

# **China National Accord Medicines Corporation Ltd.**

## **SEMI-ANNUAL REPORT 2015**

**August 2015**

## **Section I. Important Notice, Contents and Paraphrase**

**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 attended the Board Meeting for report deliberation.**

**The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.**

**Yan Zhigang, principal of the Company, Wei Pingxiao, person in charger of accounting works and Zhou Feifei, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of the Semi-Annual Report 2015 is authentic, accurate and complete.**

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## Paraphrase

Items	Refers to	Definition
The Listed Company, Company, the Company, China National Accord, the Group	Refers to	China National Accord Medicines Corporation Ltd.
Sinopharm Holding	Refers to	Sinopharm Group Co., Ltd., the controlling shareholder of the Company
“Twelfth Five-Year”	Refers to	Year of 2011 to 2015
<i>Company Law</i>	Refers to	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	Refers to	<i>Securities Law of the People's Republic of China</i>
Yuan, 10 thousand Yuan, 100 million Yuan	Refers to	RMB, RMB 10 thousand, RMB 100 million
Terminology:	Refers to	
Direct selling	Refers to	A sales method that the drug directly sold to the hospital
GMP certification	Refers to	Good Manufacture Practice of Drugs certification
GSP certification	Refers to	Good Supplying Practice certification
Supply Chain Management	Refers to	That is CMS, and information system processing workflow & procurement, inventory & sales documents
Company profile	Refers to	
Sinopharm	Refers to	China National Pharmaceutical Group Corporation
Sinopharm (CNCM LTD)	Refers to	China National Medicines Corporation Ltd.
Sinopharm Holding Guangzhou	Refers to	Sinopharm Holding Guangzhou Co., Ltd.
Sinopharm Holding Guangxi	Refers to	Sinopharm Holding Guangxi Co., Ltd.
Sinopharm Holding Liuzhou	Refers to	Sinopharm Holding Liuzhou Co., Ltd.
Zhijun Pharmaceutical	Refers to	Shenzhen Zhijun Pharmaceutical Co., Ltd
China National Zhijun (Suzhou)	Refers to	China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.
Zhijun Medicine Trading	Refers to	Shenzhen Zhijun Medicine Trading Co., Ltd.
China National Zhijun (Shenzhen) Pingshan	Refers to	China National Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.
Main Luck Pharmaceuticals	Refers to	Shenzhen Main Luck Pharmaceuticals Inc.

## Section II Company profile

### I. Company Profile

Short form for share	Sinopharm Accord, Accord B	Code for share	000028, 200028
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	国药集团一致药业股份有限公司		
Abbr. of Chinese name of the Company(if applicable)	国药一致		
English name of the Company(if applicable)	China National Accord Medicines Corporation Ltd.		
Abbr. of English name of the Company(if applicable)	Sinopharm Accord		
Legal Representative	Yan Zhigang		

### II. Contact person and ways

	Secretary of the Board
Name	Chen Changbing
Contact adds.	Accord Pharm. Bldg., No. 15, Ba Gua Si Road, Futian District, Shenzhen Guangdong
Tel.	+(86)755 25875195
Fax.	+(86)755 25195435
E-mail	0028@szaccord.com.cn; gyyz0028@sinopharm.com

### III. Others

#### 1. Way of contact

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2014.

#### 2. Information disclosure and preparation place

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2014.

### **3. Registration changes of the Company**

Date/place for registration of the Company, registration number for enterprise legal license, number of taxation registration and organization code have no change in reporting period, found more details in Annual Report 2014.

## Section III. Accounting data and summary of financial indexes

### I. Main accounting data and financial indexes

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	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	12,813,803,166.77	11,612,642,434.28	10.34%
Net profit attributable to shareholders of the listed company(RMB)	387,319,252.33	349,213,988.51	10.91%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	373,659,153.79	326,526,104.00	14.43%
Net cash flow arising from operating activities(RMB)	448,239,578.83	-484,715,807.96	192.47%
Basic earnings per share (RMB/Share)	1.068	1.073	-0.47%
Diluted earnings per share (RMB/Share)	1.068	1.073	-0.47%
Weighted average ROE	7.85%	10.39%	-2.54%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	13,812,656,490.46	12,828,941,540.90	7.67%
Net assets attributable to shareholder of listed company(RMB)	5,079,400,685.82	4,764,607,822.09	6.61%

### II. Difference of the accounting data under accounting rules in and out of China

#### 1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

The Company had no difference of the net profit or net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

#### 2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

The Company had no difference of the net profit or net assets disclosed in financial report, under both foreign accounting rules and

Chinese GAAP (Generally Accepted Accounting Principles)

**III. Items and amounts of extraordinary profit (gains)/loss**

√ Applicable    □ Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	4,114,941.12	The compensation for housing demolition income obtained from disposal of investment real estate by subsidiary Sinopharm Holding Liuzhou
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	10,567,256.16	Mainly contained various of special subsidies and financial discount.
Reversal of impairment reserve for account receivable with separate impairment testing	2,568,108.32	
Trustee fee obtained from entrusted management	375,000.00	The entrusted service providing for Sinopharm Holding and China National Pharmaceutical Foreign Trade Corporation
Other non-operating income and expenditure except for the aforementioned items	2,189,460.15	The relocation reward and compensation for arrange due to cessation of business received by subsidiary Sinopharm Holding Liuzhou
Less: impact on income tax	4,051,085.07	
Influenced amount of minority shareholders' equity (after tax)	2,103,582.14	
Total	13,660,098.54	--



## Section IV. Report of the Board of Directors

### I. Introduction

In connection with pharmaceutical industry, the year 2015 was especially tough. Intensified releases of medical reform policies further increased existence pressure for pharmaceutical industry, resulting in slow growth of this industry. During the first half year, we made various progresses as scheduled according to our annual operation subjects of “adapt to new normal, hold new business opportunities and achieve new development” in addition to focusing on our business operation, we also conducted compliance and honest career related activities actively. We also developed new business in an orderly manner in addition to increasing efficiency for our traditional businesses. Emphasis has been put on economic and party construction works both, and progresses have been made in both traditional and innovative businesses.

(I) the overall economic operation of China National Accord for the first half year of 2015

China National Accord realized operating income of RMB12.814 billion, representing a year-on-year increase of 10.34%, and realized net profit attributable to parent company of RMB387 million, representing a year-on-year increase of 10.91%.

The distribution segment realized operating income of RMB11.962 billion, representing a year-on-year increase of 11.72%, and realized net profit attributable to parent company of RMB218 million, representing a year-on-year increase of 31.97%.

The pharmaceutical segment realized operating income of RMB859 million, representing a year-on-year decrease of 6.05%, and realized net profit attributable to parent company of RMB122 million, representing a year-on-year decrease of 11.01%.

(II) Major works completed by China National Accord for the first half year of 2015

#### 1. Innovative operation model and ideas

The distribution segment accelerated overall extension of supply chain to upstream and downstream market by leverage on VMI united stock project and smart chain project. 161 new VMI stock projects were increased during the first half year and 5 smart chain projects including Meizhou People Hospital were newly established. We set supply chain functions in Guangxi and Shenzhen regions, remarking the general implementation of supply chain model in Guangdong and Guangxi provinces.

Considering the serious overstock of new medicine approval, the pharmaceutical segment changed its mind actively to focus on production capability improvement and further development of some major varieties, increasing supports for current operation.

## 2. Continuous enhancement in integrated operation capability

Information integration management project for distribution segment has completed application of three modules including rebate, first operation and payables. Logistics integration management platform project has completed application of cost control module. As the cold chain management systems in Dongguan and Huizhou linked to the network and applied respectively, our capability of logistics integration management would be improved continuously. Besides, steady enhancement was recorded in integrated procurement efficiency.

The pharmaceutical segment carried out relevant works to improve platform management efficiency. Six major processes including product and distribution synergy, industrialization and product pricing were emphasized in connection with industrial management projects. Through overall diagnosis and optimization, the Group was able to consolidate management foundation for industrial platforms.

## 3. Promote network construction and enhance network value

The distribution segment participated in establishing Zhuhai Company. Till now, there are 30 subsidiaries, covering 35 cities in Guangdong and Guangxi provinces. Through construction of DTC pharmacies, Guangzhou Company was granted qualification required to operate as a chain pharmacy. The chain management department has been set to incorporate DTC pharmacies into integrated management and 12 DTC pharmacies all obtained medical insurance qualification. New equipment warehouses commenced construction in Guangfo logistics center, Zhanjiang delivery center and Meizhou delivery center, aiming to perfect our logistics network.

Marketing of the pharmaceutical segment was based on its secondary distribution system. The segment recorded good performance through cooperation with Jointown to carry out complimentary service for purchases. Besides, the segment also introduced certain Chinese traditional medicine varieties such as Jian'erqing solution to secondary distribution system, commencing marketing for OTC brands.

## 4. Orderly progress of new business

As for distribution segment, management platform has been completed for medical equipment business, realizing online place of orders in Zhongshan third hospital and tumour hospital. The Group also actively developed marketing network for vaccine products, increased resources on developing non-vaccine products and consolidated development foundation as CDC overall product service provider. As for medical treatment cooperation projects, we entered into contracts for five projects including South Five Hospital and Meizhou People Hospital. Internet upgrade for distribution e-commerce B2B business has been completed with new function of pharmaceutical enquiry. Industrial internationalization is being promoted steadily and Pingshan base officially kicked off EU certification.

## 5. Accelerate base construction and quality certification

Shenzhen Medical Materials Processing Plant has totally completed new version GMP certification reform project,

and has submitted declaration materials required for new version GMP certification to the provincial drug management bureau on 23 June, which is subject to site inspection. This represents a meaningful progress for the plant to become TCM drug pieces processing plant in Guangdong and Guangxi provinces.

As for pharmaceutical segment, the comprehensive R&D building and auxiliary projects including dining room and dormitory buildings for Pingshan Base have completed seal roof projects successfully. Three batches of trial production were completed and the base passed site inspection required for new version GMP certification on 30 June and is about to obtain the new GMP certificate soon.

## II. Main business analysis

Y-o-y changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operating revenue	12,813,803,166.77	11,612,642,434.28	10.34%	
Operating costs	11,801,661,040.42	10,626,767,657.24	11.06%	
Sales expenses	262,074,106.01	271,149,210.54	-3.35%	
Administration expenses	203,589,373.35	215,813,783.67	-5.66%	
Finance expenses	58,639,672.40	70,931,725.10	-17.33%	
Income tax expenses	95,348,854.50	86,331,296.75	10.45%	
R&D input	33,640,577.40	32,143,996.40	4.66%	
Net cash flow arising from operating activities	448,239,578.73	-484,715,807.96	192.47%	The amount received from merchandising and labor service provided increased on a y-o-y basis in the Period
Net cash flow arising from investment activities	-79,800,820.06	-118,785,713.60	32.82%	The investment for infrastructural project decreased than the same period of last year
Net cash flow arising from financing activities	-65,104,388.08	914,932,902.63	-107.12%	The amount of capital increase from private placement received in the same period of last year, and no such business in the Period.
Net increase of cash and cash equivalent	303,343,621.01	311,437,219.28	-2.60%	

### III. Constitution of main business

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase or decrease of operating revenue over same period of last year	Increase or decrease of operating cost over same period of last year	Increase or decrease of gross profit ratio over same period of last year
According to industries						
Medical business	11,909,286,905.74	11,271,115,377.12	5.36%	11.71%	11.87%	-0.13%
Medical manufacture	844,054,995.84	514,953,649.33	38.99%	-5.71%	-3.21%	-1.58%
Logistics and warehousing services	15,603,383.33	11,165,053.51	28.44%	22.75%	31.36%	-4.69%
Lease and other service	3,923,324.72	1,198,252.92	69.46%	-23.49%	-6.40%	-5.58%
According to region						
Domestic sales	12,738,740,992.41	11,770,569,151.72	7.60%	10.34%	11.09%	-0.63%
Foreign sales	34,127,617.22	27,863,181.16	18.36%	18.45%	26.96%	-5.47%

### IV. Core competence analysis

#### 1. Improved distribution network

The Company owns completed pharmaceutical distribution network in Guangdong and Guangxi provinces, covering almost all the medical institutions and large chain pharmacies rated as second-class or above in Guangdong and Guangxi provinces and also providing medicine distribution services for third end consumers as represented by various individual pharmacies, community medical service outlets, small clinics and new rural cooperative medical insurance. The Company fully takes advantage of its distribution network to provide value-added service and create value for customers.

#### 2. Leading smart supply chain

Benefiting from the core smart supply chain, the Company effectively expanded supply chain service and thus realized resource sharing and effective coordination between the upstream and downstream through promotion of central inventory management projects and hospital pharmacy smart inventory management project.

#### 3. High efficient integrated management

In connection with pharmaceutical distribution, the Company continues to strengthen integrated operation system in Guangdong and Guangxi provinces, focusing on integration of procurement and basic operation between these two provinces; cooperation in respect of businesses relating to medical equipments, consumables and vaccine was accelerated between these two provinces, thus to realize management synchronization of Guangdong and Guangxi provinces. In connection with pharmaceutical industry, the Company adopted professionalism and

integration as guidance to improve the platform structure with “three centers and three bases”, resulting in continuous enhancement of industrial integrated operation.

#### 4. Abundant product resources

In connection with pharmaceutical distribution, the Company established vast cooperation with thousands of domestic manufacturers and business enterprises, and established steady business relationship with hundreds of import and joint venture manufacturers, to diversify its variety resources. In connection with pharmaceutical industry, the Company mainly focused on medicines relating to anti-infection, respiratory system, digestive system and cardiovascular as well as great health area. It owns modern pharmaceutical R&D and production bases qualified with international standards, and certain production lines for powder injection, orally-taken solid preparations and active pharmaceutical ingredient with EU authentication. The Company has launched a number of famous products with leading market share through establishing strict quality management and control system.

#### 5. Domestic brands with unique influences

The Company's brands and distribution share the same principles with the industrialized sub-brands and those owned by controlling shareholders and actual controllers. Benefiting from the strong influence as a central enterprise, the Company takes an increasing significant position in this industry in terms of recognition and influence.

## V. Investment analysis

### 1. External equity investment

#### (1) External investment

√ Applicable    □ Not applicable

Investment outside		
Investment in the reporting (RMB)	Investment in the same period of last year's (RMB)	Changes
1,002,980.00	0.00	100.00%
Invested company		
Name	Main business	Equity proportion in invested company for Listed company
Sinopharm Holding Zhuhai Co., Ltd.	Wholesale of drugs and medical devices etc.	10.00%

#### (2) Holding equity of financial enterprise

The Company has no equity of financial enterprise held in the Period

**(3) Securities investment**

The Company has no securities investment in the Period

**(4) Explanation on equity of other listed company held**

The Company had no equity of other listed company held in Period.

**2. Trust management, derivative investment and entrust loans****(1) Trust financing**

The Company has no trust financing in the Period

**(2) Investment of derivatives**

The Company has no derivatives investment in the Period

**(3) Entrustment loan**

The Company has no entrustment loan in the Period

**3. Application of raised proceeds**

Use condition of the raised capital found more in Special Report on Raised Capital Deposit and Practical Usage released on 20 August 2015 (disclosure on Juchao Website, Notice No.: 2015-31)

**4. Main subsidiaries and joint-stock companies analysis**

Main subsidiaries and joint-stock companies

In RMB

Name	Type	Industry involved	Main products or service	Registered capital	Total assets	Net assets	Operation revenue	Operation profit	Net profit
Shenzhen Zhijun Pharmaceutical Co., Ltd.	Subsidiary	Manufacture	Production for raw medicine of chemical products, processing for Chinese traditional patent medicine, production of chemical material of medicine; Import and export trade are treated by authorized certificates.	200,000,000.00	1,035,852,396.80	443,688,202.18	748,004,493.30	150,677,189.66	134,171,922.24
Sinopharm Holding Guangzhou	Subsidiary	Commerce	Chinese traditional patent medicine,	1,000,000,000.00	5,679,262,640.65	1,187,621,692.15	7,108,179,122.22	125,797,525.27	94,545,153.01

Co., Ltd.			chemical preparations, antibiotics, bio-chemical medicine, biological medicine, diagnosis medicine, biological medicine with features of treatment and diagnosis, shaped packing food, chemical products, and various commodity and technique hold by self-support and agency as well as import & export of technology						
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## 5. Major project invested by non-raised funds

√ Applicable    □ Not applicable

In ten thousand Yuan

Project	Total investment planned	Amount invested in this period	Amount invested accumulative till end of reporting period	Progress	Earnings	Disclosure date (if applicable)	Disclosure index (if applicable)
(Pingshan) Medicine R&D Manufacturing Base	88,137	7,099.58	42,909.25	65.00%	The project covers approximately 73352 M <sup>2</sup> in total, positioning as the production base of	2014-03-22	“China National Accord: Announcement of Increasing Investment Amount”(Notice No.:

					essential medicines and special drugs, a manufacture base of modern traditional Chinese medicine preparations and massive health products as well as the international co-ordination processing base		2014-18) released on Juchao Website
Total	88,137	7,099.58	42,909.25	--	--	--	--

## VI. Prediction of business performance from January – September 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

## VII. Explanation from the Board and Supervisory Committee for “Qualified Opinion” from the CPA of this year’s

☐ Applicable    ☒ Not applicable

## VIII. Explanation from the Board for “Qualified Opinion” of last year’s

☐ Applicable    ☒ Not applicable

## IX. Implementation of profit distribution in reporting period

The profit distribution scheme for year of 2014 was deliberated and approved in the Shareholders General Meeting of 2014 on April 25, 2015, calculating based on the Company’s total existing shares of 362,631,943 shares, and the Company distribute RMB 2.00 (including tax) dividend per ten shares to all shareholders in cash. On May 16, 2015, Board of Directors issued Announcement on Implementation of the 2014 Equity Distribution Plan (published on Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website <http://www.cninfo.com.cn>), the 2014 Annual Profit Distribution Plan was implemented, and dividend for social public shareholders distributed to shareholders’ account on 22 May 2015 (A shares) and 26 May 2015 (B shares) respectively.

Special explanation on cash dividend policy



Satisfy regulations of General Meeting or requirement of Article of Association (Y/N):	Y
Well-defined and clearly dividend standards and proportion (Y/N):	Y
Completed relevant decision-making process and mechanism (Y/N):	Y
Independent directors perform duties completely and play a proper role (Y/N):	Y
Minority shareholders have opportunity to express opinions and demands totally and their legal rights are fully protected (Y/N):	Y
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Y/N):	Not applicable

## X. Profit distribution and capitalization of capital reserves in the Period

√ Applicable    □ Not applicable

## XI. In the report period, reception of research, communication and interview

Time	Place	Way	Type	Reception	Contents discussed and material provided
2015-04-24	Accord Pharm. Bldg.	Field research	Institution	Haitong Securities, China Galaxy Securities, Harvest Fund, Guotai Junan Securities, Founder Securities, Century Securities, Chonghe Investment, Dongguan Hongde Investment, Harvest Fund, Guosen Securities, Bosera Funds	Knew the influence of medical reform policy to the development of the industry. No material provided.

## Section V. Important Events

### I. Corporate governance

The Company established and improved legal person governance structure in strict compliance with the requirements of Company Law, Securities Law and Governance Principles of Listed Issuer. Currently, the Company enjoys sound legal person governance structure, healthy governance system and standardized operation. The Company has definite and balanced terms of reference in respect of its general meeting, board of directors, board of supervisors and manager level which exercise voting right, decision-making right, supervision right and execution right respectively under standardized operation.

The Company has prepared working procedures applicable for general meeting, board of directors and board of supervisors, working system applicable for the strategy committee, nomination committee, risk internal control and audit committee, remuneration and performance committee, general manager and secretary to the board, and prepared governance system relating to information disclosure, connected transaction, fund raising, performance of social responsibility, inside information and insider management, investor relation management, engagement of CPA, prevention of occupying listed issuer's capital by substantial shareholders and related parties. During the reporting period, the Company made amendment to the Articles of Association, detailed methods for convening, composition and working procedures for general meeting, so as to meet regulatory requirements and demands for corporate governance.

Meanwhile, by adherence to its annual target, the Company made on-going improvement of internal control system and the operation mechanism thereof in response to various market and environment changes based on overall analysis and evaluation of risks. During the reporting period, the Company made overall identification and evaluation of potential risks arising from internal and external environment changes, adjustment of business pattern, additional business, and adjustment of internal responsibilities and duties. The Company upgraded and supplemented 2015 annual risk database, pursuant to which, it amended and improved 2015 system procedure (internal control) document system and internal control self-evaluation standards, to ensure applicability and effectiveness of its management. Management of its subsidiaries was also improved through half-year internal control self-evaluation and site inspection as far as the Company and its business segments concerned.

As a state-owned holding listed company, the Company also executed the relevant provisions on state-owned assets management required by controlling shareholders and actual controllers. Details are set out below:

Serial	Information submitted object	Relationship with the listed company	Type	Basis for submitted	Submitted cycle
1	Sinopharm Group Co., Ltd.	First largest shareholder	Financial statement	Needs of consolidated statement of largest shareholder	Regular
2	China National Pharmaceutical Group Corporation	Actual controller	Assets Evaluation Report ect.	Management method of state-owned property right transfer and equity investment management of China National Pharmaceutical Group Corp.	Temporary

In September of 2007, the Company's board of directors and board of supervisors approved the "Bill on

Implementing Staff Report of Insider Trading Information and Governance on Non-standard Special Information Disclosure" which agreed that the Company implements enforcement of secrecy and staff report system for insider trading information when conducting relevant provisions of the management of state-owned assets, regularly submitting the financial statements to major shareholders and reporting to the major shareholder about state-owned assets disposal.

## **II. Lawsuits of the Company**

The Company has no significant lawsuits and arbitrations in reporting period

## **III. Question from media**

No universal questioned by media in reporting period

## **IV. Bankruptcy reorganization**

In reporting period, the Company has no bankruptcy reorganization occurred.

## **V. Transaction in assets**

### **1. Assets acquisition**

The Company had no assets acquisition in the Period.

### **2. Sales of assets**

The Company did not sell assets in the Period

### **3. Business combination**

The Company has 34 subsidiaries in consolidation scope till end of the Reporting Period in total

## **VI. Implementation and its influence of equity incentive**

The company had not yet made the plan of equity incentive in the reporting.

## **VII. Insignificant related transactions**

### **1. Related transaction with routine operations concerned**

(1) The related transaction with routine operations concerned found more in the "X. Related parties and related transaction" in "Section IX. Financial Report";

(2) The related transactions are settled by cash and notes, disclosed on 22 March 2015, and disclosure on Juchao Website with Notice No.: 2015-09;

(3) According to the "Routine Related Transaction for year of 2015" deliberated and approved by the Board dated 21 March 2015,

during the reporting period, sales of related parties representing 45.29% in total estimated for the whole year, procurement of related parties takes 40.99% in total estimated for the whole year, loan interest expenditure of the related parties representing 4.31% in total estimated for the whole year, the note buyer discount interest expenditure of related parties representing 11.25% in total estimated for the whole year, income of housing leasing of related parties representing 51.84% in total estimated for the whole year, house equipment leasing expenses of the related parties representing 48.11% in total estimated for the whole year, income from provide service to related parties representing 41.98% in total estimated for the whole year and the expenditure from receiving service by related parties representing 42.41% in total estimated for the whole year.

## **2. Related transaction incurred by purchase or sales of assets**

No related transaction incurred by purchase or sales of assets in Period

## **3. Related transaction from jointly investment outside**

No related transaction from jointly investment outside occurred in Period

## **4. Current related liabilities and debts**

(1) No non-operating related credits and debts transaction

(2) The related credits and debts transaction with routine operation concerned found more in “X. Related Party and Related Transactions” carried in the “Section IX . Financial Report”

## **5. Other significant related transactions**

The company had no other significant related transactions in reporting period.

## **VIII. Non-business capital occupying by controlling shareholders and its related parties**

No non-business capital occupied by controlling shareholders and its related parties in Period

## **IX. Significant contracts and its implementation**

### **1. Trusteeship, contract and lease**

#### **(1) Trusteeship**

Instruction of trusteeship

1. As subordinate companies of majority shareholder, Foshan Nanhai Medicine Co., Ltd. (“Nanhai Medicine”) and Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd. (“Dong Fang Uptodate & Special Medicines”) both operate pharmaceutical distribution business within Guangdong, which partially overlaps with the pharmaceutical distribution business and geographical location of the Company and constitutes peer competition. In July 2013, to solve the problem of peer competition, majority shareholder entrusted Sinopharm Accord and Sinopharm Accord agreed to take over the management of the above two companies.

2. As a subordinate enterprise of the de facto controller, Guangdong South Pharmaceutical Foreign Trade Co., Ltd. operates

pharmaceutical distribution business within Guangdong, which partially overlaps with the pharmaceutical distribution business and geographical location of the Company and constitutes peer competition. In September 2013, to solve the problem of peer competition, majority shareholder entrusted Sinopharm Accord and Sinopharm Accord agreed to take over the management of the above company.

## (2) Contract

The Company had no contract in the reporting period.

## (3) Leasing

The Company had no leasing in the reporting period.

## 2. Guarantees

√ Applicable    □ Not applicable

In ten thousand Yuan

External guarantee of the Company (Barring the guarantee for the controlling subsidiaries)								
Name of the Company guaranteed	Related Announce ment disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implemen tation (Y/N)	Guarante e for related party (Y/N)
Shenzhen Zhijun Medicine Trading Co., Ltd.	2015-03-21	30,000	2015-05-15	6,000	General guarantee	2015.5.15-2016.5.14	No	Yes
Shenzhen Zhijun Medicine Trading Co., Ltd.	2015-03-21	25,000	2015-06-18	12,507.64	General guarantee	2015.06.18-2016.06.15	No	Yes
Shenzhen Zhijun Medicine Trading Co., Ltd.	2015-03-21	20,000	2015-05-28	10,500	General guarantee	2015.05.28-2016.02.15	No	Yes
Shenzhen Zhijun Medicine Trading Co., Ltd.	2013-08-20	20,000	2014-04-04	2,174.36	General guarantee	2014.4.4-2022.4.3	No	Yes
Shenzhen Zhijun Medicine Trading Co., Ltd.	2014-03-22	40,000	2014-07-17	20	General guarantee	2014.7.17-2020.7.17	No	Yes
Total approving external guarantee in report period (A1)		75,000		Total actual occurred external guarantee in report period (A2)		36,947.97		
Total approved external guarantee at the end of report period ( A3)		135,000		Total actual balance of external guarantee at the end of report period (A4)		31,202		
Guarantee of the Company for the subsidiaries								
Name of the	Related	Guarantee	Actual date of	Actual	Guarantee	Guarantee	Complete	Guarante

Company guaranteed	Announcement disclosure date	limit	happening (Date of signing agreement)	guarantee limit	type	term	implementation or not	e for related party
Sinopharm Holding Guangzhou Co., Ltd.	2014-08-16	5,000	2014-12-12	3,009.64	General guarantee	2014.12.12-2015.10.31	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-03-22	10,000	2014-06-30	3,457.06	General guarantee	2014.6.30-2015.6.29	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-08-16	40,000	2014-09-19	22,942.57	General guarantee	2014.9.9-2015.9.18	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	35,000	2015-05-06	31,424.5	General guarantee	2015.5.6-2016.5.6	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-03-22	35,000	2014-07-16	30,733.78	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	35,000	2015-05-20	15,934.19	General guarantee	2015.5.20-2016.5.20	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-03-22	30,000	2014-04-30	19,477.88	General guarantee	2014.4.30-2015.4.30	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-03-22	40,000	2014-06-25	25,016.4	General guarantee	2014.6.25-2015.6.8	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-03-22	10,000	2014-08-19		General guarantee	2014.8.19-2015.8.18	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2014-08-16	10,000	2014-12-09		General guarantee	2014.12.09-2015.12.08	No	Yes

Ltd.								
Sinopharm Holding Guangzhou Co., Ltd.	2015-04-24	121,600	2015-05-15	28,079.34	General guarantee	2015.5.15-2016.5.14	No	Yes
Sinopharm Holding Guangdong Yuexing Co., Ltd.	2015-03-21	3,500	2015-05-20	693.01	General guarantee	2015.5.20-2016.5.20	No	Yes
Sinopharm Holding Guangdong Yuexing Co., Ltd.	2014-03-22	5,000	2014-07-16	1,201.92	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Guangdong Yuexing Co., Ltd.	2014-03-22	5,000	2014-09-19		General guarantee	2014.9.19-2015.9.18	No	Yes
Sinopharm Holding Foshan Co., Ltd.	2014-03-22	1,000	2014-07-16		General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2014-03-22	6,000	2014-10-25	650	General guarantee	2014.10.25-2015.10.25	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2014-03-22	20,000	2014-06-26	10,517.24	General guarantee	2014.6.26-2015.6.26	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2014-03-22	30,000	2014-07-16	16,965.9	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2014-03-22	15,000	2014-04-19	11,218.85	General guarantee	2014.4.19-2015.4.18	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2014-03-22	10,000	2014-09-19		General guarantee	2014.9.19-2015.9.18	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	10,000	2015-05-29	1,925	General guarantee	2015.5.29-2016.5.29	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	6,000	2015-05-12	5,548.78	General guarantee	2015.5.1-2015.12.29	No	Yes

Sinopharm Holding Jiangmen Renren Co., Ltd.	2014-03-22	3,000	2014-07-16	1,743.71	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2014-03-22	9,000	2014-11-06	7,565.36	General guarantee	2014.11.6-2015.7.15	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2015-03-21	5,000	2015-05-21	3,229.96	General guarantee	2015.3.20-2016.3.19	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2014-08-16	4,000	2014-09-09	3,234.63	General guarantee	2014.9.9-2015.9.8	No	Yes
Sinopharm Holding Zhanjiang Co., Ltd.	2014-03-22	1,500	2014-09-17	1,460.09	General guarantee	2014.9.17-2015.7.15	No	Yes
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	2014-03-22	5,000	2014-05-27	2,569.23	General guarantee	2014.5.27-2015.5.27	No	Yes
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	2014-03-22	3,000	2014-07-16	2,927.9	General guarantee	2014.7.16-2015.7.15	No	Yes
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	2014-08-16	2,000	2015-01-01	320.38	General guarantee	2015.1.1-2015.7.1	No	Yes
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	2014-03-22	3,000	2015-01-04	441	General guarantee	2015.1.4-2015.10.24	No	Yes
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	2014-03-22	6,000	2014-08-28		General guarantee	2014.8.28-2015.8.27	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2014-03-22	20,000	2014-08-25	2,281.56	General guarantee	2014.8.25-2015.8.25	No	Yes
Shenzhen Zhijun Pharmaceutical Co., Ltd.	2014-03-22	5,000	2014-07-16		General guarantee	2014.7.16-2015.7.15	No	Yes



Shenzhen Zhijun Pharmaceutical Co., Ltd.	2014-03-22	2,000	2014-10-08		General guarantee	2014.10.8-2015.10.8	No	Yes
Shenzhen Zhijun Medicine Trading Co., Ltd.	2014-03-22	1,000	2014-10-08		General guarantee	2014.10.8-2015.10.8	No	Yes
Sinopharm Holding Shenzhen Chinese Medicine Co., Ltd.	2014-03-22	500	2015-01-23		General guarantee	2015.1.23-2015.7.15	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2014-08-16	2,000	2014-10-27	1,948.17	General guarantee	2014.10.27-2015.10.27	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2014-03-22	7,000	2014-08-16	6,462.11	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2015-03-21	2,000	2015-05-28	1,600	General guarantee	2015-.05.28-2016.2.15	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2015-03-21	3,000	2015-05-15	379.55	General guarantee	2015.5.15-2016.5.14	No	Yes
Sinopharm Holding Shaoguang Co., Ltd.	2014-03-22	1,000	2014-07-16	784.46	General guarantee	2014.7.16-2015.7.15	No	Yes
Sinopharm Holding Shenzhen Medicine Co., Ltd.	2014-03-22	1,000	2014-07-16	546.22	General guarantee	2014.7.16-2015.7.15	No	Yes
Total amount of approving guarantee for subsidiaries in report period (B1)		221,100		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		452,625.37		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		569,100		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		266,290.39		
Guarantee of the subsidiaries for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party
Total amount of guarantee of the Company( total of three abovementioned guarantee)								
Total amount of approving guarantee in report period		296,100		Total amount of actual occurred guarantee in report		489,573.34		

(A1+B1+C1)		period (A2+B2+C2)	
Total amount of approved guarantee at the end of report period (A3+B3+C3)	704,100	Total balance of actual guarantee at the end of report period (A4+B4+C4)	297,492.39
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)		58.57%	
Including:			

### (1) Guarantee outside against the regulation

No guarantee outside against the regulation in Period

### 3. Other significant contract

The Company had no other significant contract in Period.

### 4. Other material transactions

The Company had no other material transactions in the reporting period.

## X. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or 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 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	2005-06-21	Long-term effective	Normally implement

		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	<p>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 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</p>	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

		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."			
	Sinopharm Holding	<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 votes on the relevant connected transactions involving the Company and other enterprises it controls, the Company will perform obligations including that</p>	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

		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."			
	Sinopharm Group	"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 Undertaking, the Company and the enterprises it wholly-owns, controls or has de facto control over (excluding	2013-10-16	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

		<p>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>			
	Sinopharm Group	<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>	2013-09-22	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

		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.			
Other commitments to minority shareholders of the Company					
Completed on time or not (Y/N)	Y				

## XI. Appointment and non-reappointment (dismissal) of CPA

The semi-annual report of the Company has not been audit

## **XII. Penalty and rectification**

The Company had no penalty or rectification in the reporting period.

## **XIII. Risk announcement of the violation of delisting**

The Company has no violation of delisting risks in the Period

## **XIV. Explanation on other significant events**

No explanation on other significant events for the Company in reporting period.



## Section VI. Changes in Shares and Particulars about Shareholders

### I.Changes in share capital

In share

	Before the Changes		Increase/Decrease in the Change (+, -)					After the Changes	
	Amount	Proportion	Newly-issued shares	Bonus shares	Public reserve-co nverted shares	Others	Subtotal	Amount	Proportion
I. Restricted shares	74,484,531	20.54%						74,484,531	20.54%
2. State-owned legal person's shares	74,482,543	20.54%						74,482,543	20.54%
3. Other domestic shareholding	1,988	0.00%						1,988	0.00%
Including: Domestic legal person's shares	1,988	0.00%						1,988	0.00%
II. Unrestricted shares	288,147,412	79.46%						288,147,412	79.46%
1. RMB ordinary shares	233,261,812	64.32%						233,261,812	64.32%
2. Domestically listed foreign shares	54,885,600	15.14%						54,885,600	15.14%
III. Total shares	362,631,943	100.00%						362,631,943	100.00%

Reasons for share changed

☐ Applicable ☒ Not applicable

Approval of share changed

☐ Applicable ☒ Not applicable

Ownership transfer of share changed

☐ Applicable ☒ Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

☐ Applicable ☒ Not applicable

Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

☐ Applicable ☒ Not applicable

Explanation on change of the shareholder's structure and total shares, the structure of assets and balance of the Company

☐ Applicable ☒ Not applicable

### II. Number of shareholders and share-holding

In Share

Total common shareholders at period-end	16,448	Total preference shareholders with voting rights recovered at	0
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				end of reporting period (if applicable) (see Note 8)				
Particulars about shares held above 5% by common shareholders or top ten common shareholders								
Shareholders	Nature of shareholder	Proportion of shares held	Number of common shares held at period-end	Changes in reporting period	Amount of restricted common shares held	Amount of un-restricted common 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	110,459,748		
National Council for Social Security Fund – 116	Domestic non state-owned corporate	2.12%	7,700,000			7,700,000		
National Council for Social Security Fund – 106	Domestic non state-owned corporate	2.01%	7,298,555			7,298,555		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Overseas corporate	1.94%	7,032,720			7,032,720		
BOC- Harvest Theme Selected Mix Stock Fund	Domestic non state-owned corporate	1.25%	4,524,288			4,524,288		
China Life Insurance Co., Ltd. – tradition –general insurance products -005L-CT001 Shen	Domestic non state-owned corporate	1.24%	4,497,385			4,497,385		
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - -018L-FH002	Domestic non state-owned corporate	1.16%	4,199,772			4,199,772		

Shen								
Agricultural Bank of China Ltd. – Fullgoal Zhongzheng SOE Reform Index Grade Securities Fund	Domestic non state-owned corporate	1.10%	3,984,794			3,984,794		
VALUE PARTNERS CLASSIC FUND	Overseas corporate	1.02%	3,707,803			3,707,803		
Bank of China Limited – Harvest Advanced Manufacture Investment Fund	Domestic non state-owned corporate	0.93%	3,356,223			3,356,223		
Explanation on associated relationship among the aforesaid shareholders		BOC- Harvest Theme Selected Mix Stock Fund and Bank of China Limited – Harvest Advanced Manufacture Investment Fund shares the same administrator as Harvest Fund Management Co., Ltd.; it is unknown that there exists 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.						
Particular about top ten common shareholders with un-restrict shares held								
Shareholders		Amount of un-restrict common shares held at period-end				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		7,700,000				RMB ordinary shares		7,700,000
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
BOC- Harvest Theme Selected Mix Stock Fund		4,524,288				RMB ordinary shares		4,524,288
China Life Insurance Co., Ltd. – tradition –general insurance		4,497,385				RMB ordinary shares		4,497,385

products -005L-CT001 Shen			
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - -018L-FH002 Shen	4,199,772	RMB ordinary shares	4,199,772
Agricultural Bank of China Ltd. – Fullgoal Zhongzheng SOE Reform Index Grade Securities Fund	3,984,794	RMB ordinary shares	3,984,794
VALUE PARTNERS CLASSIC FUND	3,707,803	Domestically listed foreign shares	3,707,803
Bank of China Limited – Harvest Advanced Manufacture Investment Fund	3,356,223	RMB ordinary shares	3,356,223
Expiation on associated relationship or consistent actors within the top 10 un-restrict common shareholders and between top 10 un-restrict common shareholders and top 10 common shareholders	BOC- Harvest Theme Selected Mix Stock Fund and Bank of China Limited – Harvest Advanced Manufacture Investment Fund shares the same administrator as Harvest Fund Management Co., Ltd.; it is unknown that there exists 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.		

There are no buy-back agreement in reporting period between the top 10 common shareholders and the top 10 un-restricted common shareholders

### III. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

☐ Applicable ☒ Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

☐ Applicable ☒ Not applicable

Changes of actual controller in reporting period had no change in reporting period.

### IV. Share holding increasing plan proposed or implemented in reporting period from shareholder of the Company and its concerted action person

☒ Applicable ☐ Not applicable

Shareholders/ person acting in concert	Number of overweight as planned	Ratio of the overweight as planned	Number of overweight actually	Ratio of the overweight actually	Initial disclosure date for overweight plan	Disclosure date for the overweight plan completed
Sinopharm Group Co., Ltd.					2015-07-11	

Other explanation

The Company published the announcement relating to stabilizing stock price of the Company (No.2015-23) on 11 July 2015, in which, Sinopharm Group Co., Ltd (our controlling shareholder) undertook to increase shareholding of the Company with amount no less than RMB20 million where the Company experienced substantial decrease of stock price, and undertook not to reduce shareholding of the same within six months upon completion of such increase of shareholding.

## **Section VII. Preferred Stock**

The Company has no preferred stock in reporting period

## **Section VIII. Directors, Supervisors and Senior Executives**

### **I. Changes of shares held by directors, supervisors and senior executives**

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2014.

### **II. Resignation and dismissal of directors, supervisors and senior executives**

Directors, supervisors and senior executives have no changes in reporting period, found more in Annual Report 2014.

## Section IX Financial Report

### I. Report of the Auditors

Consolidated financial statements for the six months ended 30 June 2015 haven't been audited.

### II. Financial Statements

All amounts in Renminbi "RMB" unless otherwise stated.

#### 1. Consolidated balance sheets

Preparation Unit: CHINA NATIONAL ACCORD MEDICINES CO., LTD.

30 June 2015

Unit: RMB

Item	30 June 2015	31 December 2014
<b>Current assets</b>		
Cash at bank and on hand	1,161,871,173.03	867,562,115.54
Notes receivable	513,528,605.78	618,995,440.09
Accounts receivable	7,858,941,849.11	7,018,312,673.19
Advances to suppliers	107,416,097.51	96,043,154.40
Dividends receivable	35,190,000.00	0.00
Other receivables	40,817,703.37	28,574,927.90
Inventories	2,227,123,375.20	2,322,333,262.87
Other current assets	19,345,048.23	40,308,591.47
<b>Total current assets</b>	<b>11,964,233,852.23</b>	<b>10,992,130,165.46</b>
<b>Non-current assets</b>		
Long-term equity investments	151,691,888.29	157,604,846.85
Investment properties	79,822,727.80	73,836,850.51
Fixed assets	711,040,468.46	745,557,829.35
Construction in progress	401,040,277.87	330,218,696.56
Intangible assets	141,209,184.60	144,383,753.87
Development costs	5,619,315.47	5,619,315.47
Goodwill	79,378,833.15	79,378,833.15
Long-term prepaid expenses	36,193,800.15	39,154,232.03



CONSOLIDATED FINANCIAL STATEMENTS AND REPORT  
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.  
For the six months ended 30 June 2015

Deferred income tax assets	82,146,152.88	85,146,479.50
Other non-current assets	160,279,989.56	175,910,538.15
<b>Total non-current assets</b>	<b>1,848,422,638.23</b>	<b>1,836,811,375.44</b>
<b>TOTAL ASSETS</b>	<b>13,812,656,490.46</b>	<b>12,828,941,540.90</b>
<b>Current liabilities</b>		
Short-term borrowings	1,980,929,436.95	1,517,954,528.88
Notes payable	1,373,483,568.02	1,468,166,640.64
Accounts payable	4,341,666,286.09	3,988,878,234.03
Advances from customers	44,995,822.24	40,339,905.63
Employee benefits payable	109,332,233.24	171,958,142.88
Taxes payable	99,088,331.76	77,445,669.46
Interests payable	9,717,998.71	6,666,712.19
Other payables	372,225,973.50	412,347,201.51
Current portion of long-term borrowings	7,649,200.00	4,000,000.00
<b>Total current liabilities</b>	<b>8,339,088,850.51</b>	<b>7,687,757,035.22</b>
<b>Non-current liabilities</b>		
Long-term borrowings	54,628,776.85	39,695,448.00
Long-term employee benefits payable	2,582,100.00	2,896,000.00
Payables for specific projects	1,287,000.00	1,287,000.00
Deferred Income	167,418,485.85	176,366,201.15
Deferred income tax liabilities	23,454,624.92	24,297,076.57
Other non-current liabilities	45,427,343.31	45,427,343.31
<b>Total non-current liabilities</b>	<b>294,798,330.93</b>	<b>289,969,069.03</b>
<b>Total liabilities</b>	<b>8,633,887,181.44</b>	<b>7,977,726,104.25</b>
<b>OWNERS' EQUITY</b>		
Share capital	362,631,943.00	362,631,943.00
Capital surplus	1,863,894,533.34	1,863,894,533.34
Surplus reserve	181,315,971.50	181,315,971.50
Undistributed profits	2,671,558,237.98	2,356,765,374.25
Total equity attributable to equity holders of the Company	5,079,400,685.82	4,764,607,822.09
Minority interest	99,368,623.20	86,607,614.56
<b>Total owners' equity</b>	<b>5,178,769,309.02</b>	<b>4,851,215,436.65</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>13,812,656,490.46</b>	<b>12,828,941,540.90</b>

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OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.  
For the six months ended 30 June 2015

Legal  
representative: 闫志刚

Principal in charge  
of accounting : 魏平孝

Head of accounting  
department: 周菲菲

## 2. Company balance sheets

Unit: RMB

Item	30 June 2015	31 December 2014
<b>Current assets</b>		
Cash at bank and on hand	232,835,112.63	257,173,314.81
Notes receivable	48,985,487.44	47,389,669.59
Accounts receivable	561,068,339.16	513,791,982.48
Advances to suppliers	554,159.82	5,047,755.80
Interest receivable	1,858,738.27	1,890,165.10
Dividends receivable	35,190,000.00	0.00
Other receivables	1,348,979,769.50	1,111,423,809.76
Inventory	167,275,611.58	184,880,147.05
Other current assets	308,889.73	2,560,096.51
<b>Total current assets</b>	<b>2,397,056,108.13</b>	<b>2,124,156,941.10</b>
<b>Non-current assets</b>		
Long-term equity investments	2,766,091,382.67	2,772,004,341.23
Investment properties	4,783,775.56	5,272,980.96
Fixed assets	17,097,985.55	17,175,509.65
Construction in progress	372,904,448.40	299,290,846.13
Intangible assets	36,137,443.18	36,923,545.12
Long-term prepaid expenses	5,128,145.16	5,681,186.10
Deferred income tax assets	2,860,992.26	2,800,803.02
Other non-current assets	46,273,400.39	68,103,087.93
<b>Total non-current assets</b>	<b>3,251,277,573.17</b>	<b>3,207,252,300.14</b>
<b>TOTAL ASSETS</b>	<b>5,648,333,681.30</b>	<b>5,331,409,241.24</b>
<b>Current liabilities</b>		
Short-term borrowings	189,000,000.00	202,000,000.00
Notes payable	334,129,756.08	274,584,574.89
Accounts payable	325,216,434.35	314,477,971.19
Advances from customers	516,073.73	322,008.81
Employee benefits payable	14,064,062.51	20,339,767.52

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Taxes payable	11,696,128.98	13,695,533.72
Interests payable	438,062.59	86,831.07
Other payables	197,284,728.88	447,928,781.45
<b>Total current liabilities</b>	<b>1,072,345,247.12</b>	<b>1,273,435,468.65</b>
<b>Non-current liabilities</b>		
Long-term borrowings	54,628,776.85	39,695,448.00
Long-term employee benefits payable	226,000.00	226,000.00
Payables for specific projects	800,000.00	800,000.00
Deferred income	5,000,000.00	5,000,000.00
Deferred income tax liabilities	3,774,569.00	3,773,319.00
<b>Total non-current liabilities</b>	<b>64,429,345.85</b>	<b>49,494,767.00</b>
<b>Total liabilities</b>	<b>1,136,774,592.97</b>	<b>1,322,930,235.65</b>
<b>OWNERS' EQUITY</b>		
Share capital	362,631,943.00	362,631,943.00
Capital surplus	1,869,692,921.70	1,869,692,921.70
Surplus reserve	181,315,971.50	181,315,971.50
Undistributed profits	2,097,918,252.13	1,594,838,169.39
<b>Total owners' equity</b>	<b>4,511,559,088.33</b>	<b>4,008,479,005.59</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>5,648,333,681.30</b>	<b>5,331,409,241.24</b>

### 3. Consolidated and company income statements

Unit: RMB

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
I.Sales	12,813,803,166.77	11,612,642,434.28
Including: Sales	12,813,803,166.77	11,612,642,434.28
II.Cost of Sales	12,359,627,721.82	11,219,447,997.45
Including: Cost of Sales	11,801,661,040.42	10,626,767,657.24
Taxes and surcharges	26,443,689.75	27,472,713.53
Selling and distribution expenses	262,074,106.01	271,149,210.54
Administration expenses	203,589,373.35	215,813,783.67
Financial expenses – net	58,639,672.40	70,931,725.10
Asset impairment losses	7,219,839.89	7,312,907.37
Add: Investment income	28,274,061.44	23,595,722.50

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OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.  
For the six months ended 30 June 2015

Including: Share of profits of associates	28,274,061.44	23,595,722.50
III. Operating profit	482,449,506.39	416,790,159.33
Add: Non-operating income	12,982,289.46	28,336,065.33
Including: Gain on disposal of non-current assets	10,297.36	500,989.54
Less: Non-operating expenses	440,680.38	1,207,497.35
Including: Loss on disposal of non-current assets	225,404.59	64,238.16
IV. Total profit	494,991,115.47	443,918,727.31
Less: Income taxes expenses	95,348,854.50	86,331,296.75
V. Net profit	399,642,260.97	357,587,430.56
Attributable to equity holders of the Company	387,319,252.33	349,213,988.51
Minority interest	12,323,008.64	8,373,442.05
VI. Other comprehensive income	0.00	0.00
VII. Total comprehensive income	399,642,260.97	357,587,430.56
Attributable to equity holders of the Company	387,319,252.33	349,213,988.51
Minority interest	12,323,008.64	8,373,442.05
VIII. Earnings per share		
(1) Basic earnings per share	1.068	1.073
(2) Diluted earnings per share	1.068	1.073

Legal representative: 闫志刚

Principal in charge of accounting : 魏平孝

Head of accounting department: 周菲菲

#### 4. Company income statements

Unit: RMB

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
<b>I.Sales</b>	1,409,915,735.50	1,344,533,386.96
Less: Cost of sales	1,350,096,101.89	1,290,912,374.30
Taxes and surcharges	2,742,214.76	3,819,156.69
Selling and distribution expenses	22,711,056.43	23,395,202.86
Administration expenses	22,137,614.50	23,650,902.47
Financial expenses – net	-32,319,843.63	-30,937,200.09
Asset impairment losses	293,938.78	153,394.98

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Add: Investment income	542,787,180.98	480,544,087.23
Including: Share of profits of associates	28,274,061.44	23,595,722.50
II. Operating profit	587,041,833.75	514,083,642.98
Add: Non-operating income	97,780.77	705,252.60
Including: Gain on disposal of non-current assets	0.00	0.00
Less: Non-operating expenses	0.02	0.08
Including: Loss on disposal of non-current assets	0.00	0.00
III. Total profit	587,139,614.50	514,788,895.50
Less: Income taxes expenses	11,533,143.16	8,808,140.45
IV. Net profit	575,606,471.34	505,980,755.05
V. Other comprehensive income	0.00	0.00
VI. Total comprehensive income	575,606,471.34	505,980,755.05
VII. Earnings per share		
(1) Basic earnings per share	N/A	N/A
(2) Diluted earnings per share	N/A	N/A

## 5. Consolidated and company cash flows statements

Unit: RMB

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	13,538,599,427.81	11,799,950,691.25
Refund of taxes and surcharges	1,412,100.00	6,571,540.44
Cash received relating to other operating activities	40,061,810.25	53,448,437.56
Sub-total of cash inflows	13,580,073,338.06	11,859,970,669.25
Cash paid for goods and services	12,323,623,570.32	11,553,683,051.08
Cash paid to and on behalf of employees	346,227,791.38	304,214,026.96
Payments of taxes and surcharges	297,175,090.54	302,590,124.70
Cash paid relating to other operating activities	164,807,307.09	184,199,274.47
Sub-total of cash outflows	13,131,833,759.33	12,344,686,477.21
<b>Net cash flows from operating activities</b>	<b>448,239,578.73</b>	<b>-484,715,807.96</b>
<b>II. Cash flows from investing activities</b>		

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Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,695,691.53	904,370.80
Cash received from disposal of subsidiaries and other business units	0.00	3,598,827.09
Sub-total of cash inflows	4,695,691.53	4,503,197.89
Cash paid to acquire fixed assets, intangible assets and other long-term assets	84,244,511.59	123,288,911.49
Net cash paid to acquire subsidiaries and other business units	252,000.00	0.00
Sub-total of cash outflows	84,496,511.59	123,288,911.49
<b>Net cash flows from investing activities</b>	<b>-79,800,820.06</b>	<b>-118,785,713.60</b>
<b>III. Cash flows from financing activities</b>		
Cash received from investments	1,470,000.00	1,929,065,413.47
Including: Cash receivables for dividends or profit to minority shareholders of subsidiaries	1,470,000.00	0.00
Cash received from borrowings	99,576,626.12	177,215,892.08
Cash received relating to other financing Activities	0.00	52,376,797.32
Sub-total of cash inflows	101,046,626.12	2,158,658,102.87
Cash repayments of borrowings	14,333,727.61	1,093,663,188.17
Cash payments for interest expenses and distribution of dividends or profits	127,751,125.57	146,826,227.89
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	1,032,000.00	1,098,000.00
Cash payments relating to other financing activities	24,066,161.02	3,235,784.18
Sub-total of cash outflows	166,151,014.20	1,243,725,200.24
<b>Net cash flows from financing activities</b>	<b>-65,104,388.08</b>	<b>914,932,902.63</b>
<b>IV. Effect of foreign exchange rate</b>	<b>9,250.42</b>	<b>5,838.21</b>

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<b>changes on cash</b>		
<b>V. Net increase in cash</b>	303,343,621.01	311,437,219.28
Add: Cash at beginning of period	854,212,006.84	1,097,948,354.45
<b>VI. Cash at end of period</b>	1,157,555,627.85	1,409,385,573.73

## 6. Company cash flows statements

Unit: RMB

Item	For the six months ended 30 June 2015	For the six months ended 30 June 2014
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	1,506,941,667.17	1,421,640,664.70
Cash received relating to other operating activities	6,475,294.32	12,486,044.81
Sub-total of cash inflows	1,513,416,961.49	1,434,126,709.51
Cash paid for goods and services	1,463,172,714.22	1,439,943,602.26
Cash paid to and on behalf of employees	30,095,211.91	26,913,040.68
Payments of taxes and surcharges	24,640,593.24	13,548,247.06
Cash paid relating to other operating activities	17,001,372.02	12,903,407.44
Sub-total of cash outflows	1,534,909,891.39	1,493,308,297.44
<b>Net cash flows from operating activities</b>	-21,492,929.90	-59,181,587.93
<b>II. Cash flows from investing activities</b>		
Cash received from returns on investments	165,748,512.00	169,306,012.82
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	700.00
Cash received from disposal of subsidiaries and other business units	2,144,319,315.47	1,663,852,850.00
Sub-total of cash inflows	2,310,067,827.47	1,833,159,562.82
Cash paid to acquire fixed assets,	65,650,551.69	65,829,878.73

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intangible assets and other long-term assets		
Net cash paid to acquire subsidiaries and other business units	252,000.00	1,518,000.00
Cash paid relating to other investing activities	2,382,714,617.00	2,859,000,089.73
Sub-total of cash outflows	2,448,617,168.69	2,926,347,968.46
<b>Net cash flows from investing activities</b>	-138,549,341.22	-1,093,188,405.64
<b>III. Cash flows from financing activities</b>		
Cash received from investments	0.00	1,929,065,413.47
Cash received from borrowings	64,933,328.85	58,095,448.00
Cash received relating to other Financing activities	183,994,821.13	258,472,602.86
Sub-total of cash inflows	248,928,149.98	2,245,633,464.33
Cash repayments of borrowings	10,000,000.00	925,000,000.00
Cash payments for interest expenses and distribution of dividends or profits	79,224,081.04	85,892,357.94
Cash payments relating to other financing activities	24,000,000.00	82,919,213.08
Sub-total of cash outflows	113,224,081.04	1,093,811,571.02
<b>Net cash flows from financing activities</b>	135,704,068.94	1,151,821,893.31
<b>IV. Effect of foreign exchange rate changes on cash</b>	0.00	1,201.00
<b>V. Net decrease in cash</b>	-24,338,202.18	-546,899.26
Add: Cash at beginning of period	257,173,314.81	218,342,947.03
<b>VI. Cash at end of period</b>	232,835,112.63	217,796,047.77



## 7. Consolidated statement of changes in owners' equity

For the six months ended 30 June 2015

Unit: RMB

Item	For the six months ended 30 June 2015					
	Attributable to the shareholders of the Company				Minority interest	Total owners' equity
	Paid-in capital	Capital surplus	Surplus reserves	Undistributed profits		
1. Balance at 31 December 2014	362,631,943.00	1,863,894,533.34	181,315,971.50	2,356,765,374.25	86,607,614.56	4,851,215,436.65
2. Balance at 1 January 2015	362,631,943.00	1,863,894,533.34	181,315,971.50	2,356,765,374.25	86,607,614.56	4,851,215,436.65
3. Movements for this period	0.00	0.00	0.00	314,792,863.73	12,761,008.64	327,553,872.37
(1)Comprehensive income	0.00	0.00	0.00	387,319,252.33	12,323,008.64	399,642,260.97
(2)Capital contribution and withdrawals by owners	0.00	0.00	0.00	0.00	1,470,000.00	1,470,000.00
Capital contribution by owners	0.00	0.00	0.00	0.00	1,470,000.00	1,470,000.00
(3)Profit distribution	0.00	0.00	0.00	-72,526,388.60	-1,032,000.00	-73,558,388.60
Profit distribution to shareholders (or equity owners)	0.00	0.00	0.00	-72,526,388.60	-1,032,000.00	-73,558,388.60
4. Balance at 30 June 2015	362,631,943.00	1,863,894,533.34	181,315,971.50	2,671,558,237.98	99,368,623.20	5,178,769,309.02

**For the year ended 31 December 2014**

Unit: RMB

Item	For the year ended 31 December 2014					
	Attributable to the shareholders of the Company				Minority interest	Total owners' equity
	Paid-in capital	Capital surplus	Surplus reserves	Undistributed profits		
1. Balance at 31 December 2013	288,149,400.00	5,750,338.57	144,855,634.40	1,806,002,285.06	71,879,406.54	2,316,637,064.57
2. Balance at 1 January 2014	288,149,400.00	5,750,338.57	144,855,634.40	1,806,002,285.06	71,879,406.54	2,316,637,064.57
3. Movements for this period	74,482,543.00	1,858,144,194.77	36,460,337.10	550,763,089.19	14,728,208.02	2,534,578,372.08
(1)Comprehensive income	0.00	0.00	0.00	652,497,176.03	17,343,991.84	669,841,167.87
(2)Capital contribution and withdrawals by owners	74,482,543.00	1,858,144,194.77	0.00	0.00	3,210,000.00	1,935,836,737.77
Capital contribution by owners	74,482,543.00	1,855,144,194.77	0.00	0.00	3,210,000.00	1,932,836,737.77
Others	0.00	3,000,000.00	0.00	0.00	0.00	3,000,000.00
(3)Profit distribution	0.00	0.00	36,460,337.10	-101,734,086.84	-5,825,783.82	-71,099,533.56
Appropriation to surplus reserves	0.00	0.00	36,460,337.10	-36,460,337.10	0.00	0.00
Profit distribution to shareholders (or equity owners)	0.00	0.00	0.00	-65,273,749.74	-5,825,783.82	-71,099,533.56
4. Balance at 31 December 2014	362,631,943.00	1,863,894,533.34	181,315,971.50	2,356,765,374.25	86,607,614.56	4,851,215,436.65

## 8. Company statement of changes in owners' equity

For the six months ended 30 June 2015

Unit: RMB

Items	For the six months ended 30 June 2015				
	Paid-in capital	Capital surplus	Surplus reserves	Undistributed profits	Total share holders' equity
1. Balance at 31 December 2014	362,631,943.00	1,869,692,921.70	181,315,971.50	1,594,838,169.39	4,008,479,005.59
2. Balance at 1 January 2015	362,631,943.00	1,869,692,921.70	181,315,971.50	1,594,838,169.39	4,008,479,005.59
3. Movements for this period	0.00	0.00	0.00	503,080,082.74	503,080,082.74
(1)Comprehensive income	0.00	0.00	0.00	575,606,471.34	575,606,471.34
(2)Profit distribution	0.00	0.00	0.00	-72,526,388.60	-72,526,388.60
Profit distribution to shareholders (or equity owners)	0.00	0.00	0.00	-72,526,388.60	-72,526,388.60
4. Balance at 30 June 2015	362,631,943.00	1,869,692,921.70	181,315,971.50	2,097,918,252.13	4,511,559,088.33

**For the year ended 31 December 2014**

Unit: RMB

Item	For the year ended 31 December 2014				
	Paid-in capital	Capital surplus	Surplus reserves	Undistributed profits	Total share holders' equity
1. Balance at 31 December 2013	288,149,400.00	14,548,726.93	144,855,634.40	1,222,346,090.09	1,669,899,851.42
2. Balance at 1 January 2014	288,149,400.00	14,548,726.93	144,855,634.40	1,222,346,090.09	1,669,899,851.42
3. Movements for this period	74,482,543.00	1,855,144,194.77	36,460,337.10	372,492,079.30	2,338,579,154.17
(1)Comprehensive income	0.00	0.00	0.00	474,226,166.14	474,226,166.14
(2)Capital contribution and withdrawals by owners	74,482,543.00	1,855,144,194.77	0.00	0.00	1,929,626,737.77
Capital contribution by owners	74,482,543.00	1,854,582,870.47	0.00	0.00	1,929,065,413.47
Others	0.00	561,324.30	0.00	0.00	561,324.30
(3)Profit distribution	0.00	0.00	36,460,337.10	-101,734,086.84	-65,273,749.74
Appropriation to surplus reserves	0.00	0.00	36,460,337.10	-36,460,337.10	0.00
Profit distribution to shareholders (or equity owners)	0.00	0.00		-65,273,749.74	-65,273,749.74
4. Balance at 31 December 2014	362,631,943.00	1,869,692,921.70	181,315,971.50	1,594,838,169.39	4,008,479,005.59

### III. Profile of company

China National Accord Medicines Co., Ltd. (hereinafter referred to as the “the Company”), formerly known as Shenzhen Health Mineral Water Co., Ltd., was approved by the People’s Government of Shenzhen with SFBF (1993) No.356 document to establish on 1 February 1993 through stock restructure as a company limited by shares. In March 1993, with the approval from the Shenzhen Branch of the People’s Bank of China, the Company issued 30 million A-shares (including 16.5 million public shares, 3.5 million employee shares and 10 million corporation shares) and 20 million B-shares. After this issuance, the Company’s share capital was RMB105 million. Through transfer of capital surplus to share capital and bonus issues for years, the share capital of the Company increased to RMB362,631,900. up to 30 June 2015.

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

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

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

In March 14, 2014, the company issued 74,482,543 ordinary shares (A shares) through the non public offering. Par value per share is RMB 1 yuan. The shares shall not be transferred within 36 months since the issued day. As of 30 June, 2015, the total share capital was 362,631,943.

The approved scope of business of the Company and its subsidiaries (together “the Group”) includes wholesale of traditional Chinese medicine preparations, bulk pharmaceutical drugs, chemical preparations, bulk antibiotic drugs, antibiotic preparations, biochemical drugs, biological products (including vaccines and in vitro diagnostic reagents), psychotropic drugs and preparations, narcotic drugs, toxic drugs for medical use, protein assimilation preparation and peptide hormones; trade of dietary supplement; research, development and consultation services of pharmaceutical packaging materials and pharmaceutical industry products; industrial investment holding; domestic trade (other than special licensing), sale of ambulances; trade of second-class and third- class medical equipments; project investment; property management and lease of self-owned properties; pharmacovigilance and medical information consulting; parking operation; logistics and related services; package agency business; logistic design; operating various types of goods and import and export of technology (not attached directory of import and export commodities), but excluded the import and export of goods and technology

the State limits or prohibit the company.

The Company is registered with Shenzhen Administration for Industry & Commerce. Its business license number is 440301103040048 and the serial number of the license is N24657. The operation period of the Company is from 2 August 1986 to 2 August 2036. The registered capital of the Company is RMB362,631,900. The legal representative of the Company is Yan Zhigang.

These financial statements were authorised for issue by the board of directors of the Company on 18 August, 2015.

Subsidiaries consolidated in the financial statements are listed in Note IX.

New subsidiaries include Sinopharm Holding Guangzhou Medical Management Co., Ltd. (here after referred as “Guangzhou Medical”) (Note VIII).

## **IV. Basis of preparation**

### **1. Basis of preparation**

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

### **2. Going concern**

This financial statement is prepared on the basis of going concern.

## **V. Summary of significant accounting policies and accounting estimates**

The group determines the specific accounting policies and accounting estimates according to the production management characteristics, shown mainly on the bad debt provision withdrawing method for account receivable, measurement of inventory, depreciation for PP&E and amortization for intangible asset, judgement basis for capitalization of development expenditure, measurement model for investment property, recognition timing of revenue.

### **1. Statement of compliance with the Accounting Standards for Business Enterprises**

The financial statements of the Company for the period ended 30 June 2015 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Group and the Company as of 30 June 2015 and the operating results, cash flows and other

information of the Group and the Company for the period then ended.

## **2. Accounting period**

The Company's accounting year starts on 1 January and ends on 31 December.

## **3. Functional currency**

The functional currency is Renminbi (RMB).

## **4. Business combinations involving enterprises under common control and Business combinations involving enterprises not under common control**

### **(a) Business combinations involving enterprises under common control**

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

### **(b) Business combinations involving enterprises not under common control**

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

## **5. Preparation of consolidated financial statements**

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

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

The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

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

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profits, losses and comprehensive income for the period not attributable to the Company are recognised as minority interests and presented separately in the consolidated financial statements within equity, net profits and total comprehensive income respectively. Unrealised gain or loss from selling assets to subsidiaries fully offsets the net income attributable to equity holders of the company. Unrealised gain or loss from purchasing assets from subsidiaries offsets the net income attributable to equity holders of the company and attributable to the minority interest by the distribution proportion regarding the company and the subsidiary. Unrealised gain or loss from transaction between subsidiaries offsets the net income attributable to equity holders of the company and attributable to the minority interest by the distribution proportion regarding the company and the selling side of the subsidiaries.

If different recognition perspectives for the same transaction arise within different accounting identities setup, there is adjustment for the transaction from the Group's perspective.

## **6. Cash and cash equivalent**

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

## **7. Foreign currency translation**

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

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



## 8. Financial Instruments

### (a) Financial assets

#### (i) Classification of financial assets

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

#### (ii) Recognition and measurement

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. The transaction expenses are included in receivables' original book value, which is measured at amortised cost using the effective interest method.

#### (iii) Impairment of financial assets

The Group assesses the carrying amounts of receivables other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for. The objective evidence are matters occur after the financial assets been recognised, affect its estimated future cash flow and could be measured accurately by the Group. When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

#### (iv) Derecognition of financial assets

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

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.

### (b) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair

value through profit or loss and other financial liabilities. The financial liabilities of the Group mainly comprise other financial liabilities, including payables and borrowings

Payables, including notes payable, accounts payable and other payables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised costs using the effective interest method.

Other financial liabilities with maturities no more than one year are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

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

## 9. Receivables

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

The criterion for determining individually significant amounts	Receivables with amounts that are individually significant are subject to assessment for impairment on the individual basis. If there exists objective evidence that the Group will not be able to collect the amount under the original terms, a provision for impairment of that receivable is made.  The criterion for determining individually significant amounts is that any individual amount is more than RMB5 million.
The method of providing for bad debts for those individually significant amounts	The amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.

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

Grouping basis	provision for bad debts
Receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics.	The ageing of receivables

Provisions for impairment of the receivables which have a similar risk level are analysed below:

Aging	Provision ratios used for accounts receivables	Provision ratios used for other receivables
Within 1 year (including 1 year )	0.00%	0.00%
1 to 2 years	5.00%	5.00%
2 to 3 years	10.00%	10.00%
More than 3 years	20.00%	20.00%

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

The reason for making separate assessment for provision for bad debts	There exists objective evidence that the Group will not be able to collect the amount under the original terms of the receivable.
The provision for bad debts	The provision for bad debts is determined based on the amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.

**10. Inventories**

**(a) Classification**

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

**(b) Costing of inventories**

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

**(c) Basis for determining net realisable values of inventories and method for making provision for decline in the value of inventories**

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

**(d) The Group adopts the perpetual inventory system.**

**(e) Amortisation methods of low value consumables and packaging materials**

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

## 11. Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries and the Group's long-term equity investments in its associates.

Subsidiaries are the investees over which the Company is able to exercise control. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are measured using the cost method in the Company's financial statements, and adjusted by using the equity method when preparing the consolidated financial statements. Interests in associates are accounted for using the equity method.

### (a) Determination of investment cost

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

### (b) Subsequent measurement and recognition of related profit and loss

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

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

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in

owners' equity of the investee other than those arising from its net profit or loss, other comprehensive income, and profit distribution, the Group adjusts the book value of the investment and records capital surplus accordingly. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

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

Control is the power to govern the financial and operating policies of the investee so as to obtain benefits from its operating activities. In determining whether the Company is able to exercise control over the investee, the effect of potential voting rights over the investee is considered, such as convertible debts and warrants currently exercisable, etc.

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

(d) Impairment of long-term equity investments

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

## 12. Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing, and buildings that are being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred.

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

	Estimated useful lives	Estimated residual value	Annual depreciation (amortisation) rates
Buildings	20-35 years	5%	2.71% to 4.75%
Land use rights	30-50 years	0%	2.00% to 3.33%

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

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

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

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

### 13. Fixed assets

#### (1)Conditions

Recognition and initial measurement of fixed assets

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

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

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

#### (2)Depreciation methods

	Depreciation methods	Estimated useful lives	Estimated residual value	Annual depreciation rates
Buildings	straight-line method	20-35 years	5%	2.71% to 4.75%
Machinery and equipment	straight-line method	5-14 years	5%	6.79% to 19%

Motor vehicles	straight-line method	5-10 years	5%	9.50% to 19.00%
Other equipment	straight-line method	3-10 years	5%	9.50% to 31.67%
Leasehold improvements	straight-line method	Within 5 years	0%	Above 20.00%

#### 14. Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is less than the carrying amount.

#### 15. Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

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

For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.

#### 16. Intangible assets

##### (1) Valuation method. Useful life. Impairment test

Intangible assets include land use rights, computer softwares, technology patents, trademarks and

distribution network, which initially recognised at cost. Intangible assets contributed by state-owned shareholders during the company reorganisation were recorded based on the valuation amount approved by the state-owned assets supervision and management department.

(a) Land use rights

A land use right granted by government with a infinite useful life would not be amortised. Other land use rights are amortised on the straight-line basis over their approved useful period. If the acquisition costs of land use rights and the buildings located thereon cannot be reliably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

(b) Computer softwares

Computer softwares purchased by the Group are initially measured at cost, which are amortised on the straight-line basis over their approved useful period of 3 to 5 years.

(c) Trademarks and Technology Patents

Trademarks are amortised on the straight-line basis over their effective periods as stipulated by law of 5 to 10 years. Technology Patents are amortised on the straight-line basis over their effective useful period of 5 years.

(d) Distribution network

Distribution network includes customer relationships and distribution channels, which is amortised on the straight-line basis over its approved useful live of 20 years.

(e) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

For an intangible asset without a definite useful life, review of its useful life are performed at each year-end.

**(2)Internal research and development**

(a) Research and development

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

Expenditure for investigation, evaluation and selection of production process researches is recognised in profit or loss in the period in which it is incurred. Expenditure on the designation, measurement of the final utilization of the production process before mass production, is capitalised only if all of the following conditions are satisfied:



- development of the production process has been fully demonstrated by the technical team;
- management has approved the budget of drug production development;
- market research analysis suggests that the products produced by the new production technology are able to be promoted;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

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

#### **17. Impairment of long-term assets**

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

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

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

## **18. Long-term prepaid expenses**

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

## **19. Employee benefit**

### **(1) Short-term employee benefits**

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, and union running costs and employee education costs. The employee benefits are recognised in the accounting period in which the service has been rendered by the employees, and as costs of assets or expenses to whichever the employee service is attributable.

### **(2) Post-employment benefits**

The Company classifies post-employment benefit plans into either defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Company's post-employment benefits mainly include basic pensions, unemployment insurance and enterprise annuity, both of which belong to the defined contribution plans.

#### **Basic pensions**

The Company's employees participate in the defined basic pension insurance plan set up and administered by local labour and social protection authorities. Basic pensions are provided monthly according to stipulated bases and proportions to local labour and social security institutions. When employees retire, local labour and social security institutions have a duty to pay the basic pension insurance to them. The amounts payable are recognised as liabilities based on the above provisions in the accounting period in which the service has been rendered by the employees, and as costs of assets or expenses to whichever the employee service is attributable.

### **(3) Termination benefits**

The group recognizes the debt and the gain or loss, when offering compensation for terminating the labor contract before the due date, or encouraging the staff to resign voluntarily, at the earlier date when the group cannot unilaterally withdraw the labor relation plan or recognize the cost relating to recombinant involving the payment of termination benefits.

## Retirement benefits

The group provides retirement benefits to employees who accept the internal retirement arrangements. Retirement benefits refer to the salary and social security contributions provided to those staff who voluntarily quit the job with approval from the management team, before the retirement age. The group offers retirement benefits from the date when the arrangement begins, to the date when the staff reaches the retirement age. The group accounts the retirement benefits referring to the accounting treatment for the termination benefits. Liability including salary and social security contributions is recognized when conditions of termination benefits recognition meet, regarding to the period from the staff leaves the position to the normal retirement date. Difference arising from the changes in actuarial assumptions for retirement benefits and adjustments in welfare standard, will be accounted in the current profits and losses.

Retirement benefits that are expected to be paid within one year from the balance sheet date is disclosed as current liability.

## 20. Provisions

Provisions for product warranties, onerous contracts etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

## 21. Revenue

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of discounts and returns.

Revenue can be recognized on condition that the transaction-related economic interest is expected to be satisfied, the amount is able to reliably measured, and the following recognition conditions are met:

### (a) Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the

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

(b) Rendering of services

The Group provides freight, storage and other service to external parties. The freights are recognised as revenue right after the goods are transported to the place of delivery according to contracts or agreements, received and confirmed by the purchasers. Other revenue is determined in accordance with the amount provided in the service period stipulated in the contract.

(c) Transfer of asset use rights

Interest income is determined by using the effective interest method, based on the length of time for which the Group's cash is used by others.

Income from an operating lease is recognised on a straight-line basis over the period of the lease.

(d) Customer Loyalty Programme

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

## **22. Government grants**

### **(1) Judging basis and accounting treatments of Related to assets Government grants**

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration, including refund of taxes and financial subsidies, etc.

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

A government grant related to an asset is grant received aimed to create long-term asset by constructing or other methods. And government grant related to income is any grant other than government grant related to an asset.

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

## **(2) Judging basis and accounting treatments of Government grants related to income**

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

## **23. Deferred tax assets and deferred tax liabilities**

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

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

Deferred tax assets and liabilities are offset when:

- The deferred taxes are related to the same tax payer within the Group and the same taxation authority; and,
- That tax payer has a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

## **24. Operating leases**

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets or charged as an expense for the current period.

## **25. Other significant accounting policies and accounting estimates**

### **(a) Governmental medical reserve funds and specially approved reserving materials**

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

### **(b) Dividend distribution**

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

### **(c) Segment information**

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

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

### **(d) Critical accounting estimates**

The Group continually evaluates the critical accounting estimates and key judgments applied based on

historical experience and other factors, including expectations of future events that are believed to be reasonable.

#### Critical accounting estimates and key assumptions

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

##### (i) Accounting estimates on impairment of goodwill

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

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

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

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

##### (ii) Accounting estimates on impairment of accounts receivable

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

##### (iii) Accounting estimates on impairment of inventories

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

## VI. Taxation

### 1. The types and rates of taxes

Type	Taxable base	Tax rate
Value added tax ("VAT")	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)	0%.3%.6%.11%.13% or 17%
Business tax	Rental income, interest income and etc.	5%
City maintenance and construction tax	VAT and business tax	7%
Enterprise income tax ("EIT")	Taxable income	10%.15%.25%

The enterprises of different corporate income tax rate are disclosed as below:

Name of Companies	Income Tax Rate
Sinopharm Medicine Holding Zhijun(Shenzhen) Pingshan Pharmaceutical Co., Ltd.	15%
Shenzhen Zhijun Pharmaceutical Co., Ltd.	15%
Sinopharm Medicine Holding Guangxi Co., Ltd.	15%
Sinopharm Holding Guangxi Logistics Co., Ltd.	15%
Sinopharm Holding Wuzhou Co., Ltd.	15%
Sinopharm Beihai	15%
Sinopharm Holding Yulin Co., Ltd.	15%
Sinopharm Holding Guangzhou Medical Management Co., Ltd	10%

### 2. Tax preferences

In 2012, the subsidiary Sinopharm Medicine Holding Zhijun(Shenzhen) Pingshan Pharmaceutical Co., Ltd. ("Zhijun(Shenzhen) Pingshan") obtained the certificate of High and New Technology Enterprises with effective period of 3 years, 2012 to 2014. As relevant preferential tax treatment has expires on December 31, 2014, Zhijun(Shenzhen) Pingshan has been renewing the certificate. Assuming there is no change on relevant laws and regulations, we consider Zhijun(Shenzhen) Pingshan still can got the certificate with effective period of 3 years, 2015 to 2017. Hence, Zhijun(Shenzhen) Pingshan uses the income tax rate of 15% for the six months ended 30 June 2015.

In 2014, the subsidiary Shenzhen Zhijun Pharmaceutical Co., Ltd. ("Zhijun Medicine") obtained the certificate of High and New Technology Enterprises with effective period of 3 years, 2014 to 2016.



Under the relevant regulations of article 28 of the Corporate Income Tax Law, the applicable tax rates for Zhijun Medicine and Zhijun(Shenzhen) Pingshan in year 2015 are 15% (2014: 15%).

In 2014, the subsidiary Sinopharm Guangxi Logistics Co., Ltd (“Guangxi Logistics”) got the approval from local tax bureau of Guangxi Province, and was entitled with a Western Development preferential tax rate of 15% from 1 January 2014 to 31 December 2020. In 2015, the subsidiary Sinopharm Holding Guangxi, Sinopharm Holding Beihai Co., Ltd(“Sinopharm Holding Beihai”), Sinopharm Holding Yulin Co., Ltd(“Sinopharm Holding Yulin”), Sinopharm Holding Wuzhou Co., Ltd(“Sinopharm Holding Wuzhou”) got the aforementioned approval as well. Hence, they were entitled with a preferential tax rate of 15% from 1 January 2014 to 31 December 2020, from 28 February 2014 to 31 December 2020, from 1 January 2015 to 31 December 2020 and from 1 January 2015 to 31 December 2020, respectively.

In 2015, Guangzhou Medical, which was the ou established lately this year as a subsidiary of Sinopharm Holding Guangzhou, was treated as a small low-profit enterprise, and was entitled with a low income tax rate, which was 10%.

## VII. Notes to the consolidated financial statements

### 1. Cash at bank and on hand

Unit:RMB

Items	30 June 2015	31 December 2014
Cash on hand	77,018.59	41,627.16
Cash at bank	1,157,478,609.26	854,170,379.68
Other cash balances	4,315,545.18	13,350,108.70
Total	1,161,871,173.03	867,562,115.54

At 30 June 2015, other cash balances include deposits for bank acceptance notes and deposits for letter of credit.

### 2. Notes receivable

#### (1) Types of notes receivable

Unit:RMB

Items	30 June 2015	31 December 2014
Bank acceptance notes	277,058,160.24	260,984,531.31
Trade acceptance notes	236,470,445.54	358,010,908.78
Total	513,528,605.78	618,995,440.09

**(2)As at the end of this period, pledged notes receivable**

Unit:RMB

Items	The pledged notes receivables at the end of this period
Bank acceptance notes	4,929,266.00
Total	4,929,266.00

**(3)As at the end of this period, the endorsed or the discounted undue notes receivables of the group**

Unit:RMB

Items	Recognition terminated at the end of this period	Recognition not terminated at the end of this period
Bank acceptance notes	818,527,470.71	0.00
Trade acceptance notes	0.00	134,570,639.59
Total	818,527,470.71	134,570,639.59

**3. Accounts receivable**

**(1)The accounts receivable and related provision for bad debts**

Unit:RMB

Types	30 June 2015					31 December 2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	amount	% of total balance	amount	% of total balance		amount	% of total balance	amount	% of total balance	
individually significant are subject to separate impairment assessment	38,112,289.40	0.48%	16,137,611.94	42.34%	21,974,677.46	27,306,785.00	0.39%	17,714,727.50	64.87%	9,592,057.50
receivable accounts within similar credit risk group	7,791,686,980.69	98.84%	1,934,032.23	0.02%	7,789,752,948.46	7,001,130,510.38	99.40%	368,802.84	0.01%	7,000,761,707.54
individually not significant but individually evaluated for impairment	53,439,543.36	0.68%	6,225,320.17	11.65%	47,214,223.19	14,714,908.91	0.21%	6,756,000.76	45.91%	7,958,908.15

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Total	7,883,238,813.45	100.00%	24,296,964.34	0.31%	7,858,941,849.11	7,043,152,204.29	100.00%	24,839,531.10	0.35%	7,018,312,673.19
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As at the end of this period, impairment provision for accounts receivable individually significant are analysed:

Unit:RMB

Accounts receivable(by currency unit)	30 June 2015			
	Accounts receivable	Bad debt provision	Rate	Assessment for impairment
Guangdong Liyuan Pharmaceutical Co., Ltd	14,517,375.00	14,517,375.00	100.00%	Disputed receivable with higher risk of recoverability which has filed a lawsuit
Qinzhou Second People's Hospital	11,793,056.40	589,652.82	5.00%	High uncertainty in recoverability
Affiliated hospital of Youjiang medical college for Nationalities	6,539,414.40	326,970.72	5.00%	High uncertainty in recoverability
Tibet Naqukanghui Pharmaceutical Co., Ltd	5,262,443.60	703,613.40	13.37%	High uncertainty in recoverability
Total	38,112,289.40	16,137,611.94	--	--

Provisions for impairment of the receivables which have a similar risk level:

Unit:RMB

Aging	30 June 2015		
	Accounts receivable	Bad debt provision	Rate
Within 1 year	7,754,118,802.17	0.00	0.00%
1 to 2 years	36,482,005.89	1,824,100.31	5.00%
2 to 3 years	1,073,026.03	107,302.60	10.00%
Over 3 years	13,146.60	2,629.32	20.00%
Total	7,791,686,980.69	1,934,032.23	0.02%

**(2)Recovered or reversed bad debt amount, and Bad debt provision in this period**

Bad debt provision in this year is RMB2,086,948.76. Recovered or reversed bad debt amount adds up to RMB2,629,515.52.

Important recovered or reversed bad debt items are listed below:

Unit:RMB

Name of company	Recovered or reversed amount	Way of recovery
Tibet Naqukanghui Pharmaceutical Co., Ltd	2,493,739.10	Amount received
Zengcheng Zhengguo Institute of health	13,526.22	Amount received
Conghua City, Jiang Po Street Community Health Service Center	60,843.00	Amount received
Total	2,568,108.32	--

**(3)As at 30 June 2015, the top five accounts receivable by customer are summariesd as below:**

As at 30 June 2015, the top five accounts receivable by customer are summariesd as below:			
	Amount	Bad debt provision amount	% of the total accounts receivable
Total amount of the top five accounts receivables	593,390,063.69	450.00	7.53%

**(4)Analysis of account receivables that are terminated recognition due to financial asset transfer:**

By 30 June 2015, accounts receivable of RMB70,499,859.45 has been factored to financial institute(2014 semi-annual: RMB912,614,815.13). The corresponding loss is RMB1,673,457.26 (2014 semi-annual: RMB15,939,629.04).

**4. Advances to suppliers**

**(1)The aging of advances to suppliers is analysed below:**

Unit:RMB

Aging	30 June 2015		31 December 2014	
	amount	% of total balance	amount	% of total balance
Within 1 year	107,181,913.91	99.78%	95,744,012.90	99.69%
1 to 2 years	54,628.60	0.05%	66,286.50	0.07%
2 to 3 years	200.00	0.00%	213,144.00	0.22%
Above 3 years	179,355.00	0.17%	19,711.00	0.02%
Total	107,416,097.51	--	96,043,154.40	--

**(2)The top five advances to suppliers by customer are summarized**

As at 30 June 2015, the top five advances to suppliers by customer are summarized as below:		
	Amount	Proportion of total balance

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Total amount of top five advances to suppliers	44,975,556.30	41.87%
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## 5. Dividends receivable

Unit:RMB

Projects(or investees)	30 June 2015	31 December 2014
Shenzhen Wanle Medical Co., Ltd.("Wanle Medical")	35,190,000.00	0.00
Total	35,190,000.00	0.00

## 6. Other receivables

### (1)Other receivables and related provision for bad debts by category:

Unit:RMB

Types	30 June 2015					31 December 2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	amount	% of total amount	amount	rate		amount	% of total amount	amount	rate	
Individually significant are subject to separate impairment assessment	8,980,000.00	17.28%	8,980,000.00	100.00%	0.00	8,980,000.00	22.23%	8,980,000.00	100.00%	0.00
Receivable accounts within similar credit risk group	38,092,414.75	73.29%	290,150.82	0.76%	37,802,263.93	25,447,187.91	63.01%	219,614.23	0.86%	25,227,573.68
Individually not significant but individually evaluated for impairment	4,899,478.95	9.43%	1,884,039.51	38.45%	3,015,439.44	5,959,905.13	14.76%	2,612,550.91	43.84%	3,347,354.22
Total	51,971,893.70	100.00%	11,154,190.33	21.46%	40,817,703.37	40,387,093.04	100.00%	11,812,165.14	29.25%	28,574,927.90

As at 30 June 2015, impairment provision for other receivables individually significant:

Unit:RMB

Other receivables(by company)	30 June 2015			
	Other receivables	Bad debt provision	Rate	Assessment for

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				impairment
Shenzhen Yinghai Technology Investment Co., Ltd.	8,980,000.00	8,980,000.00	100.00%	Uncertainty in recoverability
Total	8,980,000.00	8,980,000.00	--	--

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

Unit:RMB

Aging	30 June 2015		
	Other receivables	Bad debt provision	Rate
Within 1 year	35,276,001.51	0.00	0.00%
1 to 2 years	1,572,662.01	78,633.10	5.00%
2 to 3 years	372,325.35	37,232.54	10.00%
Over 3 years	871,425.88	174,285.18	20.00%
Total	38,092,414.75	290,150.82	0.00%

**(2)Bad debt provision of Other receivables, Important recovered or reversed items this period**

Bad debt provision of Other receivables this period is RMB94,528.23with the recovered or reversed amount to be RMB201,854.32.

**(3)Other receivables written off for the six months ended 30 June,2015**

Other receivables written off for the six months ended 30 June, 2015 is RMB550,648.72.

**(4)Other receivables by nature are analysed below:**

Unit:RMB

Nature	30 June 2015	31 December 2014
Deposit	15,778,888.88	11,871,118.11
Petty cash advance to employees	9,539,942.63	6,131,979.57
Receivable of equity transaction	8,980,000.00	8,980,000.00
Receivable due from related party	1,596,860.68	1,899,766.89
Others	16,076,201.51	11,504,228.47
Total	51,971,893.70	40,387,093.04

**(5)The top 5 parties that owe the largest amounts of other receivable balances**

Unit:RMB

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Company Name	Nature	Balance	Aging	% of total amount	Provision of bad deb
Shenzhen Yinghai Technology Investment Co., Ltd.	Receivable of equity transaction	8,980,000.00	Over 5 years	17.28%	8,980,000.00
Guangzhou people's Court of Yuexiu District ,Guangzhou, Guangdong Province	Litigation deposit	5,388,080.00	Within 1 year	10.37%	0.00
Guangxi Autonomous Region Housing Reformed System Finance Department	Collective housing repair funds	1,911,494.23	Over 5 years	3.68%	0.00
Sinopharm Group Medicine Logistic Co.,Ltd.	deposit	1,215,000.00	1 to 2 years	2.34%	0.00
Shenzhen pharmaceutical health care products import and Export Co.,Ltd.	Operational transactions	1,157,860.00	Over 5 years	2.23%	1,157,860.00
Total	--	18,652,434.23	--	35.90%	10,137,860.00

## 7. Inventories

### (1)Inventories by category

Unit:RMB

Items	30 June 2015			31 December 2014		
	Book value	Provision	Net book value	Book value	Provision	Net book value
Raw materials	118,658,121.30	3,602,497.94	115,055,623.36	144,596,922.64	3,596,085.79	141,000,836.85
Work in progress	22,510,603.41	4,239,079.92	18,271,523.49	25,031,852.48	6,537,971.20	18,493,881.28
Finished goods	2,108,855,510.54	17,210,005.22	2,091,645,505.32	2,174,537,205.97	14,519,470.94	2,160,017,735.03
Consigned processing materials	881,565.64	0.00	881,565.64	1,288,334.79	0.00	1,288,334.79
Low cost consumables	1,476,730.37	207,572.98	1,269,157.39	1,551,729.58	19,254.66	1,532,474.92
Total	2,252,382,531.26	25,259,156.06	2,227,123,375.20	2,347,006,045.46	24,672,782.59	2,322,333,262.87

### (2)Provision for declines in value of inventories

Unit:RMB

Items	31 December 2014	Current period increase		Current period decrease		30 June 2015
		Increases	Others	Reversal or written off	Others	

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Raw materials	3,596,085.79	1,695,665.90	0.00	1,689,253.75	0.00	3,602,497.94
Work in progress	6,537,971.20	0.00	0.00	2,298,891.28	0.00	4,239,079.92
Finished goods	14,519,470.94	9,397,728.09	0.00	6,707,193.81	0.00	17,210,005.22
Low cost consumables	19,254.66	188,318.32	0.00	0.00	0.00	207,572.98
Total	24,672,782.59	11,281,712.31	0.00	10,695,338.84	0.00	25,259,156.06

## 8. Other Current Asset

Unit:RMB

Items	30 June 2015	31 December 2014
Corporate income tax to be deducted	7,289,470.37	808,216.55
VAT to be deducted	12,055,577.86	39,475,078.08
Other	0.00	25,296.84
Total	19,345,048.23	40,308,591.47

## 9. Long-term equity investments

Unit:RMB

Investees	31 December 2014	Increases/(Decreases)				30 June 2015	Provision ending balance
		Additional investment	Share of profit or loss	Dividend declared	Provision of impairment		
Associates							
Shenzhen Wanle Medical Co., Ltd.	157,604,846.85	0.00	28,160,061.44	35,190,000.00	0.00	150,574,908.29	0.00
Sinopharm HoldingZhuhai Co., Ltd.	0.00	1,002,980.00	114,000.00	0.00	0.00	1,116,980.00	0.00
Sub total	157,604,846.85	1,002,980.00	28,274,061.44	35,190,000.00	0.00	151,691,888.29	0.00
Total	157,604,846.85	1,002,980.00	28,274,061.44	35,190,000.00	0.00	151,691,888.29	0.00



## 10. Investment Properties

Unit:RMB

Items	Buildings	Land use rights	Total
I.Cost			
1.31 December 2014	148,033,589.95	21,829,816.24	169,863,406.19
2. Increase in Current period	11,626,330.36	0.00	11,626,330.36
Transferred from fixed assets	11,626,330.36	0.00	11,626,330.36
3. Decrease in Current period	3,155,759.25	825,876.78	3,981,636.03
Other outflow	3,155,759.25	825,876.78	3,981,636.03
4.30 June 2015	156,504,161.06	21,003,939.46	177,508,100.52
II.Accumulated depreciation/ amortisation			
1.31 December 2014	91,404,525.86	3,322,029.82	94,726,555.68
2. Increase in Current period	4,339,222.38	285,776.83	4,624,999.21
Provision or depreciation	3,611,236.42	285,776.83	3,897,013.25
Transferred from fixed assets	727,985.96	0.00	727,985.96
3. Decrease in Current period	2,685,594.38	280,587.79	2,966,182.17
Other outflow	2,685,594.38	280,587.79	2,966,182.17
4.30 June 2015	93,058,153.86	3,327,218.86	96,385,372.72
III.Provision for impairment loss			
1.31 December 2014	1,300,000.00	0.00	1,300,000.00
2. Increase in Current period	0.00	0.00	0.00
3.Decrease in Current period	0.00	0.00	0.00
4.30 June 2015	1,300,000.00	0.00	1,300,000.00
IV.Net book value			
1.30 June 2015 Net book value	62,146,007.20	17,676,720.60	79,822,727.80
2.31 December 2014 Net book value	55,329,064.09	18,507,786.42	73,836,850.51

In 2015 semi annual, the amount of depreciation and amortization were RMB3,897,013.25 (2014 semi annual:RMB2,752,681.18).

In 2015 semi annual, the Group changed the use of buildings with a carrying amount of RMB10,898,344.40 (Cost: RMB11,626,330.36, accumulated depreciation:RMB727,985.96) The relative fixed assets and intangible assets were respectively transferred into investment properties at the date of change in use.

In 2015 semi annual, the Group changed the use of buildings with a carrying amount of RMB1,015,453.86 (Cost: RMB3,981,636.03, accumulated depreciation: RMB2,966,182.17) The relative investment properties were transferred into fixed assets and intangible assets respectively for self use at the date of change.

## 11. Fixed Assets

### (1) Fixed Assets

Unit: RMB

Items	Buildings	Machinery and equipment	Motor vehicles	Other	Leasehold improvements	Total
I. Cost:						
1.31 December 2014	542,206,947.63	490,373,556.86	56,105,467.78	207,135,443.61	30,798,145.75	1,326,619,561.63
2. Current period other additions	4,855,073.81	6,435,426.09	957,198.38	3,110,411.11	8,051,071.93	23,409,181.32
(1) purchase	1,699,314.56	3,483,394.68	957,198.38	2,675,411.11	1,362,064.66	10,177,383.39
(2) Transfer from Construction in Progress	0.00	2,952,031.41	0.00	435,000.00	6,689,007.27	10,076,038.68
(3) Increase in Enterprise merger	0.00	0.00	0.00	0.00	0.00	0.00
(4) Transfer to investment properties	3,155,759.25	0.00	0.00	0.00	0.00	3,155,759.25
3. Current period disposals	11,626,330.36	1,011,077.61	1,044,076.00	536,404.25	2,441,552.96	16,659,441.18
(1) Disposal or dumping	0.00	1,011,077.61	1,044,076.00	536,404.25	2,441,552.96	5,033,110.82
(2) Transfer to investment properties	11,626,330.36	0.00	0.00	0.00	0.00	11,626,330.36
4.30 June 2015	535,435,691.08	495,797,905.34	56,018,590.16	209,709,450.47	36,407,664.72	1,333,369,301.77
II. Accumulated depreciation						
1.31 December 2014	142,633,804.31	235,009,650.93	33,060,080.55	128,375,890.50	18,665,819.09	557,745,245.38
2. Current period	11,420,762.50	19,918,999.90	2,671,525.52	10,490,631.85	2,232,082.95	46,734,002.72

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other additions						
(1)Provision	8,735,168.12	19,918,999.90	2,671,525.52	10,490,631.85	2,232,082.95	44,048,408.34
(2) Transfer to investment properties	2,685,594.38	0.00	0.00	0.00	0.00	2,685,594.38
3. Current period disposals	727,985.96	956,352.11	848,899.47	512,032.25	2,382,281.75	5,427,551.54
(1)Disposal or dumping	0.00	956,352.11	848,899.47	512,032.25	2,382,281.75	4,699,565.58
(2)Transfer to investment properties	727,985.96	0.00	0.00	0.00	0.00	727,985.96
4.30 June 2015	153,326,580.85	253,972,298.72	34,882,706.60	138,354,490.10	18,515,620.29	599,051,696.56
III. Provision for diminution in value						
1.31 December 2014	2,449,969.17	20,855,885.66	0.00	2,873.43	7,758.64	23,316,486.90
2. Current period other additions	0.00	0.00	0.00	0.00	0.00	0.00
3. Current period disposals	0.00	39,350.15	0.00	0.00	0.00	39,350.15
Disposal or dumping	0.00	39,350.15	0.00	0.00	0.00	39,350.15
4.30 June 2015	2,449,969.17	20,816,535.51	0.00	2,873.43	7,758.64	23,277,136.75
IV. Net book value						
1.30 June 2015 Net book value	379,659,141.06	221,009,071.11	21,135,883.56	71,352,086.94	17,884,285.79	711,040,468.46
2.31 December 2014 Net book value	397,123,174.15	234,508,020.27	23,045,387.23	78,756,679.68	12,124,568.02	745,557,829.35

(2)Temporary idle fixed assets

Unit:RMB

Items	Cost	accumulated depreciation	Provision of impairment	Net book value	Notes
machinery and equipments	55,544,750.19	34,044,756.62	20,644,827.73	855,165.84	Machinery and equipments subjected to a provision by management in the past year because the machinery and equipments were left temporarily idle and expectedly no longer in use due to

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					the strategic adjustments of productions.
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In 2015 semi annual, details of the depreciation are charged as below:		
	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Cost of goods sold	24,199,873.36	19,978,061.91
Selling expenses	2,710,530.24	1,016,530.46
General and administrative expenses	13,633,937.70	20,256,417.51
Research and development expenses	3,504,067.04	4,035,789.44
Total	44,048,408.34	45,286,799.32

## 12. Construction in progress

### (1) Construction in progress

Unit:RMB

Items	30 June 2015			31 December 2014		
	Carrying amount	Provision of impairment	Net book value	Carrying amount	Provision of impairment	Net book value
Pingshan Pharmaceutical Research & Development Manufacturing Base	369,661,249.55	0.00	369,661,249.55	298,665,439.18	0.00	298,665,439.18
Zhijun Production Workshop Technological Transformation Project	9,720,528.90	0.00	9,720,528.90	14,214,138.81	0.00	14,214,138.81
Sewage Transformation Project etc	6,062,283.79	0.00	6,062,283.79	6,062,283.79	0.00	6,062,283.79
Peinan Project	3,398,466.80	1,500,000.00	1,898,466.80	3,398,466.80	1,500,000.00	1,898,466.80
Other projects	13,697,748.83	0.00	13,697,748.83	9,378,367.98	0.00	9,378,367.98
Total	402,540,277.87	1,500,000.00	401,040,277.87	331,718,696.56	1,500,000.00	330,218,696.56

(2) Significant changes of construction in progress

Unit: RMB

Name of Project	Budget of Project	31 December 2014	Current period additions	Transfer out during current year	Current period disposals	30 June 2015	Cost up to date out of budget (%)	Construction in progress (%)	Accumulated capitalized borrowing cost	Borrowing cost capitalized in 2015 semi annual	Weighted average interest rate (%)	Financed by
Pingshan Pharmaceutical Research & Development Manufacturing Base	881,370,300.00	298,665,439.18	70,995,810.37	0.00	0.00	369,661,249.55	42.00%	65%	15,738,784.07	7,274,927.93	5.48%	Working capital and borrowings
Zhijun Production Workshop Technological Transformation Project	105,340,000.00	14,214,138.81	4,649,009.96	9,142,619.87	0.00	9,720,528.90	34.00%	39%	0.00	0.00	0.00%	Working capital
Sewage Transformation Project etc.	6,300,000.00	6,062,283.79	0.00	0.00	0.00	6,062,283.79	87.00%	99%	0.00	0.00	0.00%	Working capital
Peinan Project	40,000,000.00	3,398,466.80	0.00	0.00	0.00	3,398,466.80	28.00%	70%	0.00	0.00	0.00%	Working capital
Other projects	0.00	9,378,367.98	5,777,231.05	933,418.81	524,431.39	13,697,748.83	0.00	0.00	0.00	0.00	0.00%	Working capital
Total	1,033,010,300.00	331,718,696.56	81,422,051.38	10,076,038.68	524,431.39	402,540,277.87	--	--	15,738,784.07	7,274,927.93	5.48%	--

In 2015 semi annual, the amounts that construction in progress transferred into fixed asset were RMB10,076,038.68 (2014 semi annual: RMB16,173,324.53), and long term prepaid expense were RMB524,431.39 (2014 semi annual: RMB5,331,507.83).

### 13. Intangible asset

#### (1)Intangible asset

Unit:RMB

Items	Land use rights	Proprietary technology	Computer software	Trademarks	Sales network	Total
I. Cost						
1.31 December 2014	143,702,078.73	53,901,204.72	24,133,676.24	196,850.00	33,657,142.86	255,590,952.55
2. Current period additions	825,876.78	0.00	101,566.65	0.00	0.00	927,443.43
(1)purchase	0.00	0.00	101,566.65	0.00	0.00	101,566.65
(2)Transferred from investment properties	825,876.78	0.00	0.00	0.00	0.00	825,876.78
3. Current period decreases	0.00	0.00	0.00	0.00	0.00	0.00
4. 30 June 2015	144,527,955.51	53,901,204.72	24,235,242.89	196,850.00	33,657,142.86	256,518,395.98
II. Accumulated amortization						
1.31 December 2014	36,737,160.08	49,952,578.71	16,678,752.94	196,850.00	4,376,904.76	107,942,246.49
2.Current period additions	1,723,345.09	160,190.28	1,377,048.75	0.00	841,428.58	4,102,012.70
(1)Provision	1,442,757.30	160,190.28	1,377,048.75	0.00	841,428.58	3,821,424.91
(2)Transferred from investment properties	280,587.79	0.00	0.00	0.00	0.00	280,587.79
3.Current period decreases	0.00	0.00	0.00	0.00	0.00	0.00
4.30 June 2015	38,460,505.17	50,112,768.99	18,055,801.69	196,850.00	5,218,333.34	112,044,259.19
III. Provision for impairment loss						
1.31 December 2014	0.00	3,000,000.00	264,952.19	0.00	0.00	3,264,952.19
2.Current period additions	0.00	0.00	0.00	0.00	0.00	0.00
3.Current period decreases	0.00	0.00	0.00	0.00	0.00	0.00
4.30 June 2015	0.00	3,000,000.00	264,952.19	0.00	0.00	3,264,952.19

IV. Net book value						
1.30 June 2015 Net book value	106,067,450.34	788,435.73	5,914,489.01	0.00	28,438,809.52	141,209,184.60
2.31 December 2014 Net book value	106,964,918.65	948,626.01	7,189,971.11	0.00	29,280,238.10	144,383,753.87

There is no intangible asset recognized through internal research and development for the six months ended 30 June 2015.

#### 14. Expenditures on research and development

Unit:RMB

Projects	31 December 2014	Current period additions		Current period decreases		30 June 2015
		Expenditures on internal development	Other	Confirmed as Intangible asset	Recognized in profit and loss	
Projects of cardiovascular and cerebrovascular diseases treatment subtotal	0.00	9,203,191.09	0.00	0.00	9,203,191.09	0.00
Projects of respiratory system diseases treatment subtotal	18,117.29	3,252,049.44	0.00	0.00	3,252,049.44	18,117.29
Projects of antibiotics preparation and powder injection projects subtotal	0.00	10,147,492.59	0.00	0.00	10,147,492.59	0.00
Projects of digestive system diseases treatment etc.	0.00	784,285.27	0.00	0.00	784,285.27	0.00
Projects of antibiotics crude drugs etc.	5,357,691.17	1,403,029.86	0.00	0.00	1,403,029.86	5,357,691.17
Projects of Chinese patent medicine	0.00	1,411,464.74	0.00	0.00	1,411,464.74	0.00
Other Projects	243,507.01	7,439,064.41	0.00	0.00	7,439,064.41	243,507.01
Total	5,619,315.47	33,640,577.40	0.00	0.00	33,640,577.40	5,619,315.47

Expenditures on research and development incurred in 2015 semi annual amount to RMB33,640,577.40 (2014 semi annual: RMB32,143,996.40),the total amount is recognised in profit or loss for the current period, RMB 33,640,577.40 (2014 semi annual: RMB32,143,996.40) was recognized in profit and loss and as development cost.

## 15. Goodwill

### (1) Goodwill cost

Unit:RMB

	31 December 2014	Current period additions	Current period decreases	30 June 2015
		Business combination	Disposal	
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	33,869,393.32	0.00	0.00	33,869,393.32
Sinopharm Jiangmen	27,392,317.73	0.00	0.00	27,392,317.73
Sinopharm Yanfeng	16,868,644.87	0.00	0.00	16,868,644.87
Sinopharm Zhaoqing	2,594,341.53	0.00	0.00	2,594,341.53
Sinopharm Shaoguan	1,686,496.80	0.00	0.00	1,686,496.80
Sinopharm Meizhou	1,610,819.66	0.00	0.00	1,610,819.66
Sinopharm Huizhou	923,184.67	0.00	0.00	923,184.67
Sinopharm Zhanjiang	282,135.55	0.00	0.00	282,135.55
Sinopharm Dongguan	1,499.02	0.00	0.00	1,499.02
Total	85,228,833.15	0.00	0.00	85,228,833.15

### (2) Provision of impairment loss

Unit:RMB

	31 December 2014	Current period additions	Current period decreases	30 June 2015
		Provision	Disposal	
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	5,850,000.00	0.00	0.00	5,850,000.00

The method of goodwill impairment testing process, parameter and recognition of impairment loss: The recoverable amount of asset groups and groups of asset groups is calculated by using the estimated cash flows according to the five-year budget approved by management. Management determines budgeted gross margin based on historical experience and forecast on market development. The discount rates determined by management are the pre-tax interest rates which reflect the risks specific to the related asset groups and groups of asset groups. The above assumptions are used to assess the recoverable amount of each asset group and group of asset groups within the corresponding operating segment.



## 16. Long term prepaid expense

Unit:RMB

Projects	31 December 2014	Current period additions	Current period amortization	Other current period decreases	30 June 2015
Leasehold improvements	37,049,985.15	631,192.60	3,924,374.78	0.00	33,756,802.97
Other	2,104,246.88	671,015.69	338,265.39	0.00	2,436,997.18
Total	39,154,232.03	1,302,208.29	4,262,640.17	0.00	36,193,800.15

## 17. Deferred income tax assets and deferred income tax liabilities

### (1)Deferred income tax assets

Unit:RMB

Projects	30 June 2015		31 December 2014	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	83,987,447.48	19,550,683.04	85,594,942.59	20,930,880.12
Deductible losses	112,951,621.20	26,733,778.60	96,865,385.40	23,331,434.22
Accrued expenses	76,744,301.48	12,937,865.54	56,704,614.52	9,771,547.36
Accrued payroll	39,765,973.43	8,525,803.34	59,051,247.05	13,595,697.03
Deferred revenue	73,336,376.37	10,873,434.87	82,178,700.44	13,634,799.37
Other	12,992,430.69	3,524,587.49	15,528,485.56	3,882,121.40
Total	399,778,150.65	82,146,152.88	395,923,375.56	85,146,479.50

### (2)Deferred income tax liabilities

Unit:RMB

Projects	30 June 2015		31 December 2014	
	Deductible temporary differences	Deferred income tax liabilities	Deductible temporary differences	Deferred income tax liabilities
Business combination involving entities not under common control	37,533,864.40	9,383,466.10	38,630,083.24	9,657,520.81
Changes in fair value	41,700,386.71	10,265,203.43	43,284,539.27	10,821,134.82
Other	15,223,821.56	3,805,955.39	15,273,683.76	3,818,420.94

Total	94,458,072.67	23,454,624.92	97,188,306.27	24,297,076.57
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**(3)The net value of deferred income tax assets/liabilities after the offset**

Unit:RMB

Projects	Offseting value of deferred income tax assets/liabilities 30 June 2015	The net value of deferred income tax assets/liabilities after the offset 30 June 2015	Offseting value of deferred income tax assets/liabilities 31 December 2014	The net value of deferred income tax assets/liabilities after the offset 31 December 2014
Deferred income tax assets	0.00	82,146,152.88	0.00	85,146,479.50
deferred income tax liabilities	0.00	23,454,624.92	0.00	24,297,076.57

**(4)Unrecognised deferred tax assets**

Unit:RMB

Projects	30 June 2015	31 December 2014
deductible losses	1,627,172.87	1,627,172.87
Total	1,627,172.87	1,627,172.87

**(5)Unrecognised deferred tax assets in respect of deductible losses due next year**

Unit:RMB

Year	30 June 2015	31 December 2014	Notes
2015	1,627,172.87	1,627,172.87	For those loss-making subsidiaries, as the large uncertainty of being able to gain enough taxable income to utilise the deductible losses in the future, the Group does not recognise deferred tax assets arising from accumulated losses amounting to RMB 1,627,172.87tax deductible under the tax law.
Total	1,627,172.87	1,627,172.87	--

## 18. Other non-current assets

Unit:RMB

Projects	30 June 2015	31 December 2014
Medical reserve fund	40,991,298.70	42,039,659.05
Prepayment for project and equipment	49,038,690.86	63,620,879.10
Non-monetary compensation of resettlement	70,250,000.00	70,250,000.00
Total	160,279,989.56	175,910,538.15

## 19. Short term borrowings

Unit:RMB

Projects	30 June 2015	31 December 2014
Guaranteed borrowings	483,029,496.81	459,757,465.32
Unsecured borrowings	1,363,329,300.55	966,752,021.57
Discounted notes	134,570,639.59	91,445,041.99
Total	1,980,929,436.95	1,517,954,528.88

On 30 June 2015, unsecured borrowings of RMB 1,318,329,300.55(31 December 2014: RMB966,752,021.57) are guaranteed by the Company and its subsidiaries, and unsecured borrowing of RMB5,000,000.00(31 December 2014: Nil) without a secured party. Meanwhile, unsecured borrowing of RMB40,000,000.00 is borrowed from the Sinopharm Group Financial Co., Ltd. ("Group Financial Co.").

On 30 June 2015, bank borrowings of RMB483,029,496.81 (31 December 2014: RMB459,757,465.32) are guaranteed by Sinopharm Group.

On 30 June 2015, the weighted average interest rate of short-term borrowings is 5.16% per annum (31 December 2014: 5.50%).

In 30 June 2015, there has been no unpaid due short-term borrowings (December 31, 2014: Nil).

## 20. Notes payable

Unit:RMB

category	30 June 2015	31 December 2014
Trade acceptance notes	84,312,289.57	380,502,886.42

Bank acceptance notes	1,289,171,278.45	1,087,663,754.22
Total	1,373,483,568.02	1,468,166,640.64

## 21. Accounts payable

### (1)Accounts payable

Unit:RMB

Projects	30 June 2015	31 December 2014
Trade payable	4,341,666,286.09	3,988,878,234.03
Total	4,341,666,286.09	3,988,878,234.03

### (2)Account payable aged over 1 year

Unit:RMB

Projects	30 June 2015	Reasons that accounts payable have not been settled
Trade payable	117,267,739.44	Transactions were not closed yet.
Total	117,267,739.44	--

## 22.Advances from customers

### (1)Advances from customers

Unit:RMB

Projects	30 June 2015	31 December 2014
Sales received in advance	44,995,822.24	40,339,905.63
Total	44,995,822.24	40,339,905.63

### (2)Advances from customers aged over 1 year

Unit:RMB

Projects	30 June 2015	Reasons that accounts payable have not been settled
Sales received in advance	838,999.27	Other
Total	838,999.27	--

## 23. Employee benefits payable

### (1)Employee benefits payable

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015
1.Short term employee benefits payable	168,068,439.41	257,019,483.59	319,167,959.18	105,919,963.82
2. Defined contribution plans payable	2,166,584.27	23,713,303.03	23,383,974.13	2,495,913.17
3. Termination benefits payable	1,723,119.20	823,094.45	1,629,857.40	916,356.25
Total	171,958,142.88	281,555,881.07	344,181,790.71	109,332,233.24

### (2)Short term employee benefits payable

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015
1.Wages and salaries, bonuses, allowances and subsidies	150,384,510.97	217,647,902.41	280,622,410.82	87,410,002.56
2.Staff welfare	973,559.02	10,051,487.39	10,879,915.40	145,131.01
3.Social security contributions	355,247.78	10,538,816.65	10,560,455.72	333,608.71
Including:				
Medical insurance	300,176.39	8,698,124.94	8,743,930.26	254,371.07
Work injury insurance	28,672.53	772,825.21	746,019.73	55,478.01
Maternity insurance	26,398.86	1,067,866.50	1,070,505.73	23,759.63
4.Housing funds	542,776.75	10,851,697.93	10,673,190.21	721,284.47
5.Labor union funds and employee education funds	14,939,701.87	7,399,732.45	5,704,360.88	16,635,073.44
6.Others	872,643.02	529,846.76	727,626.15	674,863.63
Total	168,068,439.41	257,019,483.59	319,167,959.18	105,919,963.82

### (3)Defined contribution plans payable

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015
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1.Basic pensions	421,293.14	20,302,829.74	20,105,119.79	619,003.09
2.Unemployment insurance	44,419.92	1,224,114.20	1,268,534.12	0.00
3.Supplementary pensions	1,700,871.21	2,186,359.09	2,010,320.22	1,876,910.08
Total	2,166,584.27	23,713,303.03	23,383,974.13	2,495,913.17

#### (4)Termination benefits payable

	30 June 2015	31 December 2014
Retirement benefits payable – within 1 year	437,621.37	1,115,000.00
Other dismissal benefits(Note i)	478,734.88	608,119.20
Total	916,356.25	1,723,119.20

(i) For year 2015 semi annual, the amount that the group provided other termination benefits for severing labor relations was RMB629,131.63, no amount that the group wrote off other termination benefits for needless payments of severing labor relation. (For year 2014, the amount that the group provided other termination benefits for severing labor relations was RMB223,425.95 , the amount that the group wrote off other termination benefits for needless payments of severing labor relation was RMB2,335,000.00).

#### 24.Tax payable

Unit:RMB

Projects	30 June 2015	31 December 2014
Value-added-tax payable	33,847,774.12	10,022,374.90
Business tax payable	938,366.47	943,302.08
Enterprise income tax payable	47,052,910.34	52,868,801.89
Individual income tax payable	3,417,037.68	1,514,928.86
City maintenance and construction tax payable	2,432,194.11	787,872.30
Anti-flood fund payable	5,885,914.98	7,950,610.72
Stamp duty tax payable	2,067,427.82	1,198,400.07
Real estate tax payable	947,637.41	923,420.99
Educational surcharge payable	1,747,168.03	571,654.75
Land use tax payable	471,111.34	426,390.62
Other tax payables	280,789.46	237,912.28
Total	99,088,331.76	77,445,669.46

## 25. Interest payable

Unit:RMB

Projects	30 June 2015	31 December 2014
Long term borrowing interests payable	154,157.50	56,519.97
Short term borrowing interests payable	9,563,841.21	6,610,192.22
Total	9,717,998.71	6,666,712.19

## 26. Other payable

### (1)Other payable by nature are analysed below:

Unit:RMB

Projects	30 June 2015	31 December 2014
Accrued selling and distribution expenses	209,996,940.53	187,784,029.00
Payables for construction in progress and equipment	51,858,585.90	70,267,980.15
Amount collected on behalf of third party	20,132,302.46	44,057,463.73
Deposit	13,968,153.31	19,495,588.90
Equity transaction payable	9,330,197.17	9,330,197.17
Other	66,939,794.13	81,411,942.56
Total	372,225,973.50	412,347,201.51

### (2)Significant other payable aged over 1 year

Unit:RMB

Projects	30 June 2015	Reasons that accounts payable have not been settled
Return of deposits that the project quality margin and other deposits	89,229,338.17	Transactions were not closed yet.
Total	89,229,338.17	--

## 27. Current portion of long-term borrowings

Unit:RMB

Projects	30 June 2015	31 December 2014
Promotion rewards program	7,649,200.00	4,000,000.00

- due within one year		
Total	7,649,200.00	4,000,000.00

## 28. Long term borrowings

Unit:RMB

Projects	30 June 2015	31 December 2014
Unsecured borrowings	23,028,776.85	8,095,448.00
Entrusted borrowings	31,600,000.00	31,600,000.00
Total	54,628,776.85	39,695,448.00

As at 30 June 2015, the entrusted borrowing of RMB31,600,000.00 was lent by Sinopharm Group through Group Financial Co.(31 December 2014: RMB31,600,000.00). As at 30 June 2015, the weighted average interest rate of long-term borrowings is 5.42% per annum. (31 December 2014: 5.62%).

## 29. Long term employee benefits

Unit:RMB

Projects	30 June 2015	31 December 2014
Early retirement benefits payable	2,582,100.00	2,896,000.00
Total	2,582,100.00	2,896,000.00

## 30. Payables for specific projects

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015	Reasons of formation
Sepecial funds granted by government	852,000.00	0.00	0.00	852,000.00	Government grants
Government grants for ERP system construction	435,000.00	0.00	0.00	435,000.00	Government grants
Total	1,287,000.00	0.00	0.00	1,287,000.00	--

## 31. Deferred income

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015	Reasons of formation
Government grants	153,119,166.83	2,110,000.00	5,841,041.01	149,388,125.82	Government



					grants
Promotion Rewards Program	23,247,034.32	4,721,146.71	9,937,821.00	18,030,360.03	Fair value of rewards
Total	176,366,201.15	6,831,146.71	15,778,862.01	167,418,485.85	--

Projects involve Government grant:

Unit:RMB

Government grants program	31 December 2014	Current year additions	Amount recognized as non-operating income	Other change	30 June 2015	Related to income/assets
Resettlement Compansation(i)	86,349,075.41	0.00	1,349,204.28	0.00	84,999,871.13	Related to assets
Cephalosporin Solid Preparations Development Project	13,845,923.14	0.00	986,653.71	0.00	12,859,269.43	Related to assets
Guangxi Logistics Project	8,084,052.18	0.00	218,203.20	0.00	7,865,848.98	Related to assets
Stomach medicine domestic clinical research and development project	5,000,000.00	0.00	0.00	0.00	5,000,000.00	Related to assets
Pingshan pharmaceutical R & D base engineering	5,000,000.00	0.00	0.00	0.00	5,000,000.00	Related to assets
Cephalosporin Powder Injection Passing EU-GMP Authentication	4,505,783.82	0.00	328,008.24	0.00	4,177,775.58	Related to assets
New Cephalosporin R&D Project	3,962,385.17	0.00	458,022.30	0.00	3,504,362.87	Related to assets
Medical R&D Center II	3,877,620.85	0.00	410,659.98	0.00	3,466,960.87	Related to assets
Cardiovascular system targeted drug development programs	3,000,000.00	0.00	0.00	0.00	3,000,000.00	Related to assets
A comprehensive experimental modern service industry subsidies	2,700,000.00	0.00	150,000.00	0.00	2,550,000.00	Related to assets

Enteric coated pellets industry research and development project	2,508,837.40	0.00	3,500.00	0.00	2,505,337.40	Related to assets
Cefpirome Sulfate R&D Project	2,386,456.55	0.00	129,898.44	0.00	2,256,558.11	Related to assets
Shaaban raw materials and tablets R&D Projects	0.00	1,500,000.00	0.00	0.00	1,500,000.00	Related to assets
New Cephalosporin R&D Project	1,219,393.90	0.00	305,246.76	0.00	914,147.14	Related to assets
Shared Logistics Center	1,225,468.70	0.00	469,146.60	0.00	756,322.10	Related to assets
Other projects	9,454,169.71	610,000.00	1,032,497.50	0.00	9,031,672.21	Related to assets
Total	153,119,166.83	2,110,000.00	5,841,041.01	0.00	149,388,125.82	--

(i) Because the Nanning Government planned to reconstruction of the old urban area, a subsidiary of the company, Guangxi Logistics, which located in Nanning Longteng Road need to relocate. According to compensation agreement signed in May, 2012, the company obtained RMB120,250,000.00 compensation for the demolition carried out by the government, including cash compensation amounted RMB50,000,000.00 and another physical compensation amounted RMB70,250,000.00 would be received in year 2015 when completion( Note VII(18)). Amounting to RMB93,320,000.00 relating to capital expenditure for reconstruction was recognised as deferred income, which would be amortised to profit or loss over the useful life of the related asset; others was recognised in profit or loss in 2012.

### 32. Other non-current liabilities

Unit:RMB

Projects	30 June 2015	31 December 2014
Medical reserve funds	45,427,343.31	45,427,343.31
Total	45,427,343.31	45,427,343.31

### 33. Share Capital

Unit: RMB

	31 December 2014	Movements (+,—)					30 June 2015
		Issue new shares	Stock dividend	reserved funds transfer to shares	Other	Subtotal	
Listed shares	362,631,943.00	0.00	0.00	0.00	0.00	0.00	362,631,943.00

### 34. Capital reserve

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015
Capital surplus	1,855,144,194.77	0.00	0.00	1,855,144,194.77
Other Capital reserve	8,750,338.57	0.00	0.00	8,750,338.57
Total	1,863,894,533.34	0.00	0.00	1,863,894,533.34

### 35. Surplus reserve

Unit:RMB

Projects	31 December 2014	Current period additions	Current period decreases	30 June 2015
Statutory surplus reserve	181,315,971.50	0.00	0.00	181,315,971.50
Total	181,315,971.50	0.00	0.00	181,315,971.50

### 36. Undistributed profits

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Undistributed profits at the beginning of year	2,356,765,374.25	1,806,002,285.06
Adjustment of retained earnings(add +,minus -)	0.00	0.00
Adjusted undistributed profits at the beginning of year	2,356,765,374.25	1,806,002,285.06
Add:net profit attributable to the shareholders of the company	387,319,252.33	349,213,988.51
Less: Dividend	72,526,388.60	65,273,749.74
Ending balance of undistributed profits	2,671,558,237.98	2,089,942,523.83

### 37. Sales and cost of sales

Unit:RMB

Projects	For the six months ended 30 June 2015		For the six months ended 30 June 2014	
	Income	Expenses	Income	Expenses
Revenue of main operations	12,772,868,609.63	11,798,432,332.88	11,574,073,952.48	10,617,207,480.60

Other operating income	40,934,557.14	3,228,707.54	38,568,481.80	9,560,176.64
Total	12,813,803,166.77	11,801,661,040.42	11,612,642,434.28	10,626,767,657.24

### 38. Tax and surcharges

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Business tax	2,983,841.85	3,581,457.89
City maintenance and construction tax	12,685,982.46	13,024,580.97
Educational surcharge	9,308,250.19	9,436,144.77
Other	1,465,615.25	1,430,529.90
Total	26,443,689.75	27,472,713.53

### 39. Selling and distribution expenses

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Employees payroll and welfare benefits	112,490,739.45	107,196,450.96
Transportation charges	27,939,051.39	29,308,866.99
Promotion and marketing expenses	46,124,636.39	52,602,362.06
Conference expenses	4,354,342.75	4,356,232.26
Travel allowances	7,496,122.39	10,809,167.49
Entertainment expenses	10,897,298.61	10,185,826.51
Advertising expenses	4,705,456.10	8,223,830.25
Storage expenses	4,518,164.34	7,333,195.42
Office allowances	1,582,850.88	2,282,804.11
Rental expenses	13,666,951.13	13,392,366.19
Depreciation expenses	2,937,090.09	2,684,307.23
Other	25,361,402.49	22,773,801.07
Total	262,074,106.01	271,149,210.54

### 40. General and administrative expense

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Employees payroll and welfare benefits	104,170,785.32	105,475,000.33

Research and development expenses	33,640,577.40	32,143,996.40
Depreciation expenses	16,379,344.44	19,869,820.88
Taxations	11,862,094.67	13,423,589.20
Entertainment expenses	4,101,888.76	4,307,392.51
Amortisation of intangible assets	2,819,911.80	3,836,803.22
Office allowances	3,053,398.52	2,991,765.13
Rental expenses	2,508,540.85	3,342,744.39
Vehicle management expenses	3,060,128.18	3,182,775.19
Conference expenses	117,497.36	210,047.70
Maintenance and other charges	1,561,358.97	923,970.27
Travel allowances	1,572,653.34	1,849,511.74
Utilities	2,496,765.25	3,972,594.42
Other	16,244,428.49	20,283,772.29
<b>Total</b>	<b>203,589,373.35</b>	<b>215,813,783.67</b>

#### 41. Financial expense

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Interest expenses	66,320,510.56	86,209,674.28
Less: interest income	-2,669,578.08	-4,223,008.09
discount in cash	-8,821,521.20	-17,547,093.60
Gain and loss from exchanges	-536,717.77	107,893.77
Other	4,346,978.89	6,384,258.74
<b>Total</b>	<b>58,639,672.40</b>	<b>70,931,725.10</b>

#### 42. Asset impairment loss

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Bad debt	-649,892.85	-1,655,386.78
Declines in values of inventories	7,869,732.74	8,968,294.15
<b>Total</b>	<b>7,219,839.89</b>	<b>7,312,907.37</b>

#### 43. Gain from investment

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Share of profit of investees under equity method	28,274,061.44	23,595,722.50
Total	28,274,061.44	23,595,722.50

The investment income from long-term investment under equity method represented the profit from Wanle Medical, Sinopharm Zhuhai. The increase was due to improved business performance of the associates. There is no significant restriction on the remittance of investment income to the Group.

#### 44. Non-operating income

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Amount in Non-routine items
Gain on disposal of non-current assets	10,297.36	500,989.54	10,297.36
Including: Gain on disposal of fixed assets	10,297.36	500,989.54	10,297.36
Government grants	10,567,256.16	14,575,338.73	10,567,256.16
Write off payments	146,039.32	811,269.33	146,039.32
Reversal of payments	0.00	11,862,275.78	0.00
Other	2,258,696.62	586,191.95	2,258,696.62
Total	12,982,289.46	28,336,065.33	12,982,289.46

Classified as this period profit Government grants:

Unit:RMB

Government grants Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Government grants related to income
Government-funded interest discount	1,635,195.84	1,049,200.00	Related to income
Industry grant	0.00	3,277,100.00	Related to income
Tax return	0.00	6,060,187.00	Related to income
Other	3,091,019.31	754,793.53	Related to income
Resettlement compensation-amortization of assets	1,349,204.28	1,349,204.28	Related to assets
Others	4,491,836.73	2,084,853.92	Related to assets
Total	10,567,256.16	14,575,338.73	--

## 45. Non-operating expenses

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014	Amount in Non-routine items
Loss on disposal of non-current assets	225,404.59	64,238.16	225,404.59
Including: Losses on disposal of fixed assets	225,404.59	64,238.16	225,404.59
Donations	0.00	410,000.00	0.00
Other	215,275.79	733,259.19	215,275.79
Total	440,680.38	1,207,497.35	440,680.38

## 46. Income taxes expenses

### (1)Income taxes expenses

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Current income tax	93,190,979.53	91,607,455.92
Deferred income tax	2,157,874.97	-5,276,159.17
Total	95,348,854.50	86,331,296.75

**(2)The reconciliation from income tax calculated based on applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses is listed below:**

Unit:RMB

Projects	For the six months ended 30 June 2015
Total profit	494,991,115.47
Income tax expenses calculated at applicable tax rates	123,747,778.87
Differences in preferential tax rates of certain companies	-25,937,299.98
Income not subject to tax	-6,965,840.39
Deferred tax changes with tax rate adjustments	1,009,834.20
Expenses not deductible for tax purposes	3,494,381.80
Income tax	95,348,854.50

## 47. Cash flow statements

### (1)Cash received relating to other operating activities

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Withdraw deposits for bank acceptance notes and deposits for letter of credit	9,034,563.52	7,107,945.50
Interest income	2,669,578.08	4,223,008.09
Government grants except tax return	4,926,078.35	2,700,000.00
Rental income	10,585,370.80	8,320,925.55
Other	12,846,219.50	31,096,558.42
<b>Total</b>	<b>40,061,810.25</b>	<b>53,448,437.56</b>

## (2)Cash paid relating to other operating activities

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Market development expenses	46,124,636.39	52,602,362.06
Research and development expenses	10,782,478.49	11,553,667.63
Rental expenses	16,175,491.98	16,066,215.94
Entertainment expenses	14,999,187.37	14,493,219.02
Travel expenses	9,068,775.73	12,658,679.23
Advertising expenses	4,705,456.10	8,223,830.25
Office expenses	4,636,249.40	6,610,987.93
Other	58,315,031.63	61,990,312.41
<b>Total</b>	<b>164,807,307.09</b>	<b>184,199,274.47</b>

## (3)Cash received relating to other investing activities

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Cash received from acquiring subsidiaries	0.00	3,598,827.09
<b>Total</b>	<b>0.00</b>	<b>3,598,827.09</b>

## (4)Cash received relating to other financing activities

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Entrusted borrowings borrowed from CNPGC	0.00	31,600,000.00



Other	0.00	20,776,797.32
Total	0.00	52,376,797.32

#### (5)Cash payments relating to other financing activities

Unit:RMB

Projects	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Other	24,066,161.02	3,235,784.18
Total	24,066,161.02	3,235,784.18

### 48. Supplementary information of cash flow statements

#### (1)Supplementary information of cash flow statements

Unit:RMB

Supplementary information	For the six months ended 30 June 2015	For the six months ended 30 June 2014
1.Reconciliation of net profit to cash flows from operating activities:	--	--
Net profit	399,642,260.97	357,587,430.56
Add: Provision for assets impairment	7,219,839.89	7,312,907.37
Depreciation of fixed assets and investment properties	47,945,421.59	48,039,480.50
Amortisation of intangible assets	3,821,424.91	3,836,803.21
Amortisation of long-term prepaid expenses	4,262,640.17	4,039,734.82
Losses on disposal of fixed assets, intangible assets, and other non-current assets	-4,114,941.12	-436,751.38
Financial expenses	66,674,714.71	89,553,352.23
Investment losses	-28,274,061.44	-23,595,722.50
Decrease of deferred tax assets	3,000,326.62	-9,520,865.56
Increase of deferred tax liabilities	-842,451.65	331,955.70
Decrease of inventory	88,388,515.28	-368,787,212.56
Decrease in operating receivables	-753,547,929.22	-691,530,669.43
Increase in operating payables	605,029,254.51	91,345,803.58
Other	9,034,563.51	7,107,945.50
Net cash flow from operating activities	448,239,578.73	-484,715,807.96

2.Significant non-cash investing activities:	--	--
3.Movement of cash	--	--
Cash on 30 June 2015	1,157,555,627.85	1,409,385,573.73
Less:Cash on 31 December 2014	854,212,006.84	1,097,948,354.45
Net increase in cash	303,343,621.01	311,437,219.28

## (2)Composition of cash and cash equivalents

Unit:RMB

Programs	30 June 2015	31 December 2014
1.Cash	1,157,555,627.85	854,212,006.84
Including: Cash on hand	77,018.59	41,627.16
Call deposits with banks	1,157,478,609.26	854,170,379.68
2.Cash equivalents		
Including:Bonds investment matured within three months		
3.Cash and cash equivalents	1,157,555,627.85	854,212,006.84
Including: restricted cash and cash equivalents of the parent company and its subsidiaries	0.00	0.00

## 49. Assets with restricted ownership or use right

Unit:RMB

Projects	Net book value on 30 June 2015	Reson of restriction
Cash at bank and on hand	4,315,545.18	Bank acceptance notes and depostis for letter of credit
Notes receivable	4,929,266.00	The pledged notes receivables are used as guarantee for for issurance of bank acceptance notes.
Total	9,244,811.18	--

## 50. Foreign currencies projects

Unit:RMB

Projects	Financial assets denominated in foreign currency	Exchange rate	Financial assets denominated in RMB
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Cash at bank and on hand	--	--	
Including:US Dollars	0.58	6.1136	3.55
Accounts receivables	--	--	
Including:US Dollars	1,803,480.17	6.1136	11,026,180.45
HK Dollars	289,854.06	0.7900	228,984.71
Accounts payable	--	--	
Including:US Dollars	786,632.20	6.1136	4,806,322.74

## VIII. Alteration of consolidated financial statement scope

Guangzhou Medical was established By Sinopharm Guangzhou, which is a subsidiary of the Company, and Guangzhou Huaqiao medical investment co., Ltd by cash RMB1,530,000.00 and RMB 1,470,000.00, respectively. Sinopharm Guangzhou accounted for 51% of its shares.

## IX. Shares and rights in other companies

### 1. Subsidiaries

Company name	Place of operation	Place of registration	Nature of business	Equity interest held (%)		Mode of acquisition
				Direct	Indirect	
Sinopharm Holding Guilin Co., Ltd.	Guilin	Guilin	Commercial		100.00%	Set up
Sinopharm Holding Baise Co., Ltd.	Baise	Baise	Commercial		100.00%	Set up
Sinopharm Holding Zhongshan Co., Ltd.	Zhongshan	Zhongshan	Commercial	100.00%		Set up
Sinopharm Holding Guigang Co., Ltd.	Guigang	Guigang	Commercial		100.00%	Set up
Sinopharm Beihai	Beihai	Beihai	Commercial		100.00%	Set up
Zhijun Pharm	Shenzhen	Shenzhen	Manufacturing	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Jianmin Co., Ltd.	Shenzhen	Shenzhen	Commercial	100.00%		Business combinations involving enterprises under common control

Sinopharm Holding Material Co., Ltd.	Shenzhen	Shenzhen	Commercial	100.00%		Business combinations involving enterprises under common control
Shenzhen Zhijun Pharmaceutical Trade Co., Ltd.	Shenzhen	Shenzhen	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Shenzhen Logistics Co., Ltd.	Shenzhen	Shenzhen	Service	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Guangzhou Co., Ltd.	Guangzhou	Guangzhou	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Guangdong Hengxing Pharmaceutical Co., Ltd.	Guangzhou	Guangzhou	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Yulin Co., Ltd.	Yulin	Yulin	Commercial		100.00%	Business combinations involving enterprises under common control
Sinopharm Medicine Holding Liuzhou Co., Ltd.	Liuzhou	Liuzhou	Commercial	51.00%		Business combinations involving enterprises under common control
Guangxi Chinese Herbal Pieces	Liuzhou	Liuzhou	Manufacturing		51.00%	Business combinations involving enterprises under common control
Guangdong Huixin Investment Co., Ltd.	Guangzhou	Guangzhou	Service	100.00%		Business combinations

						involving enterprises under common control
Sinopharm Holding Foshan Co., Ltd.	Foshan	Foshan	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Guangdong Yuexing Co., Ltd.	Guangzhou	Guangzhou	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Guangdong Logistics Co., Ltd.	Guangzhou	Guangzhou	Service	100.00%		Business combinations involving enterprises under common control
Sinopharm Guangxi	Nanning	Nanning	Commercial	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Guangxi Logistics Co., Ltd.	Nanning	Nanning	Service		100.00%	Business combinations involving enterprises under common control
Zhijun (Shenzhen) Pingshan	Shenzhen	Shenzhen	Manufacturing	100.00%		Business combinations involving enterprises under common control
Sinopharm Holding Wuzhou Co., Ltd.	Wuzhou	Wuzhou	Commercial		99.90%	Business combinations involving enterprises under common control
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	Suzhou	Suzhou	Manufacturing	100.00%		Business combinations involving enterprises under

						common control
Sinopharm holding Dongguan Co., Ltd.	Dongguan	Dongguan	Commercial	100.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Zhanjiang Co., Ltd.	Zhanjiang	Zhanjiang	Commercial	100.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Shenzhen Yanfeng Co.,Ltd	Shenzhen	Shenzhen	Commercial	51.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Meizhou Co., Ltd.	Meizhou	Meizhou	Commercial	100.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Huizhou Co., Ltd.	Huizhou	Huizhou	Commercial	100.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Zhaoqing Co., Ltd.	Zhaoqing	Zhaoqing	Commercial	100.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Jiangmen Renren Co., Ltd.	Jiangmen	Jiangmen	Commercial	100.00%		Business combinations involving enterprises not under common

						control
Sinopharm Holding Shaoguan Co., Ltd.	Shaoguan	Shaoguan	Commercial	70.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Shantou Co., Ltd.	Shantou	Shantou	Commercial	70.00%		Business combinations involving enterprises not under common control
Sinopharm Holding Guangzhou Medical Management Co., Ltd.	Guangzhou	Guangzhou	Commercial		51.00%	Set up

## 2. Associates

### (1) Financial information of the nonsignificant cooperative and joint venture

Unit:RMB

	30 June 2015	31 December 2014
Associates	--	--
Book value of investment	151,691,888.28	157,604,846.85
Total Amount according to the shareholding proportions	--	--
--Net profit	28,274,061.44	50,415,836.33
-- Other comprehensive income	0.00	0.00
-- Total comprehensive income	0.00	0.00

## X. Related party relationships and significant related party transactions

### 1. The parent company

The parent company	Place of registration	Principal business	Registered capital	The proportions of equity interests in the Company held by the parent company	The proportions of voting rights in the Company held by the parent company
Sinopharm Group	Shanghai	Industrial Investment Holding, Trustee of	2,767,095,089 yuan	51.00%	51.00%

		pharmaceutical enterprise, Assets Reorganization, Distribution and retail of medicines and pharmaceutical products, etc			
--	--	---	--	--	--

The Company's ultimate controlling equity holder is CNPGC.

## 2. Subsidiaries of the Company

The general background and other related information of the subsidiaries is set out in Note IX (1).

## 3. Associates

Associates consolidated in the financial statements are listed in Note VII (9).

The associates which have balance formed from related party transactions with us shows as below:

Company name	Relationship with the Company
Wanle Medical	Associate

## 4. Other related parties

Other related parties	Relationship with the Company
Sinopharm Holding Sub Marketing Center Co., Ltd.	Controlled by Sinopharm Group
China National Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Co., Ltd.	Controlled by Sinopharm Group
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	Controlled by Sinopharm Group
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangsu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Chemical Reagent Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Huahong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fujian Co., Ltd.	Controlled by Sinopharm Group



Sinopharm Yixin Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Suzhou Co., Ltd.	Controlled by Sinopharm Group
Foshan Nanhai Medicine Co., Ltd.	Controlled by Sinopharm Group
Foshan Nanhai Medicine Group Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guorui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dezhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Hongyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yunnan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Putian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Yangzhou) Chinese Western Medicine Branch Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Le -Ren-Tang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Southwest Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningxia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nantong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Gansu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shenyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wenzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Henan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Heilongjiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shan`xi Co., Ltd.	Controlled by Sinopharm Group

Sinopharm Holding Xuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yancheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Taizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Inner Mongolia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qinghai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Longyan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinan Co., Ltd.	Controlled by Sinopharm Group
Shanghai Nuoyun Marketing Consulting Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qingdao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yantai Co., Ltd.	Controlled by Sinopharm Group
Shanghai Donghong Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Quanzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Sanming Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding ChiFeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang New Kashi Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding HongKong Co., Ltd.	Controlled by Sinopharm Group
Shanxi Guoyi Drug Store Co., Ltd.	Controlled by Sinopharm Group

Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhoukou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shangqiu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jingmen Co., Ltd.	Controlled by Sinopharm Group
Shanghai Nutraceuticals (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanping Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tongliao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinxiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Puyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Macheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Guoda Shenyang Tianyitang Pharmacy Chain Store Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Biological Product Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qianxinan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Kaifeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinyu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Controlled by Sinopharm Group
Shanghai Tongyu Information Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Guoda Minshengtang Drug Store Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Liaocheng Co., Ltd.	Controlled by Sinopharm Group

Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Shanghai Merro Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jining Co., Ltd.	Controlled by Sinopharm Group
Group Financial Co.	Controlled by CNPGC
Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Controlled by CNPGC
Chengdu Rongsheng Pharmacy Co., Ltd.	Controlled by CNPGC
Winteam Pharmaceutical Group Ltd.	Controlled by CNPGC
Lanzhou Institute of Biological Products Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Industry Medicine distribution Co. Ltd.	Controlled by CNPGC
Huayi Pharmaceutical Co., Ltd	Controlled by CNPGC
Wuhan Institute of Biological Products Co., Ltd.	Controlled by CNPGC
Sinopharm Group Weiqida Medicine Co., Ltd.	Controlled by CNPGC
Guizhou Tongjitang Pharmaceutical Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Foreign Trade Co., Ltd.	Controlled by CNPGC
Shanghai Shyndec Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Controlled by CNPGC
Anhui Jingfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Shandong Lu Ya Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Controlled by CNPGC
Guizhou Longlife Pharmacertical Co., Ltd.	Controlled by CNPGC
Guangdong Medi-World Pharmacertical Co., Ltd.	Controlled by CNPGC
China Sinopharm International Corporation	Controlled by CNPGC
Reed Sinopharm Exhibitions Co., Ltd.	Controlled by CNPGC
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Controlled by CNPGC
Heilongjiang Sinopharm Medical Herbs Co., Ltd.	Controlled by CNPGC
Beijing Fusheng Tiandi Property Management Ltd.	Controlled by CNPGC
Sinopharm (Shanghai) E-Health Co.,Ltd.	Controlled by CNPGC
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Controlled by CNPGC
Shanghai Institute of Pharmaceutical Industry	Controlled by CNPGC
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Controlled by CNPGC
China State Institute of Pharmaceutical Industry	Controlled by CNPGC
Foshan Dezhong Pharmaceutical Co., Ltd.	Controlled by CNPGC

Sinopharm Group Beijing Medical equipment Co., Ltd.	Controlled by CNPGC
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Controlled by CNPGC
The Fourth Pharmaceutical Co., Ltd. of Zhonglian Group	Controlled by CNPGC
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Controlled by CNPGC
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma")	Shareholders have significant influence on Sinopharm Group
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Haisiman Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Guilin South pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Dongting Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Chaohui Pharmecurical Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Chancheng District Central Hospital	Subsidiary of Fosun Pharm
Jiangsu Huanghe Pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm
Shenyang Hongqi Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Wang Yang	Family member of minority interest of subsidiary
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Controlled by minority interest of subsidiary
Yichang Humanwell Pharmaceutical Co., Ltd.	Associate of Sinopharm Group
Shanghai Wanli Medical Beauty Clinic Limited	Associate of Sinopharm Group
Sino-Swed Pharmaceutical Corp.Ltd.	Associate of CNPGC
China Otsuka Pharmaceutical Co., Ltd.	Associate of CNPGC
Shanghai Sailun Biological Technology Co., Ltd.	Associate of CNPGC
Shenzhen Wanwei Medicine trading Co., Ltd.	Subsidiary of Wanle Medical
Jiang Meng Renren Medical instrument Co., Ltd.	Controlled by subsidiary's key management
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Controlled by CNPGC
Changchun Changsheng Gene Pharmaceutical Co., Ltd.	Associate of CNPGC
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Controlled by CNPGC
Foshan Chancheng District Pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm
Foshan Chanyixing Medicine Development Co Ltd	Subsidiary of Fosun Pharm
Sinopharm (Shanghai) E-Health Co.,Ltd.	Controlled by CNPGC
China National Pharmaceutical Industry Co., Ltd.	Controlled by CNPGC
Sinopharm Group Guangdong Medical Inspection Co., Ltd	Controlled by CNPGC

Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	Controlled by Sinopharm Group
Sinopharm Group Zhonglian Pharmaceutical Co. Ltd.	Controlled by CNPGC
Shanghai Nutraceuticals (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chenzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fuyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group	The Parent Company
Sinopharm Holding Shanghai management consulting branch	Controlled by Sinopharm Group
Sinopharm Holding Guoda Fumei Pharmaceutical (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Guoda Shenyang Tianyitang Pharmacy Chain Store Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hebei Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huainan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Lunan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Luoyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanping New Power Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Linfen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hongkong International Co. Ltd	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Handan Pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm
Hetian Region Ankang Chain Drugstore Co., Ltd.	Controlled by Sinopharm Group
NanJing Iron & Steel Co., Ltd.	Subsidiary of Fosun Pharm
Nanjing Iron & Steel Group International Trade Co., Ltd	Subsidiary of Fosun Pharm
Ningxia Guoda Drug StoreChain Co., Ltd.	Controlled by Sinopharm Group

Qinghai Medical Pharmaceutical Material Co., Ltd.	Controlled by CNPGC
Qinghai Pharmaceutical (Group) Co., Ltd.	Controlled by CNPGC
Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.	Controlled by CNPGC
Shanghai Institute of biomedical Pharmaceutical Co. Ltd	Controlled by CNPGC
Shenzhen Wanle Medical Co., Ltd.	Associate
Sichuan Hexin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Sichuan Jiang You Zhong Ba Science and Technology Development Co., Ltd.	Controlled by CNPGC
Sichuan Kang Daxin Pharmaceutical Co., Ltd.	Associate of CNPGC
Suzhou Erye Pharmaceutical Limited Company	Subsidiary of Fosun Pharm
China scientific equipment company	Controlled by CNPGC
CNPGC	Controlled by CNPGC
China Traditional Chinese Medicine Co.	Controlled by CNPGC

## 5. Related party transactions

### (1)Purchase/Sales of goods, Purchase/Rendering of servic

Purchase of goods / Purchase of service

Unit:RMB

Related party	Related party transactions	For the six months ended 30 June 2015	Approved trading limit	Whether exceed trading limit	For the six months ended 30 June 2014
Sinopharm Holding Sub Marketing Center Co., Ltd.	Purchase of goods	473,896,462.97	2,700,000,000.00	No	448,119,799.98
Sinopharm Group	Purchase of goods	220,482,005.40		No	220,264,634.58
China National Medicines Co., Ltd.	Purchase of goods	182,000,081.49		No	156,923,025.22
Sino-Swed Pharmaceutical Corp.Ltd.	Purchase of goods	44,774,861.25		No	40,529,477.76
Shenzhen Wanwei Medicine trading Co., Ltd.	Purchase of goods	37,187,026.99		No	26,430,381.62

Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Purchase of goods	24,983,541.39
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Purchase of goods	21,718,308.34
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Purchase of goods	14,813,289.21
Sinopharm Holding Guizhou Co., Ltd.	Purchase of goods	11,777,123.06
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Purchase of goods	11,561,348.52
Lanzhou Institute of Biological Products Co., Ltd.	Purchase of goods	10,770,840.00
Winteam Pharmaceutical Group Ltd.	Purchase of goods	10,095,226.43
Chengdu Rongsheng Pharmacy Co., Ltd.	Purchase of goods	8,372,573.00
Qinghai Pharmaceutical (Group) Co., Ltd.	Purchase of goods	4,514,443.50
Wuhan Institute of Biological Products Co., Ltd.	Purchase of goods	3,936,356.00
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	Purchase of goods	3,073,788.88
Sinopharm Group	Purchase of	2,980,769.22

No	26,699,952.31
No	16,787,691.74
No	3,370,955.43
No	15,495,788.70
No	8,795,511.61
No	5,425,700.00
No	21,242,409.32
No	16,530,660.00
No	4,677,786.37
No	3,348,300.00
No	2,964,854.03
No	1,277,376.15



Weiqida Medicine Co., Ltd.	goods	
Chongqing Haisiman Pharmaceutical Co., Ltd.	Purchase of goods	2,290,382.37
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Purchase of goods	2,062,006.33
Guizhou Tongjitang Pharmaceutical Co., Ltd.	Purchase of goods	1,658,359.36
Sinopharm Holding Beijing Co., Ltd.	Purchase of goods	1,633,846.16
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Purchase of goods	1,549,539.30
Sinopharm Holding Beijing Huahong Co., Ltd.	Purchase of goods	1,368,186.29
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Purchase of goods	1,165,876.23
Shanghai Shyndec Pharmaceutical Co., Ltd.	Purchase of goods	993,581.20
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Purchase of goods	760,017.61
Sinopharm Group	Purchase of	624,526.11

No	4,965,950.85
No	0.00
No	1,067,484.63
No	2,202,461.51
No	0.00
No	491,441.87
No	1,260,683.77
No	969,389.51
No	555,012.76
No	200,653.94

Chemical Reagent Co., Ltd.	goods	
China Otsuka Pharmaceutical Co., Ltd.	Purchase of goods	589,739.54
Anhui Jingfang Pharmaceutical Co., Ltd.	Purchase of goods	535,332.58
China National Pharmaceutical Foreign Trade Co., Ltd.	Purchase of goods	530,655.75
Sichuan Hexin Pharmaceutical Co., Ltd.	Purchase of goods	441,452.30
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Purchase of goods	346,153.85
Sinopharm Group Zhonglian Pharmaceutical Co. Ltd.	Purchase of goods	343,373.23
Foshan Nanhai Medicine Co., Ltd.	Purchase of goods	338,654.17
Sinopharm Group Southwest Medicine Co., Ltd.	Purchase of goods	305,128.20
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Purchase of goods	161,323.08
Shenyang Hongqi Pharmaceutical Co., Ltd.	Purchase of goods	240,758.99
Sinopharm Group Guorui Medicine Co., Ltd.	Purchase of goods	234,240.60
Sinopharm Holding Hubei Co., Ltd.	Purchase of goods	229,075.88

No	346,591.41
No	335,214.26
No	497,742.52
No	0.00
No	0.00
No	221,943.60
No	118,741.27
No	10,165.02
No	83,248.85
No	80,871.78
No	257,749.58
No	2,027,299.39

Guilin South pharmaceutical Co., Ltd.	Purchase of goods	226,311.99
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Purchase of goods	168,830.34
Handan Pharmaceutical Co., Ltd.	Purchase of goods	150,992.73
Sinopharm Holding Hunan Co., Ltd.	Purchase of goods	130,865.31
Yichang Humanwell Pharmaceutical Co., Ltd.	Purchase of goods	122,603.64
Sinopharm Holding Luoyang Co., Ltd.	Purchase of goods	97,094.01
Shanghai Modern Hasen (Shangqiu) Pharmaceutival Co., Ltd.	Purchase of goods	87,488.42
Sichuan Jiang You Zhong Ba Science and Technology Development Co., Ltd.	Purchase of goods	63,716.82
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Purchase of goods	60,354.91
Hunan Dongting Pharmaceutical Co., Ltd.	Purchase of goods	53,955.90
Suzhou Erye Pharmaceutical Limited Company	Purchase of goods	49,594.02
Sinopharm Guoda Drug	Purchase of goods	48,160.32

No	206,809.88
No	0.00
No	65,307.69
No	9,009,304.51
No	22,017.09
No	0.00
No	139,950.72
No	0.00
No	51,784.45
No	47,235.90
No	0.00
No	6,981.60

Store(Shenzhen) Chain Co., Ltd.		
Shanghai Institute of biomedical Pharmaceutical Co. Ltd	Purchase of goods	39,205.99
Sinopharm Holding Dalian Co., Ltd.	Purchase of goods	11,282.05
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Purchase of goods	9,415.93
Sinopharm Holding Hainan Hongyi Co., Ltd.	Purchase of goods	5,864.40
Sinopharm Holding Shan`xi Co., Ltd.	Purchase of goods	5,230.38
Sinopharm Group Guangdong Medical Inspection Co., Ltd	Purchase of goods	632.48
Sinopharm Holding Suzhou Co., Ltd.	Purchase of goods	187.18
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Henan Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Dezhou Co., Ltd.	Purchase of goods	0.00

No	0.00
No	0.00
No	0.00
No	0.00
No	6,123.49
No	0.00
No	-4,919.87
No	261,572.93
No	1,023,607.50
No	20,782.77
No	14,666.67

Sinopharm Holding Hainan Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Fujian Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Ningxia Co., Ltd.	Purchase of goods	0.00
Sinopharm Yixin Medicine Co., Ltd.	Purchase of goods	0.00
Sinopharm Holding Heilongjiang Co., Ltd.	Purchase of goods	0.00
Jiangsu Huanghe Pharmaceutical Co., Ltd	Purchase of goods	0.00
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Purchase of goods	0.00
Shandong Lu Ya Pharmaceutical Co., Ltd.	Purchase of goods	0.00
Guizhou Longlife Pharmacertical Co., Ltd.	Purchase of goods	-25.64
Sinopharm Holding Macheng Co., Ltd.	Purchase of goods	-214.86
Guangdong Medi-World Pharmacertical Co., Ltd.	Purchase of goods	-427.18
Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	Purchase of goods	-1,054.87
Shenzhen Wanle	Purchase of	-7,097.80

No	51,342.54
No	491,008.63
No	2,569.50
No	61,102.56
No	131,917.94
No	4,935.91
No	11,219.09
No	349,143.80
No	-7,666.67
No	4,228,615.37
No	-329.44
No	0.00
No	15,230,871.29

Medical Co., Ltd.	goods				
Sinopharm Holding Jiangsu Co., Ltd.	Purchase of goods	-19,408.20		No	32,365.44
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Other labor service	31,325,674.00		No	0.00
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Designing fee	1,129,620.00		No	2,855,000.00
Sinopharm Group Medicine Logistic Co., Ltd.	Transportation and warehousing charges	922,860.39		No	791,201.60
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Pinshan management fees	527,358.49	82,000,000.00	No	5,372,663.52
Sinopharm Group Medicine Logistic Co., Ltd.	Information system maintenance	443,026.99		No	284,905.66
China scientific equipment company	Other labor service	192,500.00		No	0.00
Shanghai Institute of Pharmaceutical Industry	Research and development expenses	175,471.70		No	202,500.00
Reed Sinopharm Exhibitions Co., Ltd.	Exhibition expenses	34,000.00		No	44,000.00
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Research and development expenses	16,500.00		No	0.00

Sinopharm Holding Shanghai management consulting branch	Other labor service	3,600.00	No	0.00
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Research and development expenses	1,625.64	No	765.39
Sinopharm Holding Shenyang Co., Ltd.	Other labor service	0.00	No	400,619.60
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Product promotion expense	0.00	No	21,266.28
Sinopharm Holding Guoda Pharmacy Co., Ltd.	Product promotion expense	0.00	No	2,500.00

Sales of goods /Rendering of service

Unit:RMB

Related party	Content of related party transactions	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Sinopharm Holding Hunan Co., Ltd.	Sales of goods	77,915,186.98	72,105,886.82
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Sales of goods	76,833,546.36	66,588,829.16
Sinopharm Holding Shandong Co., Ltd.	Sales of goods	47,623,472.79	26,390,588.97
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Sales of goods	43,440,891.95	0.00
Sinopharm Holding Hainan Co., Ltd.	Sales of goods	42,611,254.30	39,682,622.73
Sinopharm Holding Beijing Co., Ltd.	Sales of goods	40,646,909.68	34,745,031.52
Foshan Nanhai Medicine Co., Ltd.	Sales of goods	40,499,542.53	31,285,279.06
Sinopharm Group (Tianjin) Eastern Bokang	Sales of goods	37,385,364.68	28,100,874.23

Pharmaceutical Co., Ltd.			
Sinopharm Le -Ren-Tang Medicine Co., Ltd.	Sales of goods	34,684,209.72	36,907,139.61
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Sales of goods	34,048,558.78	33,487,776.29
Sinopharm Holding Hubei Co., Ltd.	Sales of goods	32,219,359.25	43,201,513.00
Sinopharm Holding Beijing Huahong Co., Ltd.	Sales of goods	31,818,003.87	30,414,890.53
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Sales of goods	31,056,792.97	27,779,324.67
Sinopharm Holding Ningxia Co., Ltd.	Sales of goods	21,192,630.53	22,098,551.90
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Sales of goods	16,268,845.77	14,748,263.80
Sinopharm Group	Sales of goods	15,579,638.74	12,503,255.00
Sinopharm Holding Sub Marketing Center Co., Ltd.	Sales of goods	15,497,277.04	28,351,930.01
Sinopharm Holding Tianjin Co., Ltd.	Sales of goods	15,395,118.07	11,864,858.00
Sinopharm Group Southwest Medicine Co., Ltd.	Sales of goods	15,212,888.04	15,688,262.79
Sinopharm Holding Wenzhou Co., Ltd.	Sales of goods	15,099,938.24	12,934,486.31
Sinopharm Holding Hainan Hongyi Co., Ltd.	Sales of goods	12,678,051.93	11,565,687.67
Sinopharm Holding Nantong Co., Ltd.	Sales of goods	12,309,543.99	13,355,319.76
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Sales of goods	11,741,123.13	12,691,533.61
Sinopharm Holding Zhejiang Co., Ltd.	Sales of goods	11,611,214.64	18,471,568.26
Sinopharm Holding Fuzhou Co., Ltd.	Sales of goods	9,718,182.05	6,648,904.14
Sinopharm Holding Yunnan	Sales of goods	9,419,118.45	7,109,332.86



Co., Ltd.			
Sinopharm Holding Jinzhou Co., Ltd.	Sales of goods	9,282,821.20	10,859,701.89
Sinopharm Holding Henan Co., Ltd.	Sales of goods	8,870,236.38	5,559,429.50
Foshan Chancheng District Pharmaceutical Co., Ltd	Sales of goods	8,798,005.75	0.00
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	Sales of goods	7,213,575.88	8,344,388.58
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	5,999,416.05	4,114,435.39
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	5,960,444.74	4,197,414.13
Sinopharm Holding Shenyang Co., Ltd.	Sales of goods	5,782,044.41	7,224,474.70
Sinopharm Holding Guizhou Co., Ltd.	Sales of goods	5,116,359.93	3,259,653.28
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Sales of goods	4,656,653.54	0.00
Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	Sales of goods	4,525,339.36	3,321,010.31
Sinopharm Holding Heilongjiang Co., Ltd.	Sales of goods	3,443,566.66	4,182,733.84
Sinopharm Holding Yangzhou Co., Ltd.	Sales of goods	3,253,616.01	4,493,029.85
Foshan Chancheng District Central Hospital	Sales of goods	3,007,579.36	5,086,729.68
China National Medicines Co., Ltd.	Sales of goods	2,441,499.27	2,670,378.79
Sinopharm Holding Gansu Co., Ltd.	Sales of goods	2,123,949.16	1,325,545.44
Sinopharm Holding Qinghai Co., Ltd.	Sales of goods	2,037,902.58	1,238,266.68
Sinopharm Holding Qingdao Co., Ltd.	Sales of goods	1,789,913.20	2,209,254.70
Sinopharm Holding Fujian Co., Ltd.	Sales of goods	1,708,344.06	2,324,732.15

Sinopharm Holding Yancheng Co., Ltd.	Sales of goods	1,604,406.39	1,731,905.99
Sinopharm Holding Wuxi Co., Ltd.	Sales of goods	1,593,582.85	2,131,601.56
Sinopharm Holding Jilin Co., Ltd.	Sales of goods	1,580,127.02	2,349,302.00
Sinopharm Holding Inner Mongolia Co., Ltd.	Sales of goods	1,529,454.28	1,417,306.25
Sinopharm Holding Guoda Pharmacy Co., Ltd.	Sales of goods	1,307,427.35	887,680.93
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Sales of goods	1,254,769.21	927,692.31
Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	Sales of goods	1,125,856.31	0.00
Sinopharm Holding Lunan Co., Ltd.	Sales of goods	978,264.96	736,160.68
Sinopharm Holding Xuzhou Co., Ltd.	Sales of goods	910,548.70	4,958,689.10
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Sales of goods	794,871.79	12,201,923.07
Sinopharm Holding Longyan Co., Ltd.	Sales of goods	794,650.72	662,502.50
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Sales of goods	777,435.92	1,095,282.10
Sinopharm Holding Taizhou Co., Ltd.	Sales of goods	732,858.62	895,744.78
Sinopharm Holding Quanzhou Co., Ltd.	Sales of goods	660,609.25	932,349.94
Sinopharm Holding Dalian Co., Ltd.	Sales of goods	607,011.05	809,692.99
Sinopharm Holding Chongqing Co., Ltd.	Sales of goods	591,571.81	5,591,245.35
Sinopharm Holding Ningde Co., Ltd.	Sales of goods	464,264.03	528,805.48
Sinopharm Holding Shan`xi Co., Ltd.	Sales of goods	442,999.38	540,110.85
Sinopharm Holding Putian Co., Ltd.	Sales of goods	381,461.55	633,318.71

Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	Sales of goods	356,495.77	282,139.32
Sinopharm Holding Anqing Co., Ltd.	Sales of goods	327,912.83	622,112.83
Sinopharm Holding Jiangsu Co., Ltd.	Sales of goods	309,194.86	177,248.72
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Sales of goods	307,179.50	142,871.79
Sinopharm Holding Anhui Co., Ltd.	Sales of goods	301,567.25	-6,872.42
Sinopharm Holding Changde Co., Ltd.	Sales of goods	281,577.44	356,700.14
Sinopharm Holding Sanming Co., Ltd.	Sales of goods	237,305.65	131,856.84
Sinopharm Holding Jiangxi Co., Ltd.	Sales of goods	228,099.69	83,923.13
Sinopharm Holding Yantai Co., Ltd.	Sales of goods	227,815.40	302,765.11
Jiang Meng Renren Medical instrument Co., Ltd.	Sales of goods	199,355.46	0.00
Sinopharm Group Guorui Medicine Co., Ltd.	Sales of goods	134,615.38	0.00
Qinghai Medical Pharmaceutical Material Co., Ltd.	Sales of goods	113,333.33	0.00
Hetian Region Ankang Chain Drugstore Co., Ltd.	Sales of goods	92,155.52	0.00
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Sales of goods	81,230.76	121,846.17
Shanghai Merro Pharmaceutical Co., Ltd.	Sales of goods	77,694.03	459,604.35
Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Sales of goods	76,327.18	1,122,538.67
Sinopharm Holding Suzhou Co., Ltd.	Sales of goods	68,948.73	243,203.42

Shanghai Donghong Medicine Co., Ltd.	Sales of goods	63,538.46	493,594.87
Sinopharm Group Medicine Logistic Co., Ltd.	Sales of goods	57,692.30	0.00
Beijing Fusheng Tiandi Property Management Ltd.	Sales of goods	56,697.41	25,673.07
Shenzhen Wanle Medical Co., Ltd.	Sales of goods	51,295.73	0.00
Foshan Chanyixing Medicine Development Co Ltd	Sales of goods	50,322.00	0.00
China Sinopharm International Corporation	Sales of goods	44,871.79	2,318,706.88
Shanxi Guoyi Drug Store Co., Ltd.	Sales of goods	43,794.85	5,794.87
Sinopharm Holding ChiFeng Co., Ltd.	Sales of goods	25,969.23	77,907.69
Sinopharm Holding Zhangzhou Co., Ltd.	Sales of goods	24,094.37	10,584.63
Sichuan Kang Daxin Pharmaceutical Co., Ltd.	Sales of goods	16,615.38	0.00
Sinopharm Holding Anyang Co., Ltd.	Sales of goods	14,905.98	5,962.39
Sinopharm Holding Qianxinan Co., Ltd.	Sales of goods	14,423.93	3,646.14
Sinopharm Holding Dezhou Co., Ltd.	Sales of goods	12,923.07	7,179.49
Sinopharm Holding Liaocheng Co., Ltd.	Sales of goods	11,282.05	0.00
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Sales of goods	11,075.89	7,179.49
Sinopharm Holding Changzhou Co., Ltd.	Sales of goods	11,068.38	20,757.26
Heilongjiang Sinopharm Medical Herbs Co., Ltd.	Sales of goods	11,025.63	7,948.71
Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	Sales of goods	10,829.08	182,188.03
Sinopharm Holding	Sales of goods	10,660.51	20,740.51

(Yangzhou) Chinese Western Medicine Branch Co., Ltd.			
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Sales of goods	10,568.21	1,038,706.67
Sinopharm Holding Jining Co., Ltd.	Sales of goods	10,461.52	7,179.49
Sinopharm Holding Xinyu Co., Ltd.	Sales of goods	6,478.65	0.00
Sinopharm Holding Nanping New Power Co., Ltd.	Sales of goods	3,743.58	0.00
Sinopharm Holding Chenzhou Co., Ltd.	Sales of goods	3,692.31	0.00
Sinopharm Holding Shangqiu Co., Ltd.	Sales of goods	3,226.50	0.00
Sinopharm Holding Zhoukou Co., Ltd.	Sales of goods	2,726.38	7,047.05
Shanghai Wanli Medical Beauty Clinic Limited	Sales of goods	2,136.75	0.00
Sinopharm Holding Shanxi Linfen Co., Ltd.	Sales of goods	1,923.07	0.00
Sinopharm (Shanghai) E-Health Co.,Ltd.	Sales of goods	1,846.16	2,025.63
Sinopharm Holding Xinxiang Co.,Ltd	Sales of goods	931.62	2,683.77
Sinopharm Holding Puyang Co., Ltd.	Sales of goods	305.98	0.00
Sinopharm Holding Huaian Co., Ltd.	Sales of goods	0.00	86,030.77
Sinopharm Holding Jinan Co., Ltd.	Sales of goods	0.00	76,153.85
Sinopharm Holding HongKong Co., Ltd.	Sales of goods	0.00	41,329.43
Guoda Shenyang Tianyitang Pharmacy Chain Store Co., Ltd.	Sales of goods	0.00	36,923.07
Sinopharm Holding Wuhu Co., Ltd.	Sales of goods	0.00	9,230.76
Huayi Pharmaceutical Co.,	Sales of goods	0.00	7,521.36

Ltd			
Sinopharm Holding Kaifeng Co., Ltd.	Sales of goods	0.00	6,444.44
Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	Sales of goods	0.00	5,733.34
Sinopharm Holding Dandong Co., Ltd.	Sales of goods	0.00	5,429.06
Sinopharm Holding Nanping Co., Ltd.	Sales of goods	0.00	4,530.60
Sinopharm Holding Tongliao Co., Ltd.	Sales of goods	0.00	4,487.18
Shanghai Nutraceuticals (Shanghai) Co., Ltd.	Sales of goods	0.00	3,316.24
Shanghai Tongyu Information Technology Co., Ltd.	Sales of goods	0.00	2,564.10
Sinopharm Holding Zhejiang Biological Product Co., Ltd.	Sales of goods	0.00	427.36
Shanghai Nuoyun Marketing Consulting Co., Ltd.	Sales of goods	-155,982.92	846.15
China National Medicines Co., Ltd.	Dispatching and transportation charges	2,856,084.27	2,172,980.55
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Dispatching and transportation charges	2,418,885.86	1,689,083.80
Sinopharm Group Medicine Logistic Co., Ltd.	Dispatching and transportation charges	2,046,871.70	3,255,073.15
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Dispatching and transportation charges	1,615,666.54	1,768,562.85
Foshan Nanhai Medicine Co., Ltd.	Dispatching and transportation charges	1,327,072.71	1,395,859.92
Sinopharm Group	Entrusted revenue	250,000.00	250,000.00
Shenzhen Wanwei Medicine trading Co., Ltd.	Consultation revenue	183,714.43	131,079.23
China National Pharmaceutical Foreign Trade Co., Ltd.	Entrusted revenue	125,000.00	125,000.00
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	Parking fees	8,500.00	6,000.00

Shenzhen Wanle Medical Co., Ltd.	Consultation revenue	0.00	52,160.54
Winteam Pharmaceutical Group Ltd.	Consultation revenue	0.00	6,314.42

## (2)Lease

The Group as leaser:

Unit:RMB

Lessees	Type of assets use for	Rental income of this period	Rental income of last period
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Building	822,778.08	814,333.74
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Building	165,900.00	165,900.00
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Building	195,084.00	304,695.00
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Building	189,384.72	190,707.72
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Building	141,900.00	135,144.00
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Building	52,783.38	51,246.00
China National Medicines Co., Ltd.	Building	43,200.00	43,200.00
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Building	30,000.00	30,000.00
China National Pharmaceutical Industry Medicine distribution Co. Ltd.	Building	0.00	21,600.00
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	Building	141,050.00	0.00

Sinopharm Holding Sub Marketing Center Co., Ltd.	Building	32,400.00	0.00
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The Group as lessee:

Unit:RMB

Leasers	Type of assets use for	Lease expenses of this period	Lease expenses of last period
Sinopharm Group Medicine Logistic Co., Ltd.	Equipment	3,750,000.00	3,750,000.00
Sinopharm Group Medicine Logistic Co., Ltd.	Building	3,540,000.00	3,540,000.00
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Building	484,969.92	324,789.24
Wang Yang	Building	276,000.00	276,000.00
Foshan Nanhai Medicine Group Co., Ltd.	Building	128,160.00	110,880.00

### (3)Guarantees provided

As a guarantor

Unit:RMB

Guarantee	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Sinopharm Holding Guangzhou Co., Ltd.	30,096,431.81	12 December 2014	31 October 2015	No
Sinopharm Holding Guangzhou Co., Ltd.	34,570,639.59	30 June 2014	29 June 2015	No
Sinopharm Holding Guangzhou Co., Ltd.	229,425,743.53	19 September 2014	18 September 2015	No
Sinopharm Holding Guangzhou Co., Ltd.	314,245,039.27	06 May 2015	06 May 2016	No
Sinopharm Holding Guangzhou Co., Ltd.	307,337,775.28	16 July 2014	15 July 2015	No
Sinopharm Holding Guangzhou Co., Ltd.	159,341,870.32	20 May 2015	20 May 2016	No
Sinopharm Holding Guangzhou Co., Ltd.	194,778,819.03	30 April 2014	30 April 2015	No



Sinopharm Holding Guangzhou Co., Ltd.	250,163,981.05	25 June 2014	08 June 2015	No
Sinopharm Holding Guangzhou Co., Ltd.	280,793,407.86	15 May 2015	14 May 2016	No
Sinopharm Holding Guangdong Yuexing Co., Ltd.	6,930,103.40	20 May 2015	20 May 2016	No
Sinopharm Holding Guangdong Yuexing Co., Ltd.	12,019,194.50	16 July 2014	15 July 2015	No
Sinopharm Holding Guangxi Co., Ltd.	6,500,000.00	25 October 2014	25 October 2015	No
Sinopharm Holding Guangxi Co., Ltd.	105,172,399.18	26 June 2014	26 June 2015	No
Sinopharm Holding Guangxi Co., Ltd.	169,659,032.18	16 July 2014	15 July 2015	No
Sinopharm Holding Guangxi Co., Ltd.	112,188,535.57	19 April 2014	18 April 2015	No
Sinopharm Holding Guangxi Co., Ltd.	19,250,027.34	29 May 2015	29 May 2016	No
Sinopharm Holding Guangxi Co., Ltd.	55,487,759.61	12 May 2015	29 December 2015	No
Sinopharm Holding Jiangmen Renren Co., Ltd.	17,437,149.43	16 July 2014	15 July 2015	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	75,653,561.29	06 November 2014	15 July 2015	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	32,299,557.53	20 March 2015	19 March 2016	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	32,346,299.52	09 September 2014	08 September 2015	No
Sinopharm Holding Zhanjiang Co., Ltd.	14,600,944.46	17 September 2014	15 July 2015	No
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	25,692,321.48	27 May 2014	27 May 2015	No

Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	29,279,000.00	16 July 2014	15 July 2015	No
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	3,203,849.81	01 January 2015	01 July 2015	No
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	4,410,000.00	04 January 2015	24 October 2015	No
Shenzhen Zhijun Pharmaceutical Co., Ltd.	22,815,555.20	25 August 2014	25 August 2015	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	19,481,663.78	27 October 2014	27 October 2015	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	64,621,126.80	16 July 2014	15 July 2015	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	16,000,000.00	28 May 2015	15 February 2016	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	3,795,523.03	15 May 2015	14 May 2016	No
Sinopharm Holding Shaoguan Co., Ltd.	7,844,562.13	16 July 2014	15 July 2015	No
Sinopharm Holding Material Co., Ltd.	5,462,230.84	16 July 2014	15 July 2015	No

As guarantee

Unit:RMB

Guarantor	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Shenzhen Zhijun Pharmaceutical Co., Ltd.	60,000,000.00	15 May 2015	14 May 2016	No
Shenzhen Zhijun	125,076,375.12	18 June 2015	15 June 2016	No

Pharmaceutical Co., Ltd.				
Shenzhen Zhijun Pharmaceutical Co., Ltd.	105,000,000.00	28 May 2015	15 February 2016	No
Shenzhen Zhijun Pharmaceutical Co., Ltd.	21,743,592.63	04 April 2014	03 April 2022	No
Shenzhen Zhijun Pharmaceutical Co., Ltd.	200,000.00	17 July 2014	17 July 2020	No

Sinopharm Guangzhou as guarantee

Unit:RMB

Guarantor	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Sinopharm Group	483,029,496.81	03 June 2014	03 June 2015	No

#### (4)Financing

Unit:RMB

Related Party	Amount	Effective date	Maturity date	Notes
Borrowed from-				
Group Financial Co.	40,000,000.00	28 February 2015	28 February 2016	Short-term borrowings
CNPGC	31,600,000.00	07 May 2014	07 May 2017	Entrusted loan

#### (5)Interest Expense

Unit:RMB

Related Party	Type of transaction	For the six months ended 30 June 2015	For the six months ended 30 June 2014
CNPGC	Interest paid for the loans from related party	839,572.50	260,700.00
Group Financial Co.	Interest paid for the loans from Group Financial Co	667,955.53	3,976,833.33
Sinopharm Holding Sub Marketing Center Co., Ltd.	Charges of discounted notes payable	284,004.78	2,421,609.56
Sinopharm Group	Charges of discounted notes payable	391,286.97	520,387.02
Sinopharm Group	Interest paid for the loans from related party	0.00	5,039,990.23

Group Financial Co.	Charges of discounted notes payable	-	425,990.03
Total		2,182,819.78	12,645,510.17

## (6)Interest Revenue

Unit:RMB

Related Party	Type of transaction	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Group Financial Co.	Deposit interest	15,368.24	12,702.39

## 6. Accounts receivable from and payables to related parties

### (1)Accounts receivable from related parties

Unit:RMB

Nature	Related parties	30 June 2015		31 December 2014	
		Cost	Provision for bad debts	Cost	Provision for bad debts
Accounts receivable	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	26,157,549.60	0.00	23,756,856.11	0.00
Accounts receivable	Sinopharm Holding Hunan Co., Ltd.	22,437,075.54	0.00	25,600,093.77	0.00
Accounts receivable	Sinopharm Holding Beijing Co., Ltd.	14,977,399.36	0.00	12,892,087.23	0.00
Accounts receivable	Sinopharm Sichuan Pharmaceutical Co., Ltd.	14,953,509.29	0.00	12,494,740.26	0.00
Accounts receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	14,282,156.22	0.00	7,484,251.20	0.00
Accounts receivable	Sinopharm Holding Shandong Co., Ltd.	13,325,378.92	0.00	10,216,514.39	0.00
Accounts receivable	Foshan Nanhai Medicine Co., Ltd.	11,927,363.32	0.00	11,979,793.06	0.00
Accounts receivable	Sinopharm Holding Hainan Co., Ltd.	11,246,067.76	0.00	15,916,697.65	0.00

Accounts receivable	Sinopharm Holding Beijing Huahong Co., Ltd.	10,995,794.33	0.00	7,890,664.87	0.00
Accounts receivable	Sinopharm Le -Ren-Tang Medicine Co., Ltd.	10,449,518.90	0.00	14,234,771.99	0.00
Accounts receivable	Foshan Chancheng District Pharmaceutical Co., Ltd	10,112,360.98	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	9,172,073.04	0.00	9,704,626.52	0.00
Accounts receivable	Sinopharm Holding Hubei Co., Ltd.	9,100,475.63	0.00	20,947,735.07	0.00
Accounts receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	8,678,282.94	0.00	14,901,575.66	0.00
Accounts receivable	Sinopharm Holding Tianjin Co., Ltd.	7,169,150.84	0.00	6,219,986.94	0.00
Accounts receivable	Sinopharm Group Southwest Medicine Co., Ltd.	6,661,956.37	0.00	6,859,315.42	0.00
Accounts receivable	Sinopharm Group	6,438,154.10	0.00	5,347,281.64	0.00
Accounts receivable	Sinopharm Holding Ningxia Co., Ltd.	5,684,798.06	0.00	5,904,534.60	0.00
Accounts receivable	Sinopharm Holding Nantong Co., Ltd.	5,424,259.60	0.00	2,924,497.97	0.00
Accounts receivable	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	5,058,806.52	0.00	6,589,054.06	0.00
Accounts receivable	Sinopharm Holding Wenzhou Co., Ltd.	4,985,313.27	0.00	5,268,486.11	0.00
Accounts receivable	Sinopharm Holding Sub Marketing	4,051,845.16	0.00	4,591,981.10	0.00

	Center Co., Ltd.				
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	3,660,969.04	0.00	3,770,263.86	0.00
Accounts receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	3,430,886.34	0.00	2,604,871.82	0.00
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	3,173,457.36	0.00	1,826,590.08	0.00
Accounts receivable	Sinopharm Group Medicine Logistic Co., Ltd.	2,822,507.06	0.00	3,521,227.69	0.00
Accounts receivable	Sinopharm Holding Yunnan Co., Ltd.	2,521,730.78	0.00	1,505,859.96	0.00
Accounts receivable	Sinopharm Holding Jinzhou Co., Ltd.	2,285,855.98	0.00	2,847,145.76	0.00
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	2,234,798.32	0.00	1,854,656.73	0.00
Accounts receivable	Sinopharm Holding Henan Co., Ltd.	2,202,113.85	0.00	2,762,374.20	0.00
Accounts receivable	Sinopharm Holding Fuzhou Co., Ltd.	1,855,407.42	0.00	1,239,408.42	0.00
Accounts receivable	Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	1,803,998.02	0.00	38,660.00	0.00
Accounts receivable	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	1,774,774.56	0.00	2,350,070.03	0.00
Accounts receivable	Sinopharm Holding Shenyang Co., Ltd.	1,718,409.42	0.00	1,358,428.16	0.00
Accounts receivable	Sinopharm Holding Guizhou Co., Ltd.	1,527,501.10	0.00	896,848.13	0.00
Accounts receivable	Sinopharm Holding Heilongjiang Co., Ltd.	1,485,109.28	0.00	1,642,680.23	0.00
Accounts	Foshan	1,323,020.35	0.00	4,522,094.66	0.00

receivable	Chancheng District Central Hospital				
Accounts receivable	China National Medicines Co., Ltd.	1,237,132.12	0.00	2,388,847.85	0.00
Accounts receivable	Sinopharm Holding Yangzhou Co., Ltd.	1,008,763.00	0.00	1,476,745.88	0.00
Accounts receivable	Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	972,206.70	0.00	1,251,757.35	0.00
Accounts receivable	Sinopharm Holding Gansu Co., Ltd.	799,078.44	0.00	568,341.65	0.00
Accounts receivable	Sinopharm Holding Jilin Co., Ltd.	697,049.29	0.00	494,390.88	0.00
Accounts receivable	Sinopharm Holding Guoda Pharmacy Co., Ltd.	650,520.00	0.00	598,180.00	0.00
Accounts receivable	Sinopharm Holding Qinghai Co., Ltd.	618,717.00	0.00	344,726.94	0.00
Accounts receivable	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	490,080.00	0.00	328,497.80	0.00
Accounts receivable	Sinopharm Holding Zhejiang Co., Ltd.	488,264.80	0.00	6,756,555.98	0.00
Accounts receivable	Sinopharm Holding Longyan Co., Ltd.	445,918.51	0.00	231,074.80	0.00
Accounts receivable	Sinopharm Holding Taizhou Co., Ltd.	439,635.28	0.00	241,355.80	0.00
Accounts receivable	Sinopharm Holding Xuzhou Co., Ltd.	431,411.13	0.00	825,483.13	0.00
Accounts receivable	Sinopharm Holding Yancheng Co., Ltd.	427,455.68	0.00	563,011.50	0.00
Accounts receivable	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	400,872.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Wuxi Co., Ltd.	398,134.14	0.00	786,713.14	0.00

Accounts receivable	Sinopharm Holding Fujian Co., Ltd.	394,478.36	0.00	864,753.84	0.00
Accounts receivable	Sinopharm Holding Dalian Co., Ltd.	389,653.72	0.00	536,255.16	0.00
Accounts receivable	Sinopharm Holding Chongqing Co., Ltd.	337,466.49	0.00	2,248,998.17	0.00
Accounts receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	323,446.74	0.00	327,343.79	0.00
Accounts receivable	Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	322,920.00	0.00	30,744.72	0.00
Accounts receivable	Sinopharm Holding Putian Co., Ltd.	267,786.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Qingdao Co., Ltd.	193,278.43	0.00	565,976.79	0.00
Accounts receivable	Sinopharm Holding Quanzhou Co., Ltd.	185,925.12	0.00	179,570.31	0.00
Accounts receivable	Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	140,553.67	0.00	246,140.48	0.00
Accounts receivable	Sinopharm Holding Tianjin North Medicine Co., Ltd.	139,080.00	0.00	559,722.27	0.00
Accounts receivable	Sinopharm Holding Changde Co., Ltd.	131,198.27	0.00	160,260.67	0.00
Accounts receivable	Sinopharm Holding Ningde Co., Ltd.	115,002.00	0.00	70,416.00	0.00
Accounts receivable	Sinopharm Holding Shan`xi Co., Ltd.	105,842.56	0.00	84,878.70	0.00
Accounts receivable	Sinopharm Holding Jiangsu Co., Ltd.	103,769.29	0.00	208,244.76	0.00
Accounts receivable	Sinopharm Holding Anqing Co., Ltd.	94,500.00	0.00	197,948.00	0.00
Accounts receivable	Sinopharm Holding Yantai Co., Ltd.	85,512.00	0.00	80,520.00	0.00



Accounts receivable	Qinghai Medical Pharmaceutical Material Co., Ltd.	70,050.00	0.00	25,500.00	0.00
Accounts receivable	China Sinopharm International Corporation	52,500.00	0.00	0.00	0.00
Accounts receivable	Jiang Meng Renren Medical instrument Co., Ltd.	50,087.10	0.00	39,045.20	0.00
Accounts receivable	Sinopharm Holding Jiangxi Co., Ltd.	47,921.10	0.00	45,812.40	0.00
Accounts receivable	Sinopharm Holding Sanming Co., Ltd.	35,439.59	0.00	8,640.00	0.00
Accounts receivable	Sinopharm Holding Suzhou Co., Ltd.	33,420.00	0.00	177,054.00	0.00
Accounts receivable	Shanxi Guoyi Drug Store Co., Ltd.	30,300.00	0.00	15,060.00	0.00
Accounts receivable	Foshan Chanyixing Medicine Development Co Ltd	18,484.40	0.00	32,786.80	0.00
Accounts receivable	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	6,912.00	0.00	39,331.20	0.00
Accounts receivable	Sinopharm Holding Nanping New Power Co., Ltd.	4,380.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Zhoukou Co., Ltd.	3,190.00	0.00	5,755.00	0.00
Accounts receivable	Sinopharm Holding (Yangzhou) Chinese Western Medicine Branch Co., Ltd.	1,992.80	0.00	44,332.00	0.00
Accounts receivable	Sinopharm Holding Anhui Co., Ltd.	1,500.00	0.00	426,089.07	0.00
Accounts receivable	Sinopharm Holding Xinxiang Co.,Ltd	1,090.00	0.00	0.00	0.00

Accounts receivable	Sinopharm Holding Shangqiu Co., Ltd.	500.00	0.00	2,180.00	0.00
Accounts receivable	Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	0.00	0.00	7,728.00	0.00
Accounts receivable	Shanghai Tongyu Information Technology Co., Ltd.	0.00	0.00	3,000.00	0.00
Accounts receivable	Sinopharm Holding Puyang Co., Ltd.	0.00	0.00	45,804.00	0.00
Accounts receivable	Sinopharm Holding Hongkong International Co. Ltd	0.00	0.00	63,009.89	0.00
Accounts receivable	Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	0.00	0.00	1,711.00	0.00
Accounts receivable	Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	0.00	0.00	128,320.00	0.00
Accounts receivable	Shanghai Nutraceuticals (Shanghai) Co., Ltd.	0.00	0.00	2,320.00	0.00
Accounts receivable	Sinopharm Holding Changzhou Co., Ltd.	0.00	0.00	27,600.00	0.00
Accounts receivable	Shanghai Donghong Medicine Co., Ltd.	0.00	0.00	224,610.00	0.00
Accounts receivable	Shanghai Nuoyun Marketing Consulting Co., Ltd.	0.00	0.00	100,000.00	0.00
Accounts receivable	Shenzhen Wanwei Medicine trading Co., Ltd.	0.00	0.00	1,200.00	0.00

Notes receivable	Sinopharm Holding Hunan Co., Ltd.	4,874,345.98	0.00	3,940,454.90	0.00
Notes receivable	Sinopharm Holding Hainan Co., Ltd.	4,515,746.05	0.00	3,326,140.88	0.00
Notes receivable	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	4,074,440.19	0.00	3,379,828.22	0.00
Notes receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	3,239,255.56	0.00	2,487,781.91	0.00
Notes receivable	Sinopharm Holding Tianjin Co., Ltd.	2,014,138.07	0.00	233,786.00	0.00
Notes receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	1,871,320.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Shandong Co., Ltd.	1,255,125.58	0.00	200,000.00	0.00
Notes receivable	Sinopharm Holding Yancheng Co., Ltd.	900,000.00	0.00	183,647.00	0.00
Notes receivable	Sinopharm Sichuan Pharmaceutical Co., Ltd.	875,741.95	0.00	0.00	0.00
Notes receivable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	724,410.89	0.00	1,661,088.00	0.00
Notes receivable	Sinopharm Holding Anhui Co., Ltd.	256,360.80	0.00	0.00	0.00
Notes receivable	Ningxia Guoda Drug StoreChain Co., Ltd.	250,000.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Wuhu Co., Ltd.	213,812.80	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Shenyang Co., Ltd.	167,232.00	0.00	539,043.12	0.00
Notes receivable	Sinopharm Holding Chongqing Co.,	142,297.20	0.00	366,032.00	0.00

	Ltd.				
Notes receivable	Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	134,851.25	0.00	989,431.36	0.00
Notes receivable	Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	105,451.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Ningxia Co., Ltd.	100,000.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Nanyang Co., Ltd.	99,733.50	0.00	0.00	0.00
Notes receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	97,300.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Yantai Co., Ltd.	68,664.00	0.00	36,456.00	0.00
Notes receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	26,000.00	0.00	0.00	0.00
Notes receivable	Sinopharm Holding Shan`xi Co., Ltd.	0.00	0.00	148,911.00	0.00
Notes receivable	Sinopharm Holding Hubei Co., Ltd.	0.00	0.00	378,000.00	0.00
Notes receivable	Sinopharm Holding Hunan Guoda Minshengtang Drug Store Chain Co., Ltd.	0.00	0.00	184,000.00	0.00
Notes receivable	Sinopharm Holding Zhejiang Co., Ltd.	0.00	0.00	223,074.00	0.00
Notes receivable	Sinopharm Holding Taizhou Co., Ltd.	0.00	0.00	12,800.00	0.00
Notes receivable	Sinopharm Holding Anyang Co., Ltd.	0.00	0.00	100,000.00	0.00
Notes receivable	Sinopharm Holding Huainan Co., Ltd.	0.00	0.00	42,183.00	0.00

Notes receivable	Sinopharm Holding Fuyang Co., Ltd.	0.00	0.00	100,000.00	0.00
Notes receivable	Sinopharm Holding Lunan Co., Ltd.	0.00	0.00	39,055.91	0.00
Notes receivable	Sinopharm Holding Ningde Co., Ltd.	0.00	0.00	119,016.00	0.00
Notes receivable	Sinopharm Le -Ren-Tang Medicine Co., Ltd.	0.00	0.00	84,503.26	0.00
Notes receivable	NanJing Iron & Steel Co., Ltd.	0.00	0.00	200,000.00	0.00
Notes receivable	Nanjing Iron & Steel Group International Trade Co., Ltd	0.00	0.00	100,000.00	0.00
Notes receivable	China National Pharmaceutical Foreign Trade Co., Ltd.	0.00	0.00	30,000.00	0.00
Other receivables	Sinopharm Group Medicine Logistic Co., Ltd.	1,215,000.00	0.00	1,215,000.00	0.00
Other receivables	Sinopharm Group	250,000.00	0.00	250,000.00	0.00
Other receivables	China National Pharmaceutical Foreign Trade Co., Ltd.	131,823.93	0.00	250,000.00	0.00
Other receivables	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	36.75	0.00	36.75	0.00
Other receivables	China National Medicines Co., Ltd.	0.00	0.00	184,730.14	0.00
Advances to suppliers	Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	6,142,166.67	0.00	16,612,166.67	0.00
Advances to	Winteam	5,003,400.42	0.00	0.00	0.00

suppliers	Pharmaceutical Group Ltd.				
Advances to suppliers	Chengdu Rongsheng Pharmacy Co., Ltd.	389,600.00	0.00	118,628.00	0.00
Advances to suppliers	Wuhan Institute of Biological Products Co., Ltd.	362,200.00	0.00	310,400.00	0.00
Advances to suppliers	Sinopharm Holding Sub Marketing Center Co., Ltd.	301,360.00	0.00	0.00	0.00
Advances to suppliers	Shenzhen Wanle Medical Co., Ltd.	45,602.97	0.00	45,602.97	0.00
Advances to suppliers	Shanghai Institute of Pharmaceutical Industry	40,000.00	0.00	0.00	0.00
Advances to suppliers	Sino-Swed Pharmaceutical Corp.Ltd.	18,400.00	0.00	0.00	0.00
Advances to suppliers	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	8,993.75	0.00	649.36	0.00
Advances to suppliers	China National Medicines Co., Ltd.	5,541.40	0.00	8,608.07	0.00
Advances to suppliers	Sinopharm Holding Suzhou Co., Ltd.	3,884.87	0.00	11,581.25	0.00
Advances to suppliers	Yichang Humanwell Pharmaceutical Co., Ltd.	2,993.74	0.00	0.00	0.00
Advances to suppliers	Sinopharm Group Guorui Medicine Co., Ltd.	957.26	0.00	957.26	0.00
Advances to suppliers	China National Pharmaceutical Foreign Trade Co., Ltd.	947.81	0.00	0.00	0.00
Advances to suppliers	Sinopharm Holding Macheng Co., Ltd.	214.86	0.00	0.00	0.00
Advances to	Guangdong Dong	46.55	0.00	0.00	0.00

suppliers	Fang Uptodate & Special Medicines Co., Ltd.				
Advances to suppliers	Sinopharm Group Chemical Reagent Co., Ltd.	0.00	0.00	27,307.69	0.00
Advances to suppliers	Sinopharm Holding Hunan Co., Ltd.	0.00	0.00	1,480.70	0.00
Advances to suppliers	Sinopharm Holding Fujian Co., Ltd.	0.00	0.00	4,386.00	0.00
Advances to suppliers	Sinopharm Holding Guizhou Co., Ltd.	0.00	0.00	379.92	0.00
Advances to suppliers	China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	0.00	0.00	1,806,138.00	0.00
Advances to suppliers	Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	0.00	0.00	437.62	0.00
Advances to suppliers	China National Pharmaceutical Industry Co., Ltd.	0.00	0.00	10.50	0.00
Advances to suppliers	Qinghai Pharmaceutical (Group) Co., Ltd.	0.00	0.00	5,138,698.55	0.00

## (2)Accounts payables to related parties

Unit:RMB

Nature	Related parties	30 June 2015	31 December 2014
Accounts payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	150,387,205.95	168,855,238.90
Accounts payable	China National Medicines Co., Ltd.	48,133,232.95	40,965,238.69
Accounts payable	Sinopharm Group	42,205,548.33	68,114,014.57
Accounts payable	Sino-Swed Pharmaceutical Corp.Ltd.	16,496,283.73	7,452,712.28

Accounts payable	Shenzhen Wanwei Medicine trading Co., Ltd.	10,050,520.04	12,058,843.67
Accounts payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	7,637,070.79	5,511,809.11
Accounts payable	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	6,826,776.18	7,999,963.51
Accounts payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	6,508,613.00	2,242,748.93
Accounts payable	Lanzhou Institute of Biological Products Co., Ltd.	3,440,560.00	3,360,000.00
Accounts payable	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	3,401,035.52	1,773,366.89
Accounts payable	Winteam Pharmaceutical Group Ltd.	2,119,154.16	2,782,751.64
Accounts payable	Sinopharm Group Medicine Logistic Co., Ltd.	810,654.51	708,527.88
Accounts payable	Sinopharm Holding Beijing Co., Ltd.	710,666.35	388,738.14
Accounts payable	Sinopharm Holding Beijing Huahong Co., Ltd.	587,884.15	310,189.92
Accounts payable	Shanghai Shyndec Pharmaceutical Co., Ltd.	573,538.00	220,866.53
Accounts payable	Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	457,929.43	0.00
Accounts payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	422,264.41	78,975.41
Accounts payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	401,573.21	1,462,551.60
Accounts payable	Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	388,297.01	637.01
Accounts payable	Guizhou Tongjitang Pharmaceutical Co., Ltd.	325,537.57	282,671.52
Accounts payable	China Otsuka Pharmaceutical Co., Ltd.	264,611.06	196,492.56



Accounts payable	Handan Pharmaceutical Co., Ltd	242,911.34	263,842.34
Accounts payable	Sinopharm Group Zhonglian Pharmaceutical Co. Ltd.	235,048.83	176,769.70
Accounts payable	Anhui Jingfang Pharmaceutical Co., Ltd.	144,572.13	31,541.61
Accounts payable	Qinghai Pharmaceutical (Group) Co., Ltd.	138,453.45	0.00
Accounts payable	Sinopharm Group Chemical Reagent Co., Ltd.	135,240.19	443,678.43
Accounts payable	Sinopharm Holding Hunan Co., Ltd.	123,520.50	249.04
Accounts payable	Yichang Humanwell Pharmaceutical Co., Ltd.	110,894.07	15,820.01
Accounts payable	Guilin South pharmaceutical Co., Ltd.	103,018.41	96,499.78
Accounts payable	Sinopharm Holding Luoyang Co., Ltd.	97,094.01	0.00
Accounts payable	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	93,221.91	661,951.36
Accounts payable	Shenyang Hongqi Pharmaceutical Co., Ltd.	86,550.67	97,796.06
Accounts payable	Suzhou Erye Pharmaceutical Limited Company	72,650.00	92,623.93
Accounts payable	Foshan Nanhai Medicine Co., Ltd.	66,378.81	62,758.66
Accounts payable	Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	62,589.80	23,757.18
Accounts payable	Hunan Dongting Pharmaceutical Co., Ltd.	61,301.52	47,614.27
Accounts payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	60,622.82	39,113.92
Accounts payable	Foshan Dezhong Pharmaceutical Co., Ltd.	60,002.93	60,002.93
Accounts payable	Shandong Lu Ya Pharmaceutical Co., Ltd.	53,469.45	53,469.45

Accounts payable	Sinopharm Holding Hubei Co., Ltd.	46,014.36	35,238,692.18
Accounts payable	Shanghai Institute of biomedical Pharmaceutical Co. Ltd	43,012.23	0.85
Accounts payable	Foshan Fengliaoqing Pharmaceutical Co., Ltd.	40,514.97	437,829.45
Accounts payable	Sichuan Hexin Pharmaceutical Co., Ltd.	32,659.20	0.00
Accounts payable	Guangdong Medi-World Pharmacertical Co., Ltd.	30,114.22	30,541.40
Accounts payable	Guizhou Longlife Pharmacertical Co., Ltd.	26,922.69	26,948.33
Accounts payable	Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	21,261.25	22,356.76
Accounts payable	Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.	20,881.84	29,802.78
Accounts payable	Changchun Changsheng Gene Pharmaceutical Co., Ltd.	17,914.80	17,914.80
Accounts payable	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	17,583.33	58,032.78
Accounts payable	Sinopharm Group Shanghai Medicine Device Co., Ltd.	16,603.02	16,603.02
Accounts payable	Sinopharm Holding Liaocheng Co., Ltd.	16,197.93	16,197.93
Accounts payable	Sinopharm Holding Dalian Co., Ltd.	11,282.05	0.00
Accounts payable	Sinopharm Group Beijing Medical equipment Co., Ltd.	8,827.77	8,827.77
Accounts payable	Sinopharm Holding Jiangsu Co., Ltd.	8,386.03	27,794.23
Accounts payable	Sinopharm Group Weiqida Medicine Co., Ltd.	8,150.45	201.73
Accounts payable	Shanghai Chaohui Pharmecurical Co., Ltd.	7,494.85	7,494.85
Accounts payable	Sinopharm Holding Shan`xi Co., Ltd.	6,119.55	0.00

Accounts payable	China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	5,849.56	0.00
Accounts payable	Shenzhen Wanle Medical Co., Ltd.	4,444.06	4,290.22
Accounts payable	Sinopharm Holding Dezhou Co., Ltd.	4,333.65	4,333.65
Accounts payable	Foshan Fengliaoqing Pharmaceutical Co., Ltd.	3,914.41	3,914.41
Accounts payable	Shanghai Sailun Biological Technology Co., Ltd.	2,941.10	2,941.10
Accounts payable	Jiangsu Huanghe Pharmaceutical Co., Ltd	2,789.73	2,789.73
Accounts payable	Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	1,113.85	1,113.85
Accounts payable	Chengdu Rongsheng Pharmacy Co., Ltd.	794.87	794.87
Accounts payable	The Fourth Pharmaceutical Co., Ltd. of Zhonglian Group	752.14	752.14
Accounts payable	Sinopharm Holding Guoda Fumei Pharmaceutical (Shanghai) Co., Ltd.	189.71	189.71
Accounts payable	Sinopharm Holding Fujian Co., Ltd.	51.00	0.00
Accounts payable	Sinopharm Holding Guizhou Co., Ltd.	41.02	41.02
Accounts payable	Sinopharm Holding Sanming Co., Ltd.	12.82	12.82
Accounts payable	Sinopharm Group Southwest Medicine Co., Ltd.	0.00	222,265.56
Accounts payable	Sinopharm Holding Inner Mongolia Co., Ltd.	0.00	78,106.98
Accounts payable	China National Pharmaceutical Foreign Trade Co., Ltd.	0.00	367,884.12
Other payables	China State Institute of Pharmaceutical Industry	8,590,000.00	150,000.00
Other payables	Sinopharm Group	4,530,696.87	4,330,696.87

Other payables	Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	4,030,000.00	1,730,000.00
Other payables	Sinopharm Group Medicine Logistic Co., Ltd.	2,900,553.36	14,148.79
Other payables	Sinopharm Holding Shanghai Co., Ltd.	1,660,431.38	1,660,431.38
Other payables	China Traditional Chinese Medicine Co.	1,300,000.00	1,300,000.00
Other payables	Sinopharm Group Chemical Reagent Co., Ltd.	240,944.50	220,000.00
Other payables	Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	72,000.00	0.00
Other payables	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	55,300.00	0.00
Other payables	Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	46,000.00	0.00
Other payables	Sinopharm Group Guangdong Medicine Device Co., Ltd.	44,000.00	44,000.00
Other payables	Sinopharm Holding Hainan Hongyi Co., Ltd.	20,000.00	20,000.00
Other payables	Sinopharm Holding Shanxi Co., Ltd.	15,000.00	15,000.00
Other payables	Sinopharm Holding Tianjin Co., Ltd.	10,000.00	10,000.00
Other payables	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	10,000.00	10,000.00
Other payables	Sinopharm Group Southwest Medicine Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Holding Hubei Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Holding Sub Marketing Center Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Holding	5,000.00	5,000.00

	(Yangzhou) Chinese Western Medicine Branch Co., Ltd.		
Other payables	Sinopharm Holding Wuxi Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Le -Ren-Tang Medicine Co., Ltd.	5,000.00	5,000.00
Other payables	CNPGC	0.00	900,000.00
Notes payable	Sinopharm Group	50,760,344.94	72,843,584.86
Notes payable	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	25,465.00	45,110.30
Notes payable	Sinopharm Holding Beijing Co., Ltd.	0.00	212,400.00
Notes payable	China National Medicines Co., Ltd.	10,939,643.27	10,591,195.40
Notes payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	161,338,460.37	140,809,327.41
Notes payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	2,474,852.99	918,825.60
Notes payable	Shenyang Hongqi Pharmaceutical Co., Ltd.	149,450.00	0.00
Notes payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	1,000,209.72	2,013,158.00
Notes payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	1,628,968.60	2,071,879.20
Notes payable	Guizhou Tongjitang Pharmaceutical Co., Ltd.	1,224,804.50	1,228,680.00
Notes payable	Anhui Jingfang Pharmaceutical Co., Ltd.	283,256.00	477,198.00
Notes payable	Winteam Pharmaceutical Group Ltd.	318,943.43	0.00
Notes payable	Lanzhou Institute of Biological Products Co., Ltd.	794,447.76	600,000.00
Notes payable	Shanghai Shyndec Pharmaceutical Co., Ltd.	0.00	223,384.80
Notes payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	85,625.00	308,385.00
Notes payable	Shenzhen Wanwei Medicine trading Co., Ltd.	1,357,430.50	1,291,900.00

Advances from customers	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	94,692.36	94,692.36
Advances from customers	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	43,920.00	292,192.94
Advances from customers	Sinopharm Holding Gansu Co., Ltd.	11,003.00	11,003.00
Advances from customers	Sinopharm Holding Xuzhou Co., Ltd.	5,744.00	11,530.00
Advances from customers	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	5,635.00	0.00
Advances from customers	Sinopharm Group Southwest Medicine Co., Ltd.	2,456.00	0.00
Advances from customers	Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	1,450.09	1,802.98
Advances from customers	Sinopharm Holding Chongqing Co., Ltd.	755.62	755.62
Advances from customers	Sinopharm Holding Zhejiang Biological Product Co., Ltd.	505.00	505.00
Advances from customers	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	291.52	0.00
Advances from customers	Chongqing Yaoyou Pharmaceutical Co., Ltd.	203.47	0.00
Advances from customers	Sinopharm Sichuan Pharmaceutical Co., Ltd.	100.00	100.00
Advances from customers	Sinopharm Holding Jingmen Co., Ltd.	1.00	1.00
Advances from customers	Sinopharm Le -Ren-Tang Medicine Co., Ltd.	0.00	329,098.00
Advances from customers	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	0.00	187,200.00
Advances from customers	Sinopharm Holding Yangzhou Co., Ltd.	0.00	133,290.00
Advances from customers	Sinopharm Holding Guoda Pharmacy Co., Ltd.	0.00	129,200.00
Advances from customers	Sinopharm Holding Beijing	0.00	91,800.00

	Co., Ltd.		
Advances from customers	Hetian Region Ankang Chain Drugstore Co., Ltd.	0.00	63,128.00
Advances from customers	Sinopharm Holding Longyan Co., Ltd.	0.00	59,508.00
Advances from customers	Sinopharm Holding Anhui Co., Ltd.	0.00	44,302.05
Advances from customers	Sinopharm Holding Shanxi Co., Ltd.	0.00	38,340.00
Advances from customers	Sinopharm Holding Wenzhou Co., Ltd.	0.00	33,999.60
Advances from customers	Sinopharm Holding Suzhou Co., Ltd.	0.00	32,220.00
Advances from customers	Sinopharm Holding ChiFeng Co., Ltd.	0.00	30,384.00
Advances from customers	Sinopharm Holding Sub Marketing Center Co., Ltd.	0.00	24,741.60
Advances from customers	Sinopharm Holding Jilin Co., Ltd.	0.00	16,496.52
Advances from customers	Sinopharm Holding Shandong Co., Ltd.	0.00	16,320.00
Advances from customers	Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	0.00	12,620.00
Advances from customers	Sinopharm Holding Zhejiang Co., Ltd.	0.00	11,652.00
Advances from customers	Sinopharm Holding Tianjin Co., Ltd.	0.00	8,600.00
Advances from customers	Sinopharm Holding Jiangsu Co., Ltd.	0.00	4,833.00
Advances from customers	Sinopharm Holding Heilongjiang Co., Ltd.	0.00	1,872.00
Advances from customers	Sinopharm Holding Hebei Medical Co., Ltd.	0.00	3.48
Interests payable	CNPGC	60,291.18	52,140.00
Interests payable	Group Financial Co.	56,155.04	0.00

## 7. Commitment with related parties

Undertaking contracted for at the balance sheet date but not recognised in balance sheet are analysed as follows:

As a lessee

Unit: RMB'0,000

	30 June 2015	31 December 2014
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	766.17	640.52
Sinopharm Group Medicine Logistic Co., Ltd.	729.00	0.00
Wang Yang	248.40	0.00
Foshan Nanhai Medicine Group Co., Ltd.	18.24	3.70
<b>Total</b>	<b>1,761.81</b>	<b>644.22</b>

As a leaser

Unit: RMB'0,000

	30 June 2015	31 December 2014
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	150.99	275.25
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	107.94	10.25
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	41.17	54.03
Sinopharm Group Guangdong Medicine Device Co., Ltd.	14.19	28.38
<b>Total</b>	<b>314.29</b>	<b>367.91</b>

Guarantee (Unused quotas)

Unit: RMB'0,000

	30 June 2015	31 December 2014
Sinopharm Group	7,697.05	10,024.25
<b>Total</b>	<b>7,697.05</b>	<b>10,024.25</b>

## XI. Commitments and Contingencies

### 1. Commitments

#### (1) Capital commitments



Capital expenditures contracted for at the balance sheet date but not recognised in balance sheet are analysed as follows:

Unit: RMB'0,000

	30 June 2015	31 December 2014
Buildings, machinery and equipment	2,660.67	14,228.32
Total	2,660.67	14,228.32

## (2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

Unit: RMB'0,000

	30 June 2015	31 December 2014
Within one year	3,585.99	2,446.33
Between 1 and 2 years	2,682.19	2,407.97
Between 2 and 3 years	2,489.98	2,364.04
Over 3 years	13,233.29	16,372.28
Total	21,991.45	23,590.62

## XII. Notes to the main items of financial statement of the Company

### 1. Accounts receivable

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

Unit: RMB

	30 June 2015					31 December 2014				
	Carrying amount		Bad debt provision		Book value	Carrying amount		Bad debt provision		Book value
	amount	% of total balance	amount	rate		amount	% of total balance	amount	rate	
individually significant are subject to separate impairment assessment	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
receivable accounts within similar credit risk group	561,068,339.16	100.00%	0.00	0.00%	561,068,339.16	513,791,982.48	100.00%	0.00	0.00%	513,791,982.48

individually not significant but individually evaluated for impairment	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Total	561,068,339.16	100.00%	0.00	0.00%	561,068,339.16	513,791,982.48	100.00%	0.00	0.00%	513,791,982.48

The aging of accounts receivable and related provision for bad debts are analysed below:

Unit:RMB

Aging	30 June 2015		
	Accounts receivable	Provision for bad debts	rate
Within 1 year	561,068,339.16	0.00	0.00%
Total	561,068,339.16	0.00	0.00%

(2)The top five accounts receivable by customer are summarised as below:

	Amount	Bad debt provision amount	% of the total accounts receivable
Total amount of the top five accounts receivables	149,192,318.92	0.00	26.59%

## 2. Other receivables

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

Unit:RMB

Classification	30 June 2015					31 December 2014				
	Carrying amount		Bad debt provision		Book value	Carrying amount		Bad debt provision		Book value
	amount	% of total amount	amount	rate		amount	% of total amount	amount	rate	
Individually significant are subject to separate impairment assessment	8,980,000.00	0.66%	8,980,000.00	100.00%	0.00	8,980,000.00	0.80%	8,980,000.00	100.00%	0.00
Receivable	1,349,02	99.25%	41,054.9	0.00%	1,348,9	1,111,4	99.10%	41,461.3	0.00%	1,111,423,80

accounts within similar credit risk group	0,824.40		0		79,769.50	65,271.06		0		9.76
Individually not significant but individually evaluated for impairment	1,157,860.00	0.09%	1,157,860.00	100.00%	0.00	1,157,860.00	0.10%	1,157,860.00	100.00%	0.00
Total	1,359,158,684.40	100.00%	10,178,914.90	0.75%	1,348,979,769.50	1,121,603,131.06	100.00%	10,179,321.30	0.91%	1,111,423,809.76

As at 30 June 2015, impairment provision for other receivables individually significant are analysed as below:

Unit:RMB

Other receivables(by company)	30 June 2015			
	Amount	Bad debt provision	Rate	Assessment for impairment
Shenzhen Yinghai Technology Investment Co., Ltd.	8,980,000.00	8,980,000.00	100.00%	Uncertainty in recoverability
Total	8,980,000.00	8,980,000.00	--	--

Provisions for impairment of the receivables which have a similar risk group are analysed below:

Unit:RMB

Aging	30 June 2015		
	Amount	Bad debt provision	Rate
Within 1 year	1,348,199,726.44	0.00	0.00%
1 to 2 years	821,097.96	41,054.90	5.00%
Total	1,349,020,824.40	41,054.90	0.00%

## (2)Other receivables by nature are analysed below

Unit:RMB

Nature	30 June 2015	31 December 2014
Amounts due from related parties	1,344,841,150.15	1,107,496,851.78
Petty cash advance to employees	2,329,088.34	1,050,529.32
Deposit	1,372,469.72	2,370,709.80
Purchasing rebates	414,367.80	0.00

Others	10,201,608.39	10,685,040.16
Total	1,359,158,684.40	1,121,603,131.06

(3)As at 30 June of 2015, the top 5 parties that owe the largest amounts of other receivable balances are analysed as below:

Unit:RMB

Company name	Nature	Balance	Aging	% of total amount	Provision of bad debt
Sinopharm Yuexing	Entrusted borrowings	209,700,000.00	Within 1 year	15.43%	0.00
Suzhou Zhijun	Entrusted borrowings	177,949,000.00	Within 1 year	13.09%	0.00
Sinopharm Guangzhou	Entrusted borrowings	130,000,000.00	Within 1 year	9.56%	0.00
Sinopharm Zhanjiang	Entrusted borrowings	118,000,000.00	Within 1 year	8.68%	0.00
Guangxi Logistics	Entrusted borrowings	81,840,000.00	Within 1 year	6.02%	0.00
Total	--	717,489,000.00	--	52.78%	0.00

### 3. Long-term equity investments

Unit:RMB

	30 June 2015			31 December 2014		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Investments in subsidiaries	2,735,399,494.38	121,000,000.00	2,614,399,494.38	2,735,399,494.38	121,000,000.00	2,614,399,494.38
Investments in associates	151,691,888.29	0.00	151,691,888.29	157,604,846.85	0.00	157,604,846.85
Total	2,887,091,382.67	121,000,000.00	2,766,091,382.67	2,893,004,341.23	121,000,000.00	2,772,004,341.23

#### (1)Investments in subsidiaries

Unit:RMB

Investees	Original investment cost	Increases in investment cost	Decreases in investment cost	30 June 2015	Provision for impairment	Impairment
Zhijun Medicine	204,903,284.87	0.00	0.00	204,903,284.87	0.00	0.00

Sinopharm Jianming	60,054,911.04	0.00	0.00	60,054,911.04	0.00	0.00
Sinopharm Shenzhen Material	15,450,875.93	0.00	0.00	15,450,875.93	0.00	0.00
Shenzhen Logistics	5,019,062.68	0.00	0.00	5,019,062.68	0.00	0.00
Sinopharm Guangzhou	1,035,440,323.63	0.00	0.00	1,035,440,323.63	0.00	0.00
Zhijun Medicine	11,116,866.42	0.00	0.00	11,116,866.42	0.00	0.00
Sinopharm Hengxing	45,763,288.00	0.00	0.00	45,763,288.00	0.00	0.00
Sinopharm Liuzhou	21,407,965.79	0.00	0.00	21,407,965.79	0.00	0.00
Sinopharm Dongguan	17,942,000.00	0.00	0.00	17,942,000.00	0.00	0.00
Huixin Investment	64,416,937.72	0.00	0.00	64,416,937.72	0.00	0.00
Guangdong Logistics	10,596,006.21	0.00	0.00	10,596,006.21	0.00	0.00
Sinopharm Yuexing	113,459,326.27	0.00	0.00	113,459,326.27	0.00	0.00
Sinopharm Foshan	19,995,065.51	0.00	0.00	19,995,065.51	0.00	0.00
Suzhou Zhijun	265,900,000.00	0.00	0.00	265,900,000.00	0.00	121,000,000.00
Sinopharm Guangxi	504,048,985.28	0.00	0.00	504,048,985.28	0.00	0.00
Sinopharm Zhanjiang	70,769,864.65	0.00	0.00	70,769,864.65	0.00	0.00
Sinopharm Yanfeng	38,207,800.00	0.00	0.00	38,207,800.00	0.00	0.00
Sinopharm Meizhou	21,281,900.00	0.00	0.00	21,281,900.00	0.00	0.00
Zhijun(Shenzhen )Pingshan	37,850,830.38	0.00	0.00	37,850,830.38	0.00	0.00
Sinopharm Huizhou	16,644,200.00	0.00	0.00	16,644,200.00	0.00	0.00
Sinopharm	18,060,000.00	0.00	0.00	18,060,000.00	0.00	0.00

Zhaoqing						
Sinopharm Jiangmen	106,000,000.00	0.00	0.00	106,000,000.00	0.00	0.00
Sinopharm Zhongshan	10,000,000.00	0.00	0.00	10,000,000.00	0.00	0.00
Sinopharm Shaoguan	13,580,000.00	0.00	0.00	13,580,000.00	0.00	0.00
Sinopharm Shantou	7,490,000.00	0.00	0.00	7,490,000.00	0.00	0.00
Total	2,735,399,494.38	0.00	0.00	2,735,399,494.38	0.00	121,000,000.00

## (2)Investments in associates

Unit:RMB

	31 December 2014	Movement				30 Jnue 2015	Provision ending balance
		Additional investment	Share of profit or loss	Dividend declared	Provision of impairment		
Associates							
Wanle Medical	157,604,846.85	0.00	28,160,061.44	35,190,000.00	0.00	150,574,908.29	0.00
Sinopharm Zhuhai	0.00	1,002,980.00	114,000.00	0.00	0.00	1,116,980.00	0.00
subtotal	157,604,846.85	1,002,980.00	28,274,061.44	35,190,000.00	0.00	151,691,888.29	0.00
Total	157,604,846.85	1,002,980.00	28,274,061.44	35,190,000.00	0.00	151,691,888.29	0.00

## 4. Sales and cost of sales

Unit:RMB

	For the six months ended 30 June 2015		For the six months ended 30 June 2014	
	Revenue	Cost	Revenue	Cost
Revenue of main operations	1,404,606,954.44	1,349,606,896.49	1,339,376,773.85	1,289,133,611.14
Other operating income	5,308,781.06	489,205.40	5,156,613.11	1,778,763.16
Total	1,409,915,735.50	1,350,096,101.89	1,344,533,386.96	1,290,912,374.30

## 5. Investment income

Unit:RMB

	For the six months ended 30 June 2015	For the six months ended 30 June 2014
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Gain on long-term equity investment under cost method	514,513,119.54	456,948,364.73
Gain on long-term equity investment under equity method	28,274,061.44	23,595,722.50
Total	542,787,180.98	480,544,087.23

### XIII. Supplementary information

#### 1. Non-routine items

Unit:RMB

	amount	Notes
Gains on disposal of non-current assets	4,114,941.12	Mainly was compensation for demolition from disposal the investment real estate by Sinopharm Holding Liuzhou.
Government grants related to income	10,567,256.16	Mainly contained various of special subsidies and financial discount.
Receivables impairment reversal by individual assessment	2,568,108.32	
Entrusted management custody fee income	375,000.00	Mainly comes from hosting service for Sinopharm Group and China National Pharmaceutical Foreign Trade Co., Ltd.
Other non-operating income	2,189,460.15	Mainly was relocation rewards and closed resettlement compensation for demolition of Sinopharm Holding Liuzhou.
Less:Tax impact of above non-routine items	4,051,085.07	
Share of minority interests of above non-routine items after tax	2,103,582.14	
Total	13,660,098.54	--

#### 2. Return on equity and earnings per share

Profit during the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Consolidated net profit attributable to the shareholders of the Company	7.85%	1.068	1.068

Consolidated net profit attributable to the shareholders of the Company, excluding non-routine items	7.58%	1.030	1.030
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## **Section X. Documents Available for Reference**

1. Accounting Statements carried with the signature and seals of legal representative, chief financial officer and person in charge of accounting;
2. Original text of all documents of the Company as well as manuscript of the announcement disclosed in reporting period on *Securities Times*, *China Securities Journal* and *Hong Kong Commercial Daily* appointed by the CSRC;
3. Annual Report carried with the personal signature of the Chairman;
  4. The Place Where the document placed: Office of Secretariat of the Board of Directors, Accord Pharm Bldg., No. 15, Ba Gua Si Road, Futian District, Shenzhen