commitments**

(1) Capital expenditure commitments		
Commitments signed but hasn't been recognized in financial statements (Unit:RMB0,000)		
Item	June 30,2012	December 31,2011
Property, Premise and Equipment	1,897.95	6,310.25
(2) Operating lease commitments		
The Group's future minimum rent to be paid is as follows according to the non-cancellable operating lease contract: (Unit:RMB0,000)		
Duration	June 30,2012	December 31,2011
Within 1 year	1,119.01	2,632.81
1 to 2 years	995.45	1,015.44
2 to 3 years	955.77	952.76
3 years above	8,646.92	8,666.20
Total	11,717.15	13,267.21

2. Fulfillment of prior commitments

The Group had fulfilled its' Capital expenditure commitments and Operating lease commitments for December 31, 2011.

(XIII)Events after the Balance Sheet Date

1. Notes of significant events after the Balance Sheet Date

N/A

2. Notes of profit distribution after Balance Sheet Date

N/A

3. Notes of other events after Balance Sheet Date

Other subsequent events after the balance sheet date

I. Business combinations after the balance sheet date

1. According to the 11th meeting minutes of sixth board of directors, the Company purchased 25% minority shareholder of subsidiary Suzhou Wanqing with the consideration of Rmb31.65 million.
2. According to the 11th meeting minutes of sixth board of directors, the Company purchased 70% shareholder of Shaoguan zhongqian medicine Co,Ltd with the consideration of Rmb15.38 million.
3. According to the 11th meeting minutes of sixth board of directors, the Company set up new subsidiary in Guangdong zhongshan with registered capital of Rmb10 million.

II. Short-term financing bond issue after balance sheet date

On 22 October 2011, the Company announced to issue short-term financing bond with the amount no more than Rmb400 million. Up to date, the Company has got the approval from China interbank market and on 9 August 2012, it raised Rmb400 million's short term financial bond with par annual interest rate of 4.03%, due from 10 August 2012 to 10 August 2013, and repayment the capital and interest when expired.

(XIV)Notes of other significant events

1. Exchange of non-monetary assets

N/A

2. Debt reorganization

N/A

3. Business combination

N/A

4. Lease

N/A

5. Closing financial instruments that externally issued and convertible into shares

N/A

6. Main content and significant changes of annuity plan

The Company established enterprise annuity plan according to <Annuity plan by China National Pharmaceutical Group Corporation> and <Implementation rules of annuity plan by Sinopharm Group> in January 2011. The company has sustained profitability and payment ability to establish the annuity plan. Up to June 2012, there are twelve subsidiaries, nearly 764 staff joining the annuity plan. Enterprise annuity plan is paid by both company and staff. The company paid the expense through relevant regulation and also withhold the part of staff. The rate of company does not exceed 3% of wages in previous year and the rate of staff is not less than a quarter of the company. And also expense base is no larger than 5 time's average monthly wages and also no larger than the group standards.

7. Other significant events

N/A

(XV) Notes to the main items of financial statement of the Company**1、Account receivables****(1) Account receivables**

category	2012/06/30				2011/12/31			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Individually significant are subject to impairment	0		0		0	0%	0	0%

assessment								
Receivable accounts within similar credit risk group								
Aging	369,480,124.54	99.68%	0		295,227,856.2	99.61%	0	0%
subtotal	369,480,124.54	99.68%	0	0%	295,227,856.2	99.61%	0	0%
Individually not significant but individually evaluated for impairment	1,169,085.93	0.32%	1,169,085.93	100%	1,169,085.93	0.39%	1,169,085.93	100%
Total	370,649,210.47	--	1,169,085.93	--	296,396,942.13	--	1,169,085.93	--

Individually significant are subject to impairment assessment

N/A

The ageing of account receivables is analyzed as follows:

✓ applicable

Aging	2012/06/30			2011/12/31		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	% of total balance		Amount	% of total balance	
Within 1 year						
	--	--	--	--	--	--
	369,480,124.54	100%		295,227,856.2	100%	0
Within 1 year	369,480,124.54	100%	0	295,227,856.2	100%	0
Total	369,480,124.54	--	0	295,227,856.2	--	0

In the company, accounts receivable adopting balance percentage method to withdraw bad debt provision:

☐Applicable ☒Not applicable

In the company, accounts receivable adopting other methods to withdraw bad debt provision

☐Applicable ☒Not applicable

Accounts receivable individually not significant but individually evaluated for impairment are analyzed below:

✓ applicable

	Per book	Bad debt provision	% of provision	Reason
Guangdong Liyuan Pharmaceutical Co., Ltd.	1,169,085.93	1,169,085.93	100%	Disputed receivables with uncertainty in recoverability
Total	1,169,085.93	1,169,085.93	100%	--

(2) Reversals and collections during the period

☐Applicable ☒Not applicable

(3) Accounts receivable written off in the period

☐Applicable ☒Not applicable

(4) Accounts receivable due from shareholders with more than 5% (including 5%) of the Company's equity interest are analyzed as below:

☐Applicable ☒Not applicable

(5) Nature or content of account receivables with significant amount.

☐Applicable ☒Not applicable

(6) The top five accounts receivable by customer are analysed as below:

Customer name	Relationship with the company	Amount	Aging	% of the total accounts receivable
Shenzhen Second People's Hospital	The third party	24,999,106.4	Within 1 year	6.74%
Peking University Shenzhen Hospital	The third party	18,896,529.29	Within 1 year	5.1%
Shenzhen Nanshan Center People's Hospital	The third party	15,402,465.43	Within 1 year	4.16%
Shenzhen institute of traditional Chinese medicine	The third party	15,083,201.68	Within 1 year	4.07%
Shenzhen People's Hospital	The third party	13,265,836.73	Within 1 year	3.58%
Total	--	87,647,139.53	--	23.65%

(7) Accounts receivable due from related party

Company name	Relationship with the company	Amount	% of the total accounts receivable
Sinopharm Jianmin	Subsidiary	14,515,231.56	3.92%
Sinopharm Yanfeng	Subsidiary	160,468.2	0.04%
Sinopharm Guangzhou	Subsidiary	2,885,285.42	0.78%
Sinopharm Liuzhou	Subsidiary	68,342.4	0.02%
Sinopharm hengxing	Subsidiary	2,093,929.53	0.56%
Sinopharm Guangxi	Subsidiary	34,995.12	0.01%
Sinopharm Foshan	Subsidiary	57,272.75	0.02%
Sinopharm Dongguan	Subsidiary	127,912.9	0.03%
Sinopharm Zhanjiang	Subsidiary	224,099.47	0.06%
Sinopharm Meizhou	Subsidiary	86,280.23	0.02%
Sinopharm Huizhou	Subsidiary	38,609.8	0.01%
Sinopharm Yuexing	Subsidiary	-571.17	0%
Guangdong Accord Drug Store Co.,Ltd.	Controlled by Sinopharm Group	4,717,621.41	1.27%
Foshan Nanhai Uptodate & Special Medicines Co.,Ltd.	Controlled by Sinopharm Group	652,698.37	0.18%
Foshan Nanhai Medicine Co.,Ltd.	Controlled by Sinopharm Group	1,741,953.5	0.47%

Total	--	27,404,129.49	7.39%
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(8) Derecognition of accounts receivable

☐Applicable ☒Not applicable

(9) Description of securitization on the accounts receivables

☐Applicable ☒Not applicable

2、Other receivables**(1) Other receivables**

category	2012/06/30				2011/12/31			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Individually significant are subject to impairment assessment	8,980,000	1.18%	8,980,000	100%	8,980,000	1.26%	8,980,000	100%
Receivable accounts within similar credit risk group								
Aging	751,308,538.82	98.42%	350.65	0%	704,287,366.97	98.57%	350.65	0%
Aging subtotal	751,308,538.82	98.42%	350.65	0%	704,287,366.97	98.57%	350.65	0%
Individually not significant but individually evaluated for impairment	3,030,906.74	0.4%	1,227,813.95	40.51%	1,227,813.95	0.17%	1,227,813.95	100%
Total	763,319,445.56	--	10,208,164.6	--	714,495,180.92	--	10,208,164.6	--

Impairment provision for other receivables individually significant.

√ Applicable

	Amount	Bad debt provision	Rate	reason
Shenzhen Yinghai Technology Investment Co., Ltd.	8,980,000	8,980,000	100%	Uncertainty in recoverability
Total	8,980,000	8,980,000	--	--

Provisions for impairment of the receivables which have a similar risk group

√ Applicable

Aging	2012/06/30			2011/12/31		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	% of total balance		Amount	% of total balance	
Within 1 year						
	--	--	--	--	--	--
	751,305,032.34	100%	0	704,280,353.95	100%	0
Within 1 year	751,305,032.34	100%	0	704,280,353.95	100%	0
1 to 2 years			0	7,013.02	0%	350.65
2 to 3 years	3,506.48	0%	350.65			
Total	751,308,538.82	--	350.65	704,287,366.97	--	350.65

In the company, other receivable adopting balance percentage method to withdraw bad debt provision:

☐ Applicable ☒ Not applicable

In the company, other receivable adopting other methods to withdraw bad debt provision

☐ Applicable ☒ Not applicable

Other receivables individually not significant but individually evaluated for impairment

√ Applicable

	Amount	Bad debt provision	Rate	Assessment for impairment
Shenzhen Health Food I&E Co. Ltd.	1,157,860	1,157,860	100%	Uncertainty in recoverability
Others	1,873,046.74	69,953.95	3.73%	Uncertainty in recoverability
Total	3,030,906.74	1,227,813.95	40.51%	--

(2) Reversals and collections during the period

☐ Applicable ☒ Not applicable

(3) Other receivables written off in the period

☐ Applicable ☒ Not applicable

(4) Accounts receivable due from shareholders with more than 5% (including 5%) of the Company's equity interest are analysed as below

□Applicable √Not applicable

(5) Nature of other receivables with larger amount

Item	Amount
Amounts due from subsidiaries	749,127,262.30
Receivable from equity transaction	8,980,000.00
Borrowings due from employees	1,452,668.48
Others	3,759,514.78

(6) The top five other receivables by customer are analysed below:

Company Name	Relationship with the Company	Amount	Aging	% of the total other receivable
Sinopharm guangxi	Subsidiary	184,781,026	Within 1 year	24.21%
Sinopharm Yuexing	Subsidiary	154,961,520.36	Within 1 year	20.30%
Sinopharm Zhanjiang	Subsidiary	104,112,125.00	Within 1 year	13.64%
Sinopharm Hengxing	Subsidiary	75,386,311.40	Within 1 year	9.88%
Sinopharm Foshan	Subsidiary	46,055,412.50	Within 1 year	6.03%
Total	--	565,296,395.26	--	74.06%

(7) Other receivables due from related parties

Company name	Relationship with the Company	Amount	% of the total other receivable
Sinopharm Guangxi	Subsidiary	184,781,025.85	24.21%
Sinopharm Yuexing	Subsidiary	154,961,520.36	20.3%
Sinopharm Zhanjiang	Subsidiary	104,112,125	13.64%
Sinopharm Hengxing	Subsidiary	75,386,311.4	9.88%
Sinopharm Foshan	Subsidiary	46,055,412.5	6.03%
Sinopharm Dongguan	Subsidiary	38,348,587.5	5.02%
Huixin Investment	Subsidiary	28,025,467.5	3.67%
Sinopharm Meizhou	Subsidiary	27,535,587.5	3.61%
Sinopharm Jianmin	Subsidiary	24,941,084.56	3.27%
Sinopharm Huizhou	Subsidiary	20,521,937.5	2.69%
Guangxi Logistics	Subsidiary	14,223,075	1.86%

Guangdong Logistics	Subsidiary	10,416,250	1.36%
Sinopharm material	Subsidiary	6,500,000	0.85%
Sinipharm Jiangmen	Subsidiary	5,008,125	0.66%
Shenzhen Logistics	Subsidiary	7,395,842.8	0.97%
Sinopharm Zhaoqing	Subsidiary	500,812.5	0.07%
Zhijun Pharm	Subsidiary	214,097.33	0.03%
Suzhou Wanqing	Subsidiary	200,000	0.03%
Total	--	749,127,262.3	98.14%

(8) Derecognition of other receivables

☐Applicable ☒Not applicable

(9) Description of securitization on the other receivables

☐Applicable ☒Not applicable

3、Long-term equity investments

Company Name	Accounting method	Original investment cost	2011/12/31	Increase/decrease	2012/06/30	Equity interest held (%)	Voting rights held (%)	Explanation for the inconsistency between equity interest held and voting rights held	impairment	Impairment this period	Cash dividend
Zhijun Pharm	Cost method	73,903,284.87	204,903,284.87		204,903,284.87	100%	100%				
Sinopharm Jianmin	Cost method	45,054,911.04	45,054,911.04		45,054,911.04	100%	100%				
Sinopharm Material	Cost method	5,400,000	6,450,875.93		6,450,875.93	100%	100%				
Shenzhen Logistics	Cost method	900,000	1,019,062.68		1,019,062.68	100%	100%				
Sinopharm Guangzhou	Cost method	58,283,114.68	435,440,323.63		435,440,323.63	100%	100%				
Zhijun Trade	Cost method	3,006,866.42	3,006,866.42		3,006,866.42	100%	100%				
Sinopharm Hengxing	Cost method	8,421,544.08	35,763,288		35,763,288	100%	100%				
Training center	Cost method	30,000	30,000		30,000	100%	100%				

Sinopharm Yulin	Cost method	4,987,919.71	4,987,919.71	-4,987,919.7 1		0%	0%				
Sinopharm Liuzhou	Cost method	21,407,965.79	21,407,965.79		21,407,965.79	51%	51%				
Sinopharm dongguan	Cost method	2,742,000	9,942,000		9,942,000	100%	100%				
Huixin Investment	Cost method	109,416,937.7 2	64,416,937.72		64,416,937.72	100%	100%				
Guangzho u Logistics	Cost method	1,269,502.3	5,596,006.21		5,596,006.21	100%	100%				
Sinopharm Yuexing	Cost method	16,459,326.27	43,459,326.27		43,459,326.27	100%	100%				
Sinopharm Foshan	Cost method	6,995,065.51	14,995,065.51		14,995,065.51	100%	100%				
Suzhou Wanqing	Cost method	134,250,000	134,250,000		134,250,000	75%	75%				
Sinopharm Guangxi	Cost method	33,048,985.28	104,048,985.2 8		104,048,985.28	100%	100%				
Sinopharm zhanjiang	Cost method	1,369,864.65	15,769,864.65		15,769,864.65	100%	100%				
Sinopharm Yanfeng	Cost method	38,207,800	38,207,800		38,207,800	51%	51%				
Sinopharm Meizhou	Cost method	4,481,900	4,481,900		4,481,900	100%	100%				
Shenzhen Medicine	Cost method	37,850,830.38	37,850,830.38		37,850,830.38	100%	100%				

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Sinopharm Huizhou	Cost method	20,939,177.19	5,644,200		5,644,200	100%	100%				
Shenzhen Trade	Cost method	7,689,226.69	7,689,226.69		7,689,226.69	100%	100%		7,689,226. 69		
Sinopharm zhaoqing	Cost method	5,060,000		5,060,000	5,060,000	100%	100%				
Sinopharm Jiangmen	Cost method	56,000,000		56,000,000	56,000,000	100%	100%				
Shenzhen Wanle Pharmace utical Co., Ltd.	Equity method	4,457,400	95,799,627.42	2,495,698.29	98,295,325.71	35.19 %	33.33 %				13,520, 461.47
Total	--	701,633,622.5 8	1,340,216,268 .2	58,567,778.5 8	1,398,784,046.7 8	--	--	--	7,689,226. 69	0	13,520, 461.47

4、Sales and cost of sales

(1) Sales, cost of sales

Item	2012 half year	2011 half year
Revenue of main operations	1,058,403,057.36	943,364,252.68
Other operating income	3,510,823.22	3,389,179.76
Cost of sales	1,009,526,559.83	901,521,599.01

Total

(2) Revenue and cost of main operations analyzed by industries are set out below:

	2012 half year		2011 half year	
	Revenue of main operations	Cost of main operations	Revenue of main operations	Cost of main operations
Pharmaceutical distribution	1,058,403,057.36	1,008,100,639.25	943,364,252.68	900,549,886.73
Total	1,058,403,057.36	1,008,100,639.25	943,364,252.68	900,549,886.73

(3) Revenue and cost of main operations analyzed by products are set out below:

☐Applicable ☒Not applicable

(4) Revenue and cost of main operations analyzed by regions are set out below:

☐Applicable ☒Not applicable

(5) Top five companies according to sales

	Sales	% of total sales of the group
Shenzhen People Hospital (Hospital department)	59,339,367.53	5.61%
Shenzhen Second People's Hospital	54,435,974.69	5.14%
Peking University Shenzhen Hospital	50,147,820.99	4.74%
Shenzhen People's Hospital of Nanshan District,	35,990,043.02	3.4%
Shenzhen Hospital of Traditional Chinese Medicine (two outpatient western library)	25,965,633.19	2.45%

Total	225,878,839.42	21.34%
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Note: N/A

5 Investment income

(1) Details of investment income

	Six months ended 30 June 2012	Six months ended 30 June 2011
Gains/losses recognized under cost method	316,636,115.7	235,060,478.67
Gains/losses recognized under equity method	16,016,159.76	12,810,289.3
Gains/losses on disposal of long-term equity investments	436,680.29	
Gains from holding of held-for-trading financial assets		
Gains from holding of held-to-maturity investments		
Gains from holding of available –for-sale financial assets		
Gains/losses on disposal of held-for-trading financial assets		
Gains/losses on held-to-maturity investment		
Gains/losses on available-for-sale financial assets		
Others		
Gains/losses recognized under cost method	333,088,955.75	247,870,767.97

(2) Gains/losses recognized under cost method

Investee	Six months ended 30 June 2012	Six months ended 30 June 2011	Reason for changes
Zhijun Pharm	170,527,785.07	112,085,162.99	Profitability rises
Sinopharm guangzhou	99,439,823.03	81,249,558.61	Profitability rises
Sinopharm guangxi	30,121,638.83	25,801,204.12	Profitability rises
Sinopharm yuexing	4,704,136.15	5,900,495.08	Profitability rises
Sinopharm material	2,552,710.73	2,423,326.99	Profitability rises
Other	9,290,021.89	7,600,730.88	Profitability rises
Total	316,636,115.7	235,060,478.67	--

(3) Gains/losses recognized under equity method

Investee	Six months ended 30 June 2012	Six months ended 30 June 2011	Reason for changes
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Shenzhen Wanle Pharmaceutical Co., Ltd.	16,016,159.76	12,810,289.3	Profitability rises
Total	16,016,159.76	12,810,289.3	--

Note: N/A

6. Supplementary information of cash flow statements

Supplementary information	Six months ended 30 June 2012	Six months ended 30 June 2011
1. Adjusting net profit to net cash flow in operating activities:	--	--
Net profit	326,019,343.36	229,549,305.5
Add: Provision for assets impairment	-87,845.57	252,914.4
Depreciation of fixed assets and investment properties	3,762,686.67	3,651,348.56
Amortisation of intangible assets	844,228.64	877,635.24
Amortisation of long-term prepaid Expenses	569,556.3	424,564.89
Gains on disposal of fixed assets, intangible assets and other non-current assets	23,154.69	250,055.35
Loss from scrapping of fixed assets	0	
Loss from fair change	0	
Financial expenses	11,725,700.6	16,818,820.34
Investment income	-333,088,955.75	-247,870,767.97
Increase of deferred tax assets	2,298,245.25	-334,917.79
Decrease of deferred tax liabilities		
Decrease/(increase) of inventory	8,682,514.28	337,532.8
Increase in operating receivables	-72,592,952.09	6,266,631.47
Increase in operating payables	99,800,033.57	-50,284,782.59
Others		
Net cash flow from operating activities	47,955,709.95	-40,061,659.8
2. Net increase of cash and cash equivalent	--	--
Transferring debts to capital		
Convertible corporate bond to mature within one year		
Leasing fixed assets through financing		
3. Movement of cash	--	--
Cash at period end	144,950,816.05	239,018,666.86
Less: cash at beginning of year	164,840,499.86	135,498,819.87
Add: cash equivalent at the end of the period		

Less: cash equivalent at the beginning of the period		
Net increase in cash	-19,889,683.81	103,519,846.99

7、Information of assets and liabilities recognized by evaluation value from the counter purchase

√Not applicable

(XVI)Supplementary

1. Return on equity and earnings per share

Currency: RMB

Profit of report period	Weighted Average return on equity(%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Consolidated net profit attributable to the shareholders of the Company	16.35%	0.833	0.833
Consolidated net profit attributable to the shareholders of the Company, excluding non-routine items	16.92%	0.862	0.862

2. Notes for significant fluctuation of major accounts in financial statements

1. Other receivables: Increase by RMB24.2 million compares to opening balance, growth rate is 84.46%, mainly due to staff borrowing, reserve fund and other income increased.
2. Other current assets: Decrease by RMB3.59 million compares to opening balance, growth rate is -46.91%, the mainly reason is deductible valued added tax decreased corporate income tax decreased.
3. Goodwill: Increase by RMB29.99 million compares to opening balance, growth rate is 55.99%, the mainly reason is the Company takeover two companies Sinopharm zhaoqing and Sinopharm jiangmen under non common control during this period, results in increasing goodwill.
4. Other non-current assets: Increase by RMB95.98 million compares to opening balance, growth rate is 238.32%, the mainly reason is the subsidiary of the Company Guangxi Logistics received compensation from demolition and the advanced to suppliers for purchasing equipment increase.
5. Current portion of non-current liabilities: Decrease by RMB9.03 million compares to opening balance, growth rate is -37.70%, the mainly reason is current portion of long-term borrowing decreased and the subsidiary zhijun pharm's promotion rewards program decreased.
6. Other non-current liabilities: Increase by RMB118.91 million compares to opening balance, growth rate is 126.18%, the mainly reason is the subsidiaries of the Company Guangxi Logistics retrieved compensation from demolition.
7. Capital surplus: Decrease by RMB3.19 million compares to opening balance, growth rate is -36.46%, the mainly reason is the Company takeover Sinopharm Wuzhou under common control in this period, retroactive adjusted opening balance of the period.
8. Taxes and surcharges: Increase by RMB11.03 million compare to the same period of previous

year, growth rate is 70.59%, the mainly reason is sales increased, city maintenance and construction and local surcharge for Education tax rate increased.

9. Finance expense: Increase by RMB26.86 million compare to the same period of previous year, growth rate is 43.57%, the mainly reason is influence by national monetary policy, bank loan interest rate raised, the cost of financing increased because of financing scales expansion in the other hand.

10. Asset impairment losses: Increase by RMB2.51 million compare to the same period of previous year, growth rate is 42.76%, the mainly reason is inventory provision increased.

11. Non-operating expense: Increase by RMB29.69 million compare to the same period of previous year, growth rate is 13,673.02%, the mainly reason is the subsidiary Guangxi Logistics demolition expense and another subsidiary Huixin Investment paid for project termination reimbursement.

12. Operating Profit, Gross profit, net profit: operating profit, gross profit and net profit increased by RMB115.34 million, RMB89.74 million and RMB75.78million compare to the same period of previous year seperately, the mainly reason is sales increased.

13. Refund of taxes and surcharges: Increase by RMB0.9 million compare to the same period of previous year, growth rate is 121.51%, the mainly reason is the subsidiaries of the Company received income tax overpaid last year.

14. Payment of taxes and surcharges: Increase by RMB91.33 million compare to the same period of previous year, growth rate is 51.84%, the mainly reason is the sales increased and some tax rate increased.

15. Cash received from returns on investments: Decrease by RMB1.83 million compare to the same period of previous year, growth rate is -100%, the mainly reason is the Company received the compensation of the transitional period losses of Shenzhen Medicine.

16. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: decreased by RMB0.93 million compare to the same period of previous year, growth rate is -43.98%, the mainly reason is less fixed assets disposed this period.

17. Cash received relating to other investing activities: increased by RMB47.90 million compare to the same period of previous year, growth rate is 2286.07%, the mainly reason is the subsidiary of the Company retrieved cash compensation due to the demolition.

18. Cash pay to acquire investment: Decrease by RMB3.15 million compare to the same period of previous year, growth rate is -100%, the mainly reason is cash payment for takeover subsidiaries Yanfeng Medicine and Sinopharm Huizhou the same period of previous year.

19. Net cash paid to acquire subsidiaries and other business units: Increase by RMB24.62 million compare to the same period of previous year, growth rate is 100%, the mainly reason is cash paid to acquire three companies, Sinopharm Zhaoqing, Sinopharm Wuzhou, Sinopharm Jiangmen, but no similar transaction the same period of previous year.

20. Cash paid relating to other investing activities: decrease by RMB9.7million compare to the same period of previous year, growth rate is -100%, the mainly reason is the subsidiary of the Company, Sinopharm Guangxi made final payment for acquiring Nanning Medicine Co., Ltd. the same period of previous year.

21. Cash received relating to other financing activities: Increase by RMB125.78 million compare to the same period of previous year, growth rate is 49.62%, the mainly reason is to maintain business development, the Company increase unsecured borrowings, and widespread supply

chain financing.

22.Cash repayments of borrowings: Increase by RMB229.82 million compare to the same period of previous year, growth rate is 70.34%, the mainly reason is the borrowing scale raised, so repayment of borrowing also increase.

23.Cash payments for dividends or profit to minority shareholders of subsidiaries: Increase by RMB42.84 million compare to the same period of previous year, growth rate is 59.26%, the mainly reason is borrowing scale raised, result in financing expenses increased, and payments for dividends increased

24.Cash payment relating to other financing activities: Increase by RMB108.83 million compare to the same period of previous year, growth rate is 42.09%, the mainly reason is repayment for unsecured borrowings, and supply chain financing is increase.

IX. Documents Available for Reference

Documents Available for Reference
I. Semi-annual Report of 2012 carried with the personnel signature of Legal Representative; II. Accounting Statements carried with the signature and seals of the person in charge of the Company, accounting principle and person in charge of accounting institution; III. All the original Company's documents and public notices disclosed in desinate periodic by CSRC <i>Securities Times</i> , and <i>Hong Kong Commercial Daily</i> designated by CSRC; IV. Other relevant files

Chairman of the Board: Wei Yulin

Approval date by the Board: 17 August 2012