

China National Accord Medicines Corporation Ltd.The Third Quarterly Report for 2015



China National Accord Medicines Corporation Ltd.

The Third Quarterly Report for 2015

October 2015

Section I. Important Notice

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of China National Accord Medicines Corporation Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All directors are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

Yan Zhigang, person in charge of the Company, head of the accounting works Wei Pingxiao and Zhou Feifei, accounting body principals (accountant in charge) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Main accounting data and changes of shareholders

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets(RMB)	14,298,937,947.02	12,828,941,540.90	11.46%	
Net assets attributable to shareholders of listed company (RMB)	5,266,153,764.26	4,764,607,822.09	10.53%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	6,866,003,376.77	9.30%	19,679,806,543.54	9.98%
Net profit attributable to shareholders of the listed company (RMB)	186,753,078.44	17.66%	574,072,330.77	13.52%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	183,019,662.66	20.67%	556,678,816.45	16.96%
Net cash flow arising from operating activities(RMB)	--	--	408,159,149.92	169.26%
Basic earnings per share (RMB/Share)	0.515	17.58%	1.583	5.74%
Diluted earnings per share (RMB/Share)	0.515	17.58%	1.583	5.74%
Weighted average ROE	3.61%	0.07%	11.46%	-2.03%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note

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Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	4,389,032.17	Mainly refers to the income of relocation compensation from disposal of investment real estate by subsidiary Sinopharm Holding Liuzhou
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	13,640,742.24	Mainly refers to the various specific grants and finance discount received in the Period
Reversal of impairment reserve for account receivable with separate impairment testing	3,273,444.33	Mainly because the bad debt of account receivable for Tibet Naqu Company, which has accrual separately last year has collected in the Period
Income of trustee fee obtained from trust for management	375,000.00	Mainly due to the earnings from render a hosted services by Sinopharm Holding and China National Pharmaceutical Foreign Trade Corporation
Other non-operating income and expenditure except for the aforementioned items	2,864,911.21	Mainly because subsidiary Sinopharm Holding Liuzhou obtained a relocation rewards and out-of-resettlement compensation due to the removal
Less: impact on income tax	5,055,519.61	
Impact on minority shareholders' equity (post-tax)	2,094,096.02	
Total	17,393,514.32	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

1. Statement of the total common shareholders and shares-held of top ten common shareholders at end of the Period

In Share

Total common shareholders at period-end		15,463				
Shares-held of top ten common shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned corporate	51.00%	184,942,291	74,482,543		
National Council for Social Security Fund – 116	Domestic non state-owned corporate	2.29%	8,300,000			
China Securities Finance Corporation Limited	Domestic non state-owned corporate	2.12%	7,704,972			
National Council for Social Security Fund – 106	Domestic non state-owned corporate	2.01%	7,298,555			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Overseas corporate	1.94%	7,032,720			
VALUE PARTNERS CLASSIC FUND	Overseas corporate	1.61%	5,847,103			
CITIC Securities	Domestic non state-owned corporate	1.38%	5,007,937			
China Life Insurance	Domestic non state-owned	1.17%	4,237,124			

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Company Ltd. —tradition — general insurance products -005L- CT001 Shen	corporate					
New China Life Insurance Company Ltd. —Dividend — individual bonuses -018L- FH002 Shen	Domestic non state-owned corporate	1.16%	4,199,772			
China SAFE Investments Limited	Domestic non state-owned corporate	1.05%	3,804,400			
Particular about top ten common shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict common shares held	Type of shares				
		Type	Amount			
Sinopharm Group Co., Ltd.	110,459,748	RMB ordinary shares	110,459,748			
National Council for Social Security Fund – 116	8,300,000	RMB ordinary shares	8,300,000			
China Securities Finance Corporation Limited	7,704,972	RMB ordinary shares	7,704,972			
National Council for Social Security Fund – 106	7,298,555	RMB ordinary shares	7,298,555			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	7,032,720	Domestically listed foreign shares	7,032,720			
VALUE PARTNERS CLASSIC FUND	5,847,103	Domestically listed foreign shares	5,847,103			
CITIC Securities	5,007,937	RMB ordinary shares	5,007,937			
China Life Insurance Company Ltd. —tradition —general insurance products -005L-CT001 Shen	4,237,124	RMB ordinary shares	4,237,124			
New China Life Insurance Company Ltd. —Dividend —individual	4,199,772	RMB ordinary shares	4,199,772			

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bonuses -018L-FH002 Shen			
China SAFE Investments Limited	3,804,400	RMB ordinary shares	3,804,400
Explanation on associated relationship among the aforesaid shareholders	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.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The shareholders of the Company have no buy-back agreement dealing in reporting period.

2. Total of shareholders with preferred stock held and the top ten shareholdings in Period-end

Applicable Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√Applicable □Not applicable

1. Note receivable: cut down by 224.8243 million Yuan over that of opening balance with growth rate of -36.32%, mainly because the settlement service with trade acceptance reduced in the Period;
2. Other account receivable: increased 28.0236 million Yuan over that of opening balance with growth rate of 98.07%, mainly because the deposit and margin are increased in the Period;
3. Other current assets: cut down by 16.1344 million Yuan over that of opening balance with growth rate of -40.03%, mainly because the VAT to-be-deducted reduced in the Period;
4. Interest payable: increased 2.1271 million Yuan over that of opening balance with growth rate of 31.91%, mainly due to the rising financing scale in the Period;
5. Non-current liability due within one year: increased 3.0431 million Yuan over that of opening balance with growth rate of 76.08%, mainly because corresponding fair value of the Member Points due within one year are increased over that of period-begin;
6. Long-term loans: increased 30.9984 million Yuan over that of opening balance with growth rate of 78.09%, mainly due to the newly increased Pingshan Project loans in the Period;
7. Other business income: up 20.0843 million Yuan on y-o-y basis with growth rate of 35.63%, mainly because the income from offering R&D technical services and sales of material income increased;
8. Other business cost: up 16.3505 million Yuan on y-o-y basis with growth rate of 145.50%, mainly because the sales material business goes up on y-o-y basis;
9. Non-operation income: dropped 19.8009 million Yuan on y-o-y basis with growth rate of -53.71%, mainly because in line with the litigation outcome last period, the compensation of lawsuit which accrual from previous years have been written back, and no such business occurred in the Period;
10. Non-operation expenditure: dropped 1.0394 million Yuan on y-o-y basis with growth rate of -67.56%, mainly because at same period of last year, there were poverty relief donations occurred while there is no such business in the Period;
11. Minority interest income: up 5.1862 million Yuan on y-o-y basis with growth rate of 40.99%, mainly because the profitability upgrade in the Period;
12. Refunds of taxes: dropped 7.5003 million Yuan on y-o-y basis with growth rate of -83.83%, mainly because the tax refunds received in the Period declined;
13. Net cash flow arising from operation activities: up 997.5034 million Yuan on y-o-y basis with growth rate of 169.26%, mainly because the purchase-to-pay and vary taxes paid in the Period declined on a y-o-y basis;
14. Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets: dropped 90.5632 million Yuan on y-o-y basis with growth rate of -38.26%, mainly because the investment for construction work is decreased in the Period;
15. Net cash paid for the acquisition of subsidiaries and other business entities: up 7.8078 million Yuan on y-o-y

basis with growth rate of 474.88%, mainly because the final equity payment for Sinopharm Holding Jiangmen is paid in the Period;

16. Net cash flow arising from investment activities: up 89.5344 million Yuan on y-o-y basis with growth rate of 42.85%, mainly because the investment for construction work is decreased in the Period;

17. Cash received by investors: dropped 1928.7954 million Yuan on y-o-y basis with growth rate of -99.92%, mainly because at same period of last year, there is increased capital from private placement received while there is no such business occurred in the Period;

18. Cash received relating to other financing activities: dropped 32.1528 million Yuan on y-o-y basis with growth rate of -100%, mainly because the cash from downstream factoring business is received at same period of last year while there is no such business occurred in the Period;

19. Payment for debt: dropped 1062.2838 million Yuan on y-o-y basis with growth rate of -94.53%, mainly because the loans repaying in the Period decreased.

20. Net cash flow arising from financing activities: dropped 91,041.20 Yuan on y-o-y basis with growth rate of -116.92%, mainly because at same period of last year, there are increased capital from private placement received while there is no such business occurred in the Period;

II. Progress and influence of the main events as well as solution analysis specification

Applicable Not applicable

III. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or made in previous period and extending to reporting period

Applicable Not applicable

Commitments	Acceptor	Contents	Commitment time	Commitment period	Implementation
Share Merger Reform					
Commitments in report of acquisition or equity change	Sinopharm Holding	As a large pharmaceutical commercial enterprise whose business involves pharmaceutical wholesale and retail, Sinopharm Holding may overlap with the Company in geographical segmentation during its future business development. To avoid the potential peer competition brought by such geographical overlap, Sinopharm Holding undertakes that, upon the transfer of shares of Sinopharm Holding Guangzhou it held to Accord Pharma, "1. it will not newly-establish or broaden within Guangdong any business	2005-06-21	Long-term effective	Normally implement

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		operation that actually compete with that of Accord Pharma, or set up any new subsidiaries or subordinate enterprises who engage in such business. 2. it will enter into business delineation with Accord Pharma and Sinopharm Holding Guangzhou, thereby giving the three parties clear geographical areas to carry out pharmaceutical wholesale and retail businesses, so as to avoid potential peer competition. Apart from above, Sinopharm Holding will no longer newly-establish any enterprise that may compete with Accord Pharma in the production and R&D of pharmaceutical products.”			
Commitments in assets reorganization					
Commitments make in initial public offering or re-financing	Sinopharm Holding	Sinopharm Holding has undertaken in the Letter of Undertaking from Sinopharm Group Co. Ltd. on Avoiding Peer Competition that, “I. the Company and the enterprises it wholly-owns, controls or has de facto control over (excluding Sinopharm Accord and its controlled enterprises, similarly hereinafter) do not exist any business or operation that would constitute substantive peer competition with Sinopharm Accord and its controlled enterprises. II. the Company and the enterprises it wholly-owns, controls or has de facto control over will not engage in, participate in or carry out in Guangdong and Guangxi any business or activities that would constitute substantive competition with the pharmaceutical commercial businesses of Sinopharm Accord. III. the Company and the enterprises it wholly-owns, controls or has de facto control over will not engage in, participate in or carry out any business or activities that would constitute substantive competition with the pharmaceutical industrial businesses of Sinopharm Accord. IV. the Company will not make use of its control over Sinopharm Accord to damage the legal	2013-09-05	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

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		<p>interests of Sinopharm Accord and other shareholders (especially minority shareholders). The Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss which may arise out of the Company's violation of the Undertaking.”</p>			
	<p>Sinopharm Holding</p>	<p>Sinopharm Holding has undertaken in the Letter of Undertaking from Sinopharm Group Co. Ltd. on Standardization of the Connected Transactions with China National Accord Medicines Corporation Ltd. that, “I. during the period when the Company takes control over Sinopharm Accord, the Company and the companies or enterprises it directly or indirectly controls (hereinafter referred to as “Connected Party”) will strictly standardize the connected transactions with Sinopharm Accord and its controlled enterprises. II. for those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will enter into standardized connected transaction agreement with Sinopharm Accord according to law. Sinopharm Accord will perform approval procedure according to relevant laws, rules and regulations, other standardization documents and its constitutional documents, and fulfill its obligation to disclose information on connected transactions. III. for those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will determine the prices of connected transactions based on the prices of same or similar transactions entered into by independent third parties of no connection while following the principles of open, fair and just to ensure the fairness. IV. when the board or shareholders' meeting of Sinopharm Accord</p>	<p>2013-09-05</p>	<p>Long-term effective</p>	<p>Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments</p>

		<p>votes on the relevant connected transactions involving the Company and other enterprises it controls, the Company will perform obligations including that necessary interested directors and shareholders shall be abstained from voting according to relevant regulations, and follow the legal procedures for approval of connected transactions and fulfill its information disclosure obligation. V. the Company guarantees to attend shareholders' meeting according to the constitutional documents of Sinopharm Accord, exercise its corresponding rights and assumed its corresponding obligations in an equitable manner, not to take advantage of its standing as controlling shareholder to seek unjust interests, or to use connected transactions to illegally transfer capital or profit out of Sinopharm Accord, or to prejudice the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). VI. the Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss that may arise out of the Company's violation of the Undertaking."</p>			
	Sinopharm Group	<p>"Sinopharm Group has undertaken in the Letter of Undertaking from China National Pharmaceutical Group Corporation on Avoiding the Peer Competition with China National Accord Medicines Corporation Ltd. that, "I. in the coming five years, Sinopharm Group intends to take appropriate measures including replacement or acquisition of assets or equity reorganization to solve the problem of peer competition between Weiqida and Sinopharm Accord. II. apart from the matters disclosed in the past and in the Letter of</p>	2013-10-16	Long-term effective	Actual controller is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

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	<p>Undertaking, the Company and the enterprises it wholly-owns, controls or has de facto control over (excluding Sinopharm Accord and its controlled enterprises, similarly hereinafter) do not directly engage in, participate in or carry out within the PRC any business or activities that would constitute substantive competition with the production and operation of Sinopharm Accord. The relative undertakings in respect of avoiding peer competition given by the Company in the past remain valid. III. the Company will not take advantage of its control over Sinopharm Accord to damage the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). IV. the Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the de facto controller or connected party of Sinopharm Accord.”</p>			
	<p>Sinopharm Group has undertaken in the Letter of Undertaking from China National Pharmaceutical Group Corporation on Standardization of the Connected Transactions with China National Accord Medicines Corporation Ltd that, “I. during the period when the Company takes control over Sinopharm Accord, the Company and the companies or enterprises it directly or indirectly controls (hereinafter referred to as “Connected Party”) will strictly standardize the connected transactions with Sinopharm Accord and its controlled enterprises. II. for those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will enter into standardized connected transaction agreement with Sinopharm Accord according to law. Sinopharm Accord will perform approval procedure according to relevant laws, rules and regulations, other standardization documents and its constitutional documents, and fulfill its obligation to disclose information on</p>	<p>2013-09-22</p>	<p>Long-term effective</p>	<p>Actual controller is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments</p>

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		<p>connected transactions. III. for those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will determine the prices of connected transactions based on the prices of same or similar transactions entered into by independent third parties of no connection while following the principles of open, fair and just to ensure the fairness. IV. when the board or shareholders' meeting of Sinopharm Accord votes on the relevant connected transactions involving the Company and other enterprises it controls, the Company will perform obligations including that necessary interested directors and shareholders shall be abstained from voting according to relevant regulations, and follow the legal procedures for approval of connected transactions and fulfill its information disclosure obligation. V. the Company guarantees not to take advantage of its standing as actual controller to seek unjust interests, or to use connected transactions to illegally transfer capital or profit out of Sinopharm Accord, or to prejudice the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders).”VI. the Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the actual controller or connected party of Sinopharm Accord.</p>			
Other commitments to minority shareholders of the Company					
Completed on time or not	Yes				

IV. Estimation of operation performance for year of 2015

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 Not applicable

V. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

VI. Equity of other listed company held by the Company

Applicable Not applicable

The Company has no equity of other listed company held at period-end

VII. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

VIII. Registration form of receiving research, communication and interview in the report period

Applicable Not applicable

The Company has no research, communication and interview accepted in the Period

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by China National Accord Medicines Corporation Ltd.

2015-09-30

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	1,013,884,519.57	867,562,115.54
Settlement provisions		
Capital lent		
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial assets		
Notes receivable	394,171,131.23	618,995,440.09
Accounts receivable	8,338,293,189.08	7,018,312,673.19
Accounts paid in advance	93,893,147.30	96,043,154.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	56,598,493.86	28,574,927.90
Purchase restituted finance asset		
Inventories	2,490,715,532.51	2,322,333,262.87
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	24,174,145.31	40,308,591.47
Total current assets	12,411,730,158.86	10,992,130,165.46

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Non-current assets:		
Granted loans and advances		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	162,956,577.03	157,604,846.85
Investment property	77,788,114.73	73,836,850.51
Fixed assets	775,007,642.63	745,557,829.35
Construction in progress	363,698,845.05	330,218,696.56
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	139,853,402.48	144,383,753.87
Expense on Research and Development	5,619,315.47	5,619,315.47
Goodwill	79,378,833.15	79,378,833.15
Long-term expenses to be apportioned	38,413,747.56	39,154,232.03
Deferred income tax asset	80,430,122.44	85,146,479.50
Other non-current asset	164,061,187.62	175,910,538.15
Total non-current asset	1,887,207,788.16	1,836,811,375.44
Total assets	14,298,937,947.02	12,828,941,540.90
Current liabilities:		
Short-term loans	1,922,477,929.73	1,517,954,528.88
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	1,419,083,464.80	1,468,166,640.64
Accounts payable	4,650,505,884.89	3,988,878,234.03

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Accounts received in advance	37,445,736.11	40,339,905.63
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	130,034,708.11	171,958,142.88
Taxes payable	96,380,767.63	77,445,669.46
Interest payable	8,793,790.26	6,666,712.19
Dividend payable		
Other accounts payable	334,100,084.70	412,347,201.51
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held ready for sale		
Non-current liabilities due within 1 year	7,043,100.00	4,000,000.00
Other current liabilities		
Total current liabilities	8,605,865,466.23	7,687,757,035.22
Non-current liabilities:		
Long-term loans	70,693,824.54	39,695,448.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	10,822,806.36	
Long-term wages payable	2,582,100.00	2,896,000.00
Special accounts payable	1,287,000.00	1,287,000.00
Accrual liabilities		
Deferred income	168,091,726.69	176,366,201.15
Deferred income tax liabilities	23,130,504.44	24,297,076.57
Other non-current liabilities	45,427,343.31	45,427,343.31
Total non-current liabilities	322,035,305.34	289,969,069.03
Total liabilities	8,927,900,771.57	7,977,726,104.25

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Owner's equity:		
Share capital	362,631,943.00	362,631,943.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,863,894,533.34	1,863,894,533.34
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	181,315,971.50	181,315,971.50
Provision of general risk		
Retained profit	2,858,311,316.42	2,356,765,374.25
Total owner's equity attributable to parent company	5,266,153,764.26	4,764,607,822.09
Minority interests	104,883,411.19	86,607,614.56
Total owner's equity	5,371,037,175.45	4,851,215,436.65
Total liabilities and owner's equity	14,298,937,947.02	12,828,941,540.90

Legal representative: Yan Zhigang

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Zhou Feifei

2. Balance Sheet of parent company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	213,025,111.81	257,173,314.81
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial assets		
Notes receivable	3,161,064.50	47,389,669.59
Accounts receivable	655,550,847.30	513,791,982.48
Accounts paid in advance	1,543,685.34	5,047,755.80
Interest receivable	1,929,700.38	1,890,165.10
Dividend receivable		

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Other receivables	1,506,696,764.87	1,111,423,809.76
Inventories	179,612,810.46	184,880,147.05
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	9,124,221.59	2,560,096.51
Total current assets	2,570,644,206.25	2,124,156,941.10
Non-current assets:		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	2,777,356,071.41	2,772,004,341.23
Investment real estate	4,581,781.19	5,272,980.96
Fixed assets	94,108,637.37	17,175,509.65
Construction in progress	328,611,767.67	299,290,846.13
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	35,949,262.39	36,923,545.12
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	7,756,920.48	5,681,186.10
Deferred income tax asset	2,860,992.26	2,800,803.02
Other non-current asset	51,539,700.38	68,103,087.93
Total non-current asset	3,302,765,133.15	3,207,252,300.14
Total assets	5,873,409,339.40	5,331,409,241.24
Current liabilities:		
Short-term loans	232,000,000.00	202,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	239,928,522.23	274,584,574.89

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Accounts payable	428,599,428.99	314,477,971.19
Accounts received in advance	2,857,671.39	322,008.81
Wage payable	16,387,574.14	20,339,767.52
Taxes payable	7,575,075.34	13,695,533.72
Interest payable	191,717.52	86,831.07
Dividend payable		
Other accounts payable	327,481,724.34	447,928,781.45
Divided into liability held ready for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,255,021,713.95	1,273,435,468.65
Non-current liabilities:		
Long-term loans	65,693,824.54	39,695,448.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	226,000.00	226,000.00
Special accounts payable	800,000.00	800,000.00
Accrual liabilities		
Deferred income	5,000,000.00	5,000,000.00
Deferred income tax liabilities	3,774,569.00	3,773,319.00
Other non-current liabilities		
Total non-current liabilities	75,494,393.54	49,494,767.00
Total liabilities	1,330,516,107.49	1,322,930,235.65
Owner's equity:		
Share capital	362,631,943.00	362,631,943.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,869,692,921.70	1,869,692,921.70

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Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	181,315,971.50	181,315,971.50
Retained profit	2,129,252,395.71	1,594,838,169.39
Total owner's equity	4,542,893,231.91	4,008,479,005.59
Total liabilities and owner's equity	5,873,409,339.40	5,331,409,241.24

3. Consolidated Profit Statement (this report period)

In RMB

Item	Current period	Prior period
I. Total operating income	6,866,003,376.77	6,281,963,971.53
Including: Operating income	6,866,003,376.77	6,281,963,971.53
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	6,641,799,761.77	6,100,229,470.64
Including: Operating cost	6,364,449,301.02	5,833,268,381.58
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	10,754,748.24	9,386,944.76
Sales expenses	131,702,711.01	112,238,970.55
Administration expenses	114,237,485.02	113,782,559.26
Financial expenses	20,199,936.13	29,944,760.23
Losses of devaluation of asset	455,580.35	1,607,854.26
Add: Changing income of fair value(Loss is listed with “-”)		

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Investment income (Loss is listed with “-”)	11,264,688.74	13,143,999.51
Including: Investment income on affiliated company and joint venture	11,264,688.74	13,143,999.51
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	235,468,303.74	194,878,500.40
Add: Non-operating income	4,081,386.64	8,528,482.74
Including: Disposal gains of non-current asset	417,021.63	191,595.79
Less: Non-operating expense	58,358.45	330,963.49
Including: Disposal loss of non-current asset	142,655.16	215,831.48
IV. Total Profit (Loss is listed with “-”)	239,491,331.93	203,076,019.65
Less: Income tax expense	47,223,465.50	40,074,573.40
V. Net profit (Net loss is listed with “-”)	192,267,866.43	163,001,446.25
Net profit attributable to owner’s of parent company	186,753,078.44	158,726,925.31
Minority shareholders’ gains and losses	5,514,787.99	4,274,520.94
VI. Net other comprehensive income after-tax		
Net other comprehensive income after-tax attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		

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1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	192,267,866.43	163,001,446.25
Total comprehensive income attributable to owners of parent Company	186,753,078.44	158,726,925.31
Total comprehensive income attributable to minority shareholders	5,514,787.99	4,274,520.94
VIII. Earnings per share:		
(i) Basic earnings per share	0.515	0.438
(ii) Diluted earnings per share	0.515	0.438

As for the business merger under the same control in the Period, Yuan net profit realized before merger by the combined party, the net profit for combined party in last period was Yuan.

Legal representative: Yan Zhigang

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Zhou Feifei

4. Profit Statement of parent company (this report period)

In RMB

Item	Current period	Prior period
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I. Operating income	707,895,452.73	734,321,077.76
Less: operating cost	673,918,156.37	705,436,495.45
Operating tax and extras	1,524,376.24	2,430,299.49
Sales expenses	11,228,666.13	12,365,596.47
Administration expenses	12,107,506.81	11,578,094.71
Financial expenses	-17,264,862.18	-30,454,474.94
Losses of devaluation of asset	116,627.27	116,740.12
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	11,264,688.73	18,064,754.09
Including: Investment income on affiliated company and joint venture	11,264,688.73	13,143,999.51
II. Operating profit (Loss is listed with “-”)	37,529,670.82	50,913,080.55
Add: Non-operating income	234,465.95	10,044.48
Including: Disposal gains of non-current asset		
Less: Non-operating expense	-0.02	
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	37,764,136.79	50,923,125.03
Less: Income tax expense	6,429,993.21	7,900,592.86
IV. Net profit (Net loss is listed with “-”)	31,334,143.58	43,022,532.17
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		

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(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	31,334,143.58	43,022,532.17
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated profit statement (from year-begin to end of this period)

In RMB

Item	Current period	Prior period
I. Total operating income	19,679,806,543.54	17,894,606,405.81
Including: Operating income	19,679,806,543.54	17,894,606,405.81
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	19,001,427,483.59	17,322,455,843.61

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Including: Operating cost	18,166,110,341.44	16,460,036,038.82
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	37,198,437.99	36,859,658.29
Sales expenses	393,776,817.02	383,388,181.09
Administration expenses	317,826,858.37	330,858,718.45
Financial expenses	78,839,608.53	102,392,485.33
Losses of devaluation of asset	7,675,420.24	8,920,761.63
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	39,538,750.18	36,739,722.01
Including: Investment income on affiliated company and joint venture	39,538,750.18	36,739,722.01
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	717,917,810.13	608,890,284.21
Add: Non-operating income	17,063,676.10	36,864,548.07
Including: Disposal gains of non-current asset	427,318.99	692,585.33
Less: Non-operating expense	499,038.83	1,538,460.84
Including: Disposal loss of non-current asset	368,059.75	280,069.64
IV. Total Profit (Loss is listed with “-”)	734,482,447.40	644,216,371.44
Less: Income tax expense	142,572,320.00	125,875,954.02
V. Net profit (Net loss is listed with “-”)	591,910,127.40	518,340,417.42
Net profit attributable to owner’s of parent company	574,072,330.77	505,688,779.43
Minority shareholders’ gains and losses	17,837,796.63	12,651,637.99

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VI. Net other comprehensive income after-tax		
Net other comprehensive income after-tax attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net other comprehensive income after-tax attributable to minority		

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VII. Total other consolidated income	591,910,127.40	518,340,417.42
Total consolidated income attributable to owners of parent company	574,072,330.77	505,688,779.43
Total consolidated income attributable to minority shareholders	17,837,796.63	12,651,637.99
VIII. Earnings per share:		
(i) Basic earnings per share	1.583	1.497
(ii) Diluted earnings per share	1.583	1.497

As for the business merger under the same control in the Period, Yuan net profit realized before merger by the combined party, the net profit for combined party in last period was Yuan.

6. Profit Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current period	Prior period
I. Operating income	2,117,811,188.23	2,078,854,464.72
Less: operating cost	2,024,014,258.26	1,996,348,869.75
Operating tax and extras	4,266,591.00	6,249,456.18
Sales expenses	33,939,722.56	35,760,799.33
Administration expenses	34,245,121.31	36,834,667.09
Financial expenses	-49,584,705.81	-61,166,675.03
Losses of devaluation of asset	410,566.05	270,135.10
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	554,051,869.71	498,608,841.32
Including: Investment income on affiliated company and joint venture	39,538,750.18	36,739,722.01
II. Operating profit (Loss is listed with “-”)	624,571,504.57	563,166,053.62
Add: Non-operating income	332,246.72	715,297.08
Including: Disposal gains of non-current asset		326.59
Less: Non-operating expense		0.08
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	624,903,751.29	563,881,350.62

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Less: Income tax expense	17,963,136.37	16,251,065.83
IV. Net profit (Net loss is listed with “-”)	606,940,614.92	547,630,284.79
V. Net other comprehensive income after-tax		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	606,940,614.92	547,630,284.79
VII. Earnings per share:		

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(i) Basic earnings per share		
(ii) Diluted earnings per share		

7. Consolidated Cash Flow Statement (from year-begin to end of this period)

In RMB

Item	Current period	Prior period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	20,633,444,697.69	17,908,007,328.48
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	1,446,726.90	8,947,070.73
Other cash received concerning operating activities	66,440,712.60	75,769,060.23
Subtotal of cash inflow arising from operating activities	20,701,332,137.19	17,992,723,459.44
Cash paid for purchasing commodities and receiving labor service	19,119,988,676.85	17,447,751,970.38
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		

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Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	485,136,482.02	439,907,204.26
Taxes paid	441,876,457.82	421,428,798.02
Other cash paid concerning operating activities	246,171,370.58	272,979,736.89
Subtotal of cash outflow arising from operating activities	20,293,172,987.27	18,582,067,709.55
Net cash flows arising from operating activities	408,159,149.92	-589,344,250.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	0.00	0.00
Cash received from investment income	35,190,000.00	28,152,000.00
Net cash received from disposal of fixed, intangible and other long-term assets	998,055.18	1,257,052.51
Net cash received from disposal of subsidiaries and other units	0.00	0.00
Other cash received concerning investing activities	0.00	0.00
Subtotal of cash inflow from investing activities	36,188,055.18	29,409,052.51
Cash paid for purchasing fixed, intangible and other long-term assets	146,167,376.75	236,730,564.01
Cash paid for investment	0.00	0.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units	9,452,000.00	1,644,172.91
Other cash paid concerning investing activities	0.00	0.00
Subtotal of cash outflow from investing activities	155,619,376.75	238,374,736.92
Net cash flows arising from investing activities	-119,431,321.52	-208,965,684.41
III. Cash flows arising from financing activities		
Cash received from absorbing	1,470,000.00	1,930,265,413.47

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investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	1,470,000.00	0.00
Cash received from loans	125,722,354.87	174,372,388.34
Cash received from issuing bonds		
Other cash received concerning financing activities	0.00	32,152,750.15
Subtotal of cash inflow from financing activities	127,192,354.87	2,136,790,551.96
Cash paid for settling debts	61,469,731.00	1,123,753,511.67
Cash paid for dividend and profit distributing or interest paying	154,678,884.00	183,572,083.63
Including: Dividend and profit of minority shareholder paid by subsidiaries	1,032,000.00	5,825,783.82
Other cash paid concerning financing activities	42,818,773.74	50,827,980.27
Subtotal of cash outflow from financing activities	258,967,388.74	1,358,153,575.57
Net cash flows arising from financing activities	-131,775,033.87	778,636,976.39
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	7,360.46	5,838.21
V. Net increase of cash and cash equivalents	156,960,154.94	-19,667,119.92
Add: Balance of cash and cash equivalents at the period -begin	854,212,006.84	1,097,948,354.45
VI. Balance of cash and cash equivalents at the period -end	1,011,172,161.78	1,078,281,234.53

8. Cash Flow Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current period	Prior period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,245,035,658.21	2,178,553,762.47
Write-back of tax received	0.00	0.00
Other cash received concerning	10,277,088.77	16,271,321.78

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operating activities		
Subtotal of cash inflow arising from operating activities	2,255,312,746.98	2,194,825,084.25
Cash paid for purchasing commodities and receiving labor service	2,207,784,468.53	2,155,142,728.62
Cash paid to/for staff and workers	43,554,714.68	39,046,375.47
Taxes paid	38,063,645.73	26,377,550.12
Other cash paid concerning operating activities	15,519,036.73	21,802,894.06
Subtotal of cash outflow arising from operating activities	2,304,921,865.67	2,242,369,548.27
Net cash flows arising from operating activities	-49,609,118.69	-47,544,464.02
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	219,294,985.39	234,399,564.16
Net cash received from disposal of fixed, intangible and other long-term assets		700.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	2,488,319,315.47	2,954,312,357.21
Subtotal of cash inflow from investing activities	2,707,614,300.86	3,188,712,621.37
Cash paid for purchasing fixed, intangible and other long-term assets	118,417,451.35	166,131,758.87
Cash paid for investment	0.00	8,110,000.00
Net cash received from subsidiaries and other units	9,200,000.00	6,761,000.00
Other cash paid concerning investing activities	2,883,936,599.67	4,008,433,743.73
Subtotal of cash outflow from investing activities	3,011,554,051.02	4,189,436,502.60
Net cash flows arising from investing activities	-303,939,750.16	-1,000,723,881.23
III. Cash flows arising from financing activities		
Cash received from absorbing investment	0.00	1,930,265,413.47

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Cash received from loans	94,933,328.85	58,095,448.00
Cash received from issuing bonds		
Other cash received concerning financing activities	337,881,122.11	394,669,491.62
Subtotal of cash inflow from financing activities	432,814,450.96	2,383,030,353.09
Cash paid for settling debts	10,000,000.00	945,000,000.00
Cash paid for dividend and profit distributing or interest paying	82,413,625.11	88,630,556.66
Other cash paid concerning financing activities	31,000,160.00	128,579,308.55
Subtotal of cash outflow from financing activities	123,413,785.11	1,162,209,865.21
Net cash flows arising from financing activities	309,400,665.85	1,220,820,487.88
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		1,201.00
V. Net increase of cash and cash equivalents	-44,148,203.00	172,553,343.63
Add: Balance of cash and cash equivalents at the period -begin	257,173,314.81	218,342,947.03
VI. Balance of cash and cash equivalents at the period -end	213,025,111.81	390,896,290.66

II. Audit report

Whether the third quarter report was audited or not

Yes No

The third quarter report of the Company has not been audited