



**The 2013 Third Quarterly Report of Livzon
Pharmaceutical Group Inc.**

Announcement No.: 2013-54

October 2013

Section I Important Notice

The Board of Directors (BOD), Board of Supervisors (BOS), directors, supervisors, and senior executives hereby guarantee that the data in the present report contain no false representation, misleading statements and serious omissions, and shall be severally and jointly liable for the authenticity, accuracy and completeness of the content.

All directors attended the shareholders' meeting examining this quarterly report.

Mr. Zhu Baoguo, principal of the Company, Mr. An Ning, the principal in charge of accounting, and Ms. Si Yanxia, the principal of the Accounting Department hereby declare: We guarantee the authenticity, accuracy and completeness of the Financial Report in this quarterly report.

This third quarterly report is issued in Chinese and English versions. In case that there is any ambiguity in the interpretation of two versions, the Chinese version will prevail.

Section II Financial highlights and Shareholder Changes

I. Financial highlights

Are there any retrospective adjustments or restatement of accounting data for previous reporting years due to the changes of accounting policies?

Yes No

	End of this report period	End of previous year	Increase or decrease compared with end of previous year (%)	
Total assets (RMB Yuan)	6,508,786,889.25	5,633,753,961.14	15.53%	
Net asset attributable to the shareholders of listed company (RMB Yuan)	3,237,077,032.09	3,008,015,808.63	7.62%	
	This report period	Increase or decrease compared with same period of previous year (%)	Year beginning to end of report period	Increase or decrease compared with same period of previous year (%)
Total operating income(RMB Yuan)	1,071,097,691.06	4.60%	3,233,359,513.46	11.15%
Net profit attributable to shareholders of listed company(RMB Yuan)	119,424,573.63	3.91%	378,734,988.27	10.22%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss (RMB Yuan)	113,996,740.15	2.77%	362,377,911.49	10.28%
Net cash flows from operating activities (RMB Yuan)	--	--	352,630,802.56	-33.37%
Basic profit per share (RMB Yuan/share)	0.40	2.56%	1.28	10.34%
Diluted profit per share (RMB Yuan/share)	0.40	2.56%	1.28	10.34%
Weighed yield rate of net asset (%)	3.76%	Down0.17 percentage points	12.03%	Up 0.10 percentage points

The items and amounts of non-recurring profit and loss

Applicable Not applicable.

Unit: (RMB) Yuan

Item	Amount from the year	Note
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	beginning to end of report period	
Profit and loss in disposal of non-current assets (including the written-off part of already withdrawn depreciation reserves)	-333,171.11	
Governmental allowance accrued to the current profit and loss, except those that are closely related to the normal operation businesses of company, and are continuously granted based on the certain standard quota or certain quantity in accordance with the uniform national standards	28,172,403.96	
Except the effective hedge business related to the normal operation business of the company, the profit and loss in the changes of fair values caused by the holding of tradable financial assets and tradable financial liabilities as well as the investment returns in disposal of tradable financial assets, tradable financial liabilities and saleable financial assets	-1,788,681.11	Profit and loss from the changes of fair values caused by the tradable financial assets.
Other net non-operating income and payment except the above items	1,050,343.30	
Minus: effect of income tax	5,621,453.27	
Effect of the minority of shareholders' equities (after the taxation)	5,122,364.99	
Total	16,357,076.78	--

For the non-recurring profit and loss items that the company has defined in accordance the *No. 1 Explanatory Announcement about Information Disclosure of Companies Making Public Offering of Securities – Non-recurring Profit and Loss* as well as the non-recurring profit and loss items listed by the *No. 1 Explanatory Announcement about Information Disclosure of Companies Making Public Offering of Securities – Non-recurring Profit and Loss* that are defined as the recurring profit and loss items by, please specify the reasons:

Applicable Not applicable.

II. Table about total quantity of all shareholders and shareholding particulars of top ten shareholders at the end of report period

Unit: share

Total quantity of shareholders at the end of report period	The shareholder quantity amounted to 17,940 (including 6,038 B-share holders)					
Shares held by top ten shareholders						
Shareholder name	Shareholder nature	Shareholding percentage (%)	Quantity of shares	Quantity of shares with trading restriction	Shares for the mortgage or freezing	
					Share status	Quantity
Joincare Pharmaceutical Group Industry Co., Ltd	Domestic non-state-owned	26.21%	77,510,167			

	legal person					
TOP SINO INDUSTRIES LIMITED SHENZHEN A/C	Foreign legal person	17.13%	50,660,052	50,660,052		
GAOLING FUND,L.P.	Foreign legal person	3.64%	10,767,777	10,767,777		
First Shanghai Securities Co., Ltd	Foreign legal person	3.53%	10,444,157	10,106,560		
Industrial and Commercial Bank of China- Bosera Finely-selected Stock Securities Investment Fund	Others	2.96%	8,748,287			
Guangzhou Begol Trading Corporation	State-owned legal person	2.05%	6,059,428	6,059,428	Mortgage and freezing	6,059,428
Shenzhen Haibin Pharmaceutical Co., Ltd	Domestic non-state-owned legal person	1.99%	5,892,943			
Agricultural Bank of China- Greatwall Anxin Return Mixed Securities Investment Fund	Others	1.86%	5,500,000			
Bank of Communications - Bosera New Growth Stock-type Securities Investment Fund	Others	1.85%	5,464,326			
Industrial and Commercial Bank of China- E-fund Value Growth Mix Securities Investment Fund	Others	1.83%	5,400,000			
Shareholding particulars of top ten shareholders without trading restriction						
Shareholder name	Quantity of shares without trading restriction	Share type				
		Share type	Quantity			
Joincare Pharmaceutical Group Industry Co., Ltd	77,510,167	RMB common share	77,510,167			
Industrial and Commercial Bank of China- Bosera Finely-selected Stock Securities Investment Fund	8,748,287	RMB common share	8,748,287			
Shenzhen Haibin Pharmaceutical Co., Ltd	5,892,943	RMB common share	5,892,943			
Agricultural Bank of China- Greatwall Anxin Return Mixed Securities Investment Fund	5,500,000	RMB common share	5,500,000			
Bank of Communications - Bosera New Growth Stock-type Securities Investment Fund	5,464,326	RMB common share	5,464,326			
Industrial and Commercial Bank of China- E-fund	5,400,000	RMB common	5,400,000			

Value Growth Mix Securities Investment Fund		share	
Agricultural Bank of China – Penghua power growth mixed securities investment funds	3,800,000	RMB common share	3,800,000
Industrial and Commercial Bank of China- Harvest Strategic Growth Mixed Securities Investment Fund	3,796,891	RMB common share	3,796,891
Columbia University	3,317,433	RMB common share	3,317,433
China Construction Bank – Greatwall Consumption Value-added Stock-type Securities Investment Fund	2,878,296	RMB common share	2,878,296
Description of relationship or concerted action between above shareholders:	<p>① On January 2, 2004, Joicare Pharmaceutical Group Industry Co., Ltd (hereinafter called as the “Joicare”), Guangzhou Begol Trading Corporation (hereinafter called as the “Begol”) and Zhuhai Lishi Investment Co., Ltd signed the <i>Agreement on Equity Transfer, Custody and Mortgage</i>. Joicare and Guangzhou Begol Trading Corporation signed the <i>Agreement on Equity Transfer and Custody</i> and the <i>Agreement on Equity Mortgage</i>, in which Guangzhou Begol Trading Corporation directly transferred, custodized and mortgaged 6,059,428 domestic legal person shares of our company to Joicare; ② the above TOP SINO INDUSTRIES LIMITED SHENZHEN A/C and Shenzhen Haibin Pharmaceutical Co., Ltd are the subcompanies directly or indirectly held 100% by Joicare; ③ the managers of Industrial and Commercial Bank of China- Boser Finely-selected Stock Securities Investment Fund and Bank of Communications - Boser New Growth Stock-type Securities Investment Fund are Greatwall Fund Management Co., Ltd; ④ the managers of Agricultural Bank of China- Greatwall Anxin Return Mixed Securities Investment Fund and China Construction Bank – Greatwall Consumption Value-added Stock-type Securities Investment Fund are Harvest Fund Management Co., Ltd; except the above information, the Company does not know whether there are other relations between the top ten shareholders, or between top ten tradable shareholders without trading restriction, or top ten tradable shareholders without trading restriction and top ten shareholders or whether they belong to the persons acting in concert stated in the <i>Management Measures about Takeover of Listed Companies</i>.</p>		

Note: TOP SINO INDUSTRIES LIMITED SHENZHEN A/C is the English name of Tiancheng Industry Co., Ltd.

Have the company shareholders reached an agreement about repurchase transaction during the report period?

Yes No

Section III Major Events

I. Great changes and reasons of main financial statement items and financial indexes of the Company

Unit: (RMB) Yuan

Items in the Balance Sheet	September 30, 2013	December 31, 2012	Increase or decrease (%)	Reasons for changes
Tradable financial assets	9,164,160.31	59,319,616.94	-84.55%	The main cause is the sales of part of tradable financial assets.
Notes receivable	181,942,920.98	112,482,782.18	61.75%	The main cause is the increase of settlement of sales volume by the bank acceptance bills.
Engineering under construction	1,636,265,970.55	1,028,769,050.48	59.05%	The main cause is the increase of investments in Ningxia Livzon Industry Park project and the relocation project of new factory of Livzon Pharmaceutical Factory.
Notes payable	372,798,618.20	283,581,118.89	31.46%	The main cause is the increase of settlement with suppliers by the notes
Deposit receivable	55,414,624.94	37,950,040.42	46.02%	The main cause is the increase of sales volume received in advance.
Other current liabilities	-	400,000,000.00	-100.00%	The main cause is the repayment of due short-term financing of RMB 400 million Yuan.
Long-term loan	149,900,000.00	700,000.00	21314.29%	The main cause is the increase of long-term financing in order to meet the fund demands of project construction and technical improvement, etc.
Bonds payable	400,000,000.00	-		The main cause is the issuing of medium-term notes of RMB 400 million Yuan.
Profit and loss items	January to September 2013	January to September 2012	Increase or decrease (%)	Reasons for changes
Returns from the changes of fair values	-3,528,802.13	4,800,246.93	-173.51%	The main causes are the decrease of tradable financial assets as well as

				the effect of changes of fair values of tradable financial assets at the end of report period.
Investment returns	3,810,605.58	1,668,506.76	128.38%	The main causes are the enhancement of performances of associated enterprises as well as the increase of investment returns calculated by the equity method.
Non-operating incomes	30,631,134.1000	15,945,423.03	92.10%	The main cause is the increase of governmental allowances accrued to the current profit and loss.
Cash flow statements	January to September 2013	January to September 2012	Increase or decrease (%)	Reasons for changes
Other cash received related to operating activities	129,964,431.85	193,038,701.95	-32.67%	The main cause is the decrease of governmental allowance incomes received in this year.
Cash received from disposal of investments	46,725,339.60	1,979,144.92	2260.89%	The main cause is the increase of cash received from the sales of part of tradable financial assets.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	153,808.00	315,123.60	-51.19%	The main cause is the decrease of cash received from disposal of assets in this year.
Other cash received related to investment activities	3,860,000.00	-		The main cause is the cash received from the banks in releasing the deposits for due letter of credit and bank acceptance bills.
Cash paid to acquire investments	-	75,766,298.43	-100.00%	The main cause is that the group purchased the equities in previous year, but it has not made any purchase in this year.
Other cash paid related to investment activities	5,400,000.00	-		The main cause is the cash paid to the banks as the deposits for letter of credit and bank acceptance bills.
Cash received from investors	49,000,000.00	-		The main cause is the increase of investments in Dankang Company by Joicare.
Cash from loans	890,630,519.37	502,257,886.64	77.33%	The main cause is the increase of bank loans.
Other cash received related to financing activities	-	13,250,000.00	-100.00%	The main cause is that the group received the released funds of HKD loans in previous year, but it has not

				received any funds in this year.
Repayments of loans	992,072,044.60	620,250,531.16	59.95%	The main cause is the increase of repayment to bank loans.
Other cash payments related to financing activities	-	1,600,000.00	-100.00%	The main cause is that the group paid the formality fee for issuing of securities in same period of previous year, but it has not paid any fees in this year.

II. Analysis and particulars of major events, their effects and resolutions

Description of major events	Disclosure date	Search index about disclosure website of temporary reports
On January 30, 2013, the 14 th meeting of the 7 th Board of Directors examined and approved that, the company intends to change the listing place of domestically listed foreign shares (B-shares) and list and trade them in on the Main Board of Hongkong Stock Exchange by the mode of introduction.	January 31, 2013	The disclosure document: Announcement about resolutions passed in the 14 th meeting of the 7 th Board of Directors of Livzon Pharmaceutical Group Inc. (No. :2013-06); Livzon Pharmaceutical Group Inc. changes the listing place of domestically listed foreign shares (B-shares) and list and trade them in on the Main Board of Hongkong Stock Exchange by the mode of introduction; disclosure website: Juchao website (http://www.cninfo.com.cn/)
<p>The development of above events is described as follows:</p> <p>1. On February 20, 2013, the 2013 first temporary shareholders' meeting of Livzon Pharmaceutical Group Inc. examined and passed relevant proposals including <i>Livzon Pharmaceutical Group Inc. changes the listing place of domestically listed foreign shares (B-shares) and list and trade them in on the Main Board of Hongkong Stock Exchange by the mode of introduction</i>;</p> <p>2. On April 15, 2013, the company received the <i>Acceptance Notice About Administrative Licensing Application to China Securities Regulatory Commission (130242)</i> issued by China securities regulatory commission:</p> <p>3. On June 3, 2013, the company submitted to the Hong Kong stock exchange the A1 (A1 Submission) - the company Livzon Pharmaceutical Group Inc. changes the listing place of domestically listed foreign shares (B-shares) and list and trade them on the Main Board of Hongkong Stock Exchange by the mode of introduction, and officially received the acceptance letter issued by Hong Kong stock exchange on June 6, 2013;</p> <p>4. On September 29, 2013, the company received from China Securities Regulatory Commission the <i>Reply about Approval of the Listing of Livzon Pharmaceutical Group Inc. on the Main Board of Hong Kong Stock Exchange</i> (Zheng Jian Xu Ke [2013] No. 1248) regarding the application of the company Livzon Pharmaceutical Group Inc. changing the listing place of domestically listed foreign shares (B-shares) and listing and trading them on the Main Board of Hongkong Stock Exchange by the mode of introduction, and the reply approved that the company transferred the existing 111,993,354 domestically listed foreign shares to the overseas listed foreign shares and be traded on the main board of Hong Kong Stock Exchange;</p> <p>The affair that the domestically listed foreign shares of the company will be listed and traded on the Main Board of Hongkong Stock Exchange by the mode of introduction needs a hearing held by the listing committee of Hong Kong Stock</p>		

Exchange, and the question about whether the final approval can be given by Hongkong Stock Exchange is still uncertain.

III. Commitments that the company and shareholders holding over 5% of total shares have made that occurred in this period or that occurred in previous period but have extended to this report period

Commitments	Principal	Commitment content	Commitment date	Commitment period	Performance
Commitments about share reform					
Commitments in the purchase report or equity change reports					
Commitments at the time of asset restructuring					
Commitments at the time of first public issuing or refinancing					
Other commitments to medium and small shareholders of company	Joincare Pharmaceutical Group Industry Co., Ltd	The controlling shareholder Joincare made the following commitments while handling the restriction release of shares with trading restriction: 1. When Joincare transfers its tradable shares of Livzon Group whose trading restriction has been released, it will strictly comply with the relevant regulations of the <i>Guiding Opinions on the Listed Companies' Transfer of Original Shares Released from Trading Restrictions</i> ([2008] No. 15 announcement) issued by China Securities Regulatory Commission. (2) Joincare plans to reduce its tradable shares of Livzon Group whose trading restriction has been released through the competing price trading system in the stock exchange in the future and the reduced quantity of shares amounts to over 5% within 6 months from the first reduction, then Joincare will disclose the reminder announcement about the selling affairs via Livzon Group in 2 trading days before the first reduction.	December 17, 2008	Long-term	Perform based on actual situation
	Tiancheng	From January 9, 2012 to January 8, 2013, Tiancheng Industry Co., Ltd., a wholly owned subsidiary of the	January 8, 2013	6 months	The performance

	Industry Co., Ltd	controlling shareholder of company Joicare, increase the quantity of B shares through the centralized competition mode in Shenzhen Stock Exchange trading system, and made the following commitments after the completion of implementation: after the completion of this share increase, the lock-up period of share-holding is 6 months from the completion date of the share increase.			nce is complete d.
	Tiancheng Industry Co., Ltd	While planning to perform the transfer project from B-shares to H-shares, Tiancheng Industry Co., Ltd signed a following letter of commitment: in the conditions that the third party arranged by Livzon Group provides the Company with a cash option about the transfer from B-shares to H-shares, with respect to the 50,660,052 B shares of Livzon Group that the Company currently holds, the Company agreed to waive the exercise of such cash option, and agreed to continue to hold and retain these shares to the date when they are changed to H Shares in accordance with this plan and are listed and traded n the Hongkong Stock Exchange, and from the date of signing of the letter of commitment to the completion of the implementation of this plan, the Company will not purchase or sell the shares of Livzon Group (including A-shares and B-shares).	January 25, 2013	Until the implementation plan about transfer from B-share to H-share is completed.	During the performance
Have the commitments been duly performed?	Yes				
Reason for failure to perform them and next plans	Inapplicable				

IV. Forecast about operation performance in 2013

Warning and relevant reasons for the forecast that the accumulative net profit from the beginning of 2013 to the end of next report period may suffer from any loss or have any great changes over the same period of previous year

Applicable Not applicable.

V. Securities Investments

Securities	Securities Code	Securities abbreviation	Initial investment amount	Holding quantity at the	Shareholding percentage	Holding quantity at the	Shareholding percentage	Book Values at the end	Profit and loss during the report	Accounting calculation	Share source
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Type			(RMB Yuan)	beginning of period (share)	percentage at the beginning of period (%)	end of period (share)	percentage at the end of period (%)	of period	period (RMB Yuan)	Accounting subject	Share source
Stock	00135	Kunlun Energy	4,267,542.24	1,000,000		1,000,000		8,594,710.80	-2,338,637.92	Saleable financial assets	Purchase from the market
Fund	206001	Penghua Fund	150,000.00	619,573		619,573		569,449.51	52,168.05	Saleable financial assets	Purchase from the market
Total			4,417,542.24	1,619,573	--	1,619,573	--	9,164,160.31	-2,286,469.87	--	--

Shareholding particulars of other listed companies

√ Applicable □ Not applicable.

Securities code	Securities abbreviation	Initial investment capital	Percentage of total shares of this Company	Book value at the end of this period	Profit and loss during the report period	Changes of owners' equities during the report period (RMB Yuan)	Accounting calculation subject	Share source
601328	Bank of Communications	2,450,179.00	0.0025%	6,528,212.70	-	349,183.47	Saleable financial assets	Share participation
000963	Huadong Medicine Co., Ltd	39,851.86	0.0211%	4,019,440.10	-	370,813.95	Saleable financial assets	Share participation
Total		2,490,030.86		10,547,652.80	-	719,997.42		

VI. Investments in derivative products

Applicable Not applicable.

VII. List of Activities in which the Company receives the investigation, communication and interview, etc during the report period

Reception date	Reception place	Reception mode	Type of objects	Objects	Discussion topics and provided materials
July 4, 2013	Company office	Telephone communication	Individual	Individual investor	They inquired about the operation status of company and development details about transfer from B-share to H-share, and the company answered them based on actual situation, and did not provide any written data.
July 23, 2013	Company office	Telephone communication	Individual	Individual investor	They inquired about the implementation details of 2012 annual profit distribution plan, and the company answered them based on actual situation, and did not provide any written data.
August 12, 2013	Company office	Telephone communication	Individual	Individual investor	They inquired about the details about t2013 third temporary shareholders' meeting, and the company answered them based on actual situation, and did not provide any data.
August 29, 2013	Company office	Telephone communication	Individual	Individual investor	They inquired about the operation status of company in the first half of 2013 and development details about transfer from B-share to H-share, and the company answered them in details, and did not provide any data.
September 17, 2013	Company office	Telephone communication	Individual	Individual investor	They inquired about the development details about transfer from B-share to H-share, and the company answered them based on actual situation, and did not provide any written data.

Section IV Financial Statement

I. Financial Statement

1. Consolidated Balance Sheet

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Balance at the end of period	Balance at the beginning of year
Current assets:		
Currency capital	1,057,071,437.94	1,221,332,802.40
Tradable financial assets	9,164,160.31	59,319,616.94
Notes receivable	181,942,920.98	112,482,782.18
Accounts receivable	912,010,559.51	774,021,470.88
Advance money	231,393,588.27	207,180,789.68
Interests receivable		
Dividend receivable		
Other accounts receivable	65,909,288.04	53,040,257.13
Purchase of resold financial assets		
Inventory	640,081,664.36	546,497,999.53
Non-current assets due within one year		
Other current assets		
Total of current assets	3,097,573,619.41	2,973,875,718.74
Non-current assets:		
Issuing of entrusted loans and advance money		
Saleable financial assets	10,547,652.80	10,612,859.66
Investment held to the maturity date		
Long-term accounts receivable		
Long-term equity investment	123,031,687.95	120,961,203.38
Real estate for Investment		
Fixed assets	1,248,362,193.30	1,127,285,485.37
Engineering under construction	1,636,265,970.55	1,028,769,050.48
Engineering goods	2,008,814.04	1,623,576.06
Liquidation of fixed assets		

Production biology assets		
Oil and gas assets		
Intangible assets	227,689,561.03	205,129,693.66
Development expenses		1,510,153.51
Goodwill	103,040,497.85	103,040,497.85
Long-term deferred and prepaid expenses	16,442,287.66	17,785,870.45
Assets with deferred income taxes	43,824,604.66	43,159,851.98
Other non-current assets		
Subtotal of non-current assets	3,411,213,269.84	2,659,878,242.40
Total of assets	6,508,786,889.25	5,633,753,961.14
Current liabilities:		
Short-term loans	681,931,195.20	536,169,502.91
Tradable financial liabilities		
Notes payable	372,798,618.20	283,581,118.89
Accounts payable	382,408,641.29	311,814,060.41
Deposit receivable	55,414,624.94	37,950,040.42
Payroll payable	66,858,460.22	74,462,512.02
Tax payable	81,943,917.83	96,658,310.36
Interests payable	11,280,270.92	10,454,004.86
Dividend payable	2,531,984.46	2,531,984.46
Other accounts payable	751,582,981.30	622,164,203.12
Non-current liabilities due within one year	400,000.00	400,000.00
Other current liabilities		400,000,000.00
Total of current liabilities	2,407,150,694.36	2,376,185,737.45
Non-current liabilities		
Long-term loan	149,900,000.00	700,000.00
Bonds payable	400,000,000.00	
Long-term accounts payable		
Special accounts payable		
Anticipation liability		
Liabilities with the deferred income taxes	2,827,124.19	2,576,489.15
Other non-current liabilities	68,304,937.50	74,172,485.90
Subtotal of non-current liabilities	621,032,061.69	77,448,975.05
Total of liabilities	3,028,182,756.05	2,453,634,712.50

Owners' equity (or shareholders' equities):		
Paid-up capital (or share capital)	295,721,852.00	295,721,852.00
Capital reserve	219,054,779.84	219,110,205.68
Minus: treasury share		
Special reserve		
Surplus reserve	490,319,036.90	490,319,036.90
General risk reserve		
Undistributed profit	2,254,222,904.85	2,023,348,842.58
Conversion margin in foreign currency statement	-22,241,541.50	-20,484,128.53
Subtotal of equities attributable to the owners of parent company	3,237,077,032.09	3,008,015,808.63
Equities of the minority of shareholders	243,527,101.11	172,103,440.01
Subtotal of owners' equities	3,480,604,133.20	3,180,119,248.64
Total of liabilities and owners' equities	6,508,786,889.25	5,633,753,961.14

Legal representative: Zhu Baoguo
Principal of the Accounting Department: Si Yanxia

Principal of the Financial Department: An Ning

2. Balance Sheet of Parent Company

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Balance at the end of period	Balance at the beginning of year
Current assets:		
Currency capital	932,965,251.61	1,140,415,395.77
Tradable financial assets		
Notes receivable	85,646,375.56	18,838,299.32
Accounts receivable	471,821,187.37	356,944,182.17
Advance money	19,974,228.94	11,947,252.36
Interests receivable		
Dividend receivable		
Other accounts receivable	839,216,867.58	672,875,015.59
Inventory	86,140,592.23	80,003,596.83
Non-current assets due within one year		
Other current assets		
Total of current assets	2,435,764,503.29	2,281,023,742.04

Non-current assets:		
Saleable financial assets	10,547,652.80	10,612,859.66
Investment held to the maturity date		
Long-term accounts receivable		
Long-term equity investment	1,711,460,502.16	1,660,096,199.25
Real estate for Investment		
Fixed assets	86,941,465.35	89,894,096.64
Engineering under construction		
Engineering goods		
Liquidation of fixed assets		
Production biology assets		
Oil and gas assets		
Intangible assets	31,617,790.19	33,297,100.50
Development expenses		1,289,662.78
Goodwill		
Long-term deferred and prepaid expenses		
Assets with deferred income taxes	14,142,053.92	13,899,260.85
Other non-current assets		
Subtotal of non-current assets	1,854,709,464.42	1,809,089,179.68
Total of assets	4,290,473,967.71	4,090,112,921.72
Current liabilities:		
Short-term loans	551,900,515.20	403,190,102.91
Tradable financial liabilities		
Notes payable	657,216,167.48	565,951,118.89
Accounts payable	183,064,968.25	117,634,591.39
Deposit receivable	10,347,671.77	7,154,698.64
Payroll payable	15,222,749.58	24,141,017.37
Tax payable	45,630,288.27	24,119,667.76
Interests payable	10,420,823.75	9,058,796.48
Dividend payable	20,174.46	20,174.46
Other accounts payable	962,211,687.24	1,042,693,215.88
Non-current liabilities due within one year		
Other current liabilities		400,000,000.00
Total of current liabilities	2,436,035,046.00	2,593,963,383.78

Non-current liabilities		
Long-term loan		
Bonds payable	400,000,000.00	
Long-term accounts payable		
Special accounts payable		
Anticipation liability		
Liabilities with the deferred income taxes	1,208,643.31	1,218,424.33
Other non-current liabilities	6,360,398.37	9,311,879.60
Subtotal of non-current liabilities	407,569,041.68	10,530,303.93
Total of liabilities	2,843,604,087.68	2,604,493,687.71
Owners' equity (or shareholders' equities):		
Paid-up capital (or share capital)	295,721,852.00	295,721,852.00
Capital reserve	339,063,718.66	339,119,144.50
Minus: treasury share		
Special reserve		
Surplus reserve	285,355,983.32	285,355,983.32
General risk reserve		
Undistributed profit	526,728,326.05	565,422,254.19
Conversion margin in foreign currency statement		
Subtotal of owners' equities	1,446,869,880.03	1,485,619,234.01
Total of liabilities and owners' equities	4,290,473,967.71	4,090,112,921.72

Legal representative: Zhu Baoguo
Principal of the Accounting Department: Si Yanxia

Principal of the Financial Department: An Ning

3. Consolidated Profit statement in this report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Total operating income	1,071,097,691.06	1,024,017,114.12
Including: operating income	1,071,097,691.06	1,024,017,114.12
II. Total operating cost	929,637,492.82	886,983,260.25
Including: operating cost	355,685,496.77	395,932,474.47
Operating tax and surtax	14,155,981.46	16,166,042.36
Sales expense	449,060,580.12	388,588,598.71

Management expense	107,486,496.42	82,212,107.88
Financial expense	-151,931.11	-801,453.78
Loss from asset depreciation	3,400,869.16	4,885,490.61
Plus: returns from the changes of fair values (the loss is listed beginning with "-").	-2,286,469.87	2,685,743.04
Investment returns (the loss is listed beginning with "-").	723,630.82	-62,961.81
Including: the investment returns from the associated enterprises and joint enterprises	361,633.57	1,017,790.33
III. Operating profit (the loss is listed beginning with "-")	139,897,359.19	139,656,635.10
Plus : non-operating income	15,592,338.71	3,385,329.24
Minus: non-operating payments	279,134.37	1,688,605.08
Including: loss in the disposal of non-current assets	373,888.38	1,512,404.12
IV. Total profit (the loss is listed beginning with "-")	155,210,563.53	141,353,359.26
Minus: income tax expense	26,230,987.29	23,044,579.35
V. Net profit (the loss is listed beginning with "-")	128,979,576.24	118,308,779.91
Net profit attributable to the owners of parent company	119,424,573.63	114,925,845.48
Profit and loss of the minority of shareholders	9,555,002.61	3,382,934.43
VI. Profit per share:	--	--
(I) Basic profit per share	0.40	0.39
(II) Diluted profit per share	0.40	0.39
VII. Other comprehensive gains	237,308.30	-1,523,140.49
VIII. Total of comprehensive gains	129,216,884.54	116,785,639.42
Total of comprehensive gains attributable to the owners of parent company	119,692,119.52	113,402,704.99
Total of comprehensive gains attributable to the minority of shareholders	9,524,765.02	3,382,934.43

Legal representative: Zhu Baoguo
Principal of the Accounting Department: Si Yanxia

Principal of the Financial Department: An Ning

4. Profit statement of parent company in this report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Total operating income	561,701,330.18	471,436,667.27
Minus: operating cost	205,471,530.24	209,389,748.05
Operating tax and surtax	6,732,113.73	5,723,238.46
Sales expense	268,072,036.25	215,296,438.44
Management expense	30,848,679.82	29,788,566.10
Financial expense	-2,301,228.42	887,374.45
Loss from asset depreciation	1,940,643.10	1,984,531.88
Investment returns (the loss is listed beginning with "-").	488,331.94	-1,040,040.68
Including: the investment returns from the associated enterprises and joint enterprises	123,966.58	43,028.21
II. Operating profit (the loss is listed beginning with "-")	51,425,887.40	7,326,729.21
Plus : non-operating income	808,779.29	709,580.12
Minus: non-operating payments	19,597.73	32,175.50
Including: loss in the disposal of non-current assets		2,175.50
III. Total profit (the loss is listed beginning with "-")	52,215,068.96	8,004,133.83
Minus: income tax expense	5,141,282.60	333,474.97
IV. Net profit (the loss is listed beginning with "-")	47,073,786.36	7,670,658.86
V. Profit per share:	--	--
VI. Other comprehensive gains	611,997.82	-26,680.83
VII. Total of comprehensive gains	47,685,784.18	7,643,978.03

Legal representative: Zhu Baoguo
Principal of the Accounting Department: Si Yanxia

Principal of the Financial Department: An Ning

5. Consolidated Profit Statement from year beginning to the end of report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Total operating income	3,233,359,513.46	2,909,014,289.56
Including: operating income	3,233,359,513.46	2,909,014,289.56
Interests income		
Earned premium		
Handling fees and commission incomes		

II. Total operating cost	2,785,220,718.38	2,493,758,176.28
Including: operating cost	1,164,524,632.27	1,144,684,910.76
Interests payments		
Operating tax and surtax	41,375,251.54	40,442,078.86
Sales expense	1,274,180,388.48	1,062,612,062.72
Management expense	296,657,719.29	239,848,812.08
Financial expense	-10,948,720.19	-11,860,825.07
Loss from asset depreciation	19,431,446.99	18,031,136.93
Plus: returns from the changes of fair values (the loss is listed beginning with "-").	-3,528,802.13	4,800,246.94
Investment returns (the loss is listed beginning with "-").	3,810,605.58	1,668,506.76
Including: the investment returns from the associated enterprises and joint enterprises	2,070,484.56	1,159,724.22
Profits form currency exchange (the loss is listed beginning with "-")		
III. Operating profit (the loss is listed beginning with "-")	448,420,598.53	421,724,866.98
Plus : non-operating income	30,631,134.10	15,945,423.03
Minus: non-operating payments	1,741,557.95	1,913,000.47
Including: loss in the disposal of non-current assets	378,508.43	1,712,449.65
IV. Total profit (the loss is listed beginning with "-")	477,310,174.68	435,757,289.54
Minus: income tax expense	78,654,954.54	70,716,571.44
V. Net profit (the loss is listed beginning with "-")	398,655,220.14	365,040,718.10
Including: net profit of merged party before the merger		
Net profit attributable to the owners of parent company	378,734,988.27	343,630,861.87
Profit and loss of the minority of shareholders	19,920,231.87	21,409,856.23
VI. Profit per share:	--	--
(I) Basic profit per share	1.28	1.16
(II) Diluted profit per share	1.28	1.16
VII. Other comprehensive gains	-1,812,838.80	-758,679.51
VIII. Total of comprehensive gains	396,842,381.34	364,282,038.59
Total of comprehensive gains attributable to the owners of parent company	376,957,528.92	342,872,182.36

Total of comprehensive gains attributable to the minority of shareholders	19,884,852.42	21,409,856.23
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Legal representative:Zhu Baoguo

Principal of the Financial Department: An Ning

Principal of the Accounting Department: Si Yanxia

6. Profit statement of parent company from year beginning to the end of this report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Total operating income	1,573,266,002.03	1,330,394,470.97
Minus: operating cost	621,512,847.93	618,489,681.40
Operating tax and surtax	18,720,658.02	15,007,084.06
Sales expense	722,735,176.19	578,787,562.33
Management expense	99,362,732.22	78,844,140.80
Financial expense	-12,572,593.44	-1,050,434.13
Loss from asset depreciation	4,526,766.03	11,596,805.04
Plus: returns from the changes of fair values (the loss is listed beginning with "-").		
Investment returns (the loss is listed beginning with "-").		
Including: the investment returns from the associated enterprises and joint enterprises	364,302.91	-732,296.10
II. Operating profit (the loss is listed beginning with "-")	120,052,833.35	79,171,682.18
Plus : non-operating income	4,955,607.50	1,921,939.59
Minus: non-operating payments	1,134,580.78	51,495.58
Including: loss in the disposal of non-current assets	4,620.05	4,133.00
III. Total profit (the loss is listed beginning with "-")	123,873,860.07	81,042,126.19
Minus: income tax expense	14,706,862.21	2,772,376.79
IV. Net profit (the loss is listed beginning with "-")	109,166,997.86	78,269,749.40
V. Profit per share:	--	--
(I) Basic profit per share		
(II) Diluted profit per share		
VI. Other comprehensive gains	-55,425.83	329,360.84
VII. Total of comprehensive gains	109,111,572.03	78,599,110.24

Legal representative: Zhu Baoguo
Principal of the Accounting Department: Si Yanxia

Principal of the Financial Department: An Ning

7. Consolidated Cash Flow Statement from year beginning to the end of report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	3,227,364,226.96	2,979,324,386.94
Net increase from disposal of tradable financial assets		
Tax refunding	12,652,412.75	15,341,233.91
Other cash received related to operating activities	127,951,785.53	193,038,701.95
Subtotal of cash inflow from the operating activities	3,367,968,425.24	3,187,704,322.80
Cash paid for purchase of goods or receiving of services	829,328,377.58	742,838,101.48
Cash paid to and on behalf of employees	285,246,906.79	234,507,204.82
Tax payments	467,995,209.93	429,747,964.16
Other cashes paid to operating activities	1,432,767,128.38	1,251,391,775.83
Subtotal of cash outflow from operating activities	3,015,337,622.68	2,658,485,046.29
Net cash flow from operating activities	352,630,802.56	529,219,276.51
II. Cash flow from investment activities:		
Cash received from disposal of investments	46,725,339.60	1,979,144.92
Cash received from investment returns	892,281.75	1,033,253.97
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	153,808.00	315,123.60
Net cash amount received from the disposal of subcompanies and other business units		
Other cash received related to investment activities	3,860,000.00	
Subtotal of cash inflow from the investment activities	51,631,429.35	3,327,522.49
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	727,691,800.27	669,948,180.40
Cash paid to acquire investments		75,766,298.43
Net increase from the mortgage loan		

Net cash amount paid to acquire the subcompanies and other operating units		
Other cash paid related to investment activities	5,400,000.00	
Subtotal of cash outflow from investment activities	733,091,800.27	745,714,478.83
Net amount of cash flow received from the investment activities	-681,460,370.92	-742,386,956.34
III. Cash flow from financing activities:		
Cash received from investors	49,000,000.00	
Including: cash received from the investment of minority of shareholders in the subcompanies	49,000,000.00	
Cash from loans	890,630,519.37	502,257,886.64
Cash received from the issuing of bonds	400,000,000.00	400,000,000.00
Other cash received related to financing activities		13,250,000.00
Subtotal of cash inflow from the financing activities	1,339,630,519.37	915,507,886.64
Repayments of loans	992,072,044.60	620,250,531.16
Cash paid for distribution of dividends, profits and repayment of interests	182,581,502.72	199,049,650.22
Including: the dividends and profits paid to the minority of shareholders by the subcompanies		
Other cash payments related to financing activities		1,600,000.00
Sub-total of cash outflow from the financing activities	1,174,653,547.32	820,900,181.38
Net cash flow from financing activities	164,976,972.05	94,607,705.26
IV. Effect of foreign exchange fluctuation on cash and cash equivalents	-654,024.48	1,237,771.65
V. Net increase of cash and cash equivalents	-164,506,620.79	-117,322,202.92
Plus: Balance of cash and cash equivalents at the beginning of the period	1,178,636,300.52	1,432,175,794.78
VI Balance of cash and cash equivalents at the end of the period	1,014,129,679.73	1,314,853,591.86

Legal representative:Zhu Baoguo

Principal of the Financial Department: An Ning

Principal of the Accounting Department: Si Yanxia

8. Cash Flow Statement of Parent Company from year beginning to the end of report period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: (RMB) Yuan

Item	Amount in this period	Amount in previous period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,588,718,737.36	1,359,174,946.52
Tax refunding		
Other cash received related to operating activities	68,640,448.63	233,975,884.89
Subtotal of cash inflow from the operating activities	1,657,359,185.99	1,593,150,831.41
Cash paid for purchase of goods or receiving of services	668,163,378.69	571,235,760.39
Cash paid to and on behalf of employees	61,750,294.46	56,116,061.68
Tax payments	174,016,114.15	132,879,456.76
Other cashes paid to operating activities	725,821,264.72	791,906,389.61
Subtotal of cash outflow from operating activities	1,629,751,052.02	1,552,137,668.44
Net cash flow from operating activities	27,608,133.97	41,013,162.97
II. Cash flow from investment activities:		
Cash received from disposal of investments		
Cash received from investment returns	708,115.36	151,818.90
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	73,000.00	168,000.00
Net cash amount received from the disposal of subcompanies and other business units		
Other cash received related to investment activities		52,115,596.80
Subtotal of cash inflow from the investment activities	781,115.36	52,435,415.70
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	18,068,956.71	13,976,887.82
Cash paid to acquire investments	51,000,000.00	75,766,298.43
Net cash amount paid to acquire the subcompanies and other operating units		
Other cash paid related to investment activities		
Subtotal of cash outflow from investment activities	69,068,956.71	89,743,186.25
Net amount of cash flow received from the investment activities	-68,287,841.35	-37,307,770.55
III. Cash flow from financing activities:		
Cash received from investors		
Cash from loans	610,126,709.37	477,852,886.64

Loans from subcompanies	152,286,120.93	
Cash received from the issuing of bonds	400,000,000.00	400,000,000.00
Other cash received related to financing activities		
Subtotal of cash inflow from the financing activities	1,162,412,830.30	877,852,886.64
Repayments of loans	851,359,055.40	559,848,551.16
Cash paid for distribution of dividends, profits and repayment of interests	172,040,161.73	191,663,827.91
Other cash payments related to financing activities	297,359,165.91	1,600,000.00
Loans paid to subcompanies		201,119,907.85
Sub-total of cash outflow from the financing activities	1,320,758,383.04	954,232,286.92
Net cash flow from financing activities	-158,345,552.74	-76,379,400.28
IV. Effect of foreign exchange fluctuation on cash and cash equivalents	-237,533.55	308,151.43
V. Net increase of cash and cash equivalents	-199,262,793.67	-72,365,856.43
Plus: Balance of cash and cash equivalents at the beginning of the period	1,099,218,893.89	1,306,877,982.24
VI Balance of cash and cash equivalents at the end of the period	899,956,100.22	1,234,512,125.81

Legal representative:Zhu Baoguo

Principal of the Financial Department: An Ning

Principal of the Accounting Department: Si Yanxia

II. Auditing report

Have this third quarterly financial report been audited?

Yes No

This third quarterly financial report has not been audited.

Livzon Pharmaceutical Group Inc.

Chairman: Zhu Baoguo

October 28, 2013