
China National Accord Medicines Corporation Ltd.

SEMI-ANNUAL REPORT 2016

August 2016

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.

Lin Zhaoxiong, principal of the Company, Wei Pingxiao, person in charger of accounting works and Wang Ying, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of the Semi-Annual Report 2016 is authentic, accurate and complete

Content

Semi-Annual Report 2016	2
Section I Important Notice, Contents and Paraphrase	5
Section II Company Profile	7
Section III Accounting data and summary of financial indexes	9
Section IV Report of the Board of Directors	20
Section V Important Events	38
Section VI Changes in shares and particular about shareholders.....	42
Section VII Preferred Stock	42
Section VIII Directors, Supervisors and Senior Executives	43
Section IX Financial Report.....	44
Section X Documents Available for Reference	186

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.
China National Zhijun Shenzhen	Refers to	China National Zhijun (Shenzhen) 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	Lin Zhaoxiong		

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

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

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 2015.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

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 2015.

3. Registration changes of the Company

Whether registration has changed in reporting period or not

Applicable Not applicable

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 2015.

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)	14,089,052,871.88	12,813,803,166.77	9.95%
Net profit attributable to shareholders of the listed company(RMB)	542,122,083.86	387,319,252.33	39.97%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	404,509,408.41	373,659,153.79	8.26%
Net cash flow arising from operating activities(RMB)	492,634,062.23	448,239,578.73	9.90%
Basic earnings per share (RMB/Share)	1.495	1.068	39.98%
Diluted earnings per share (RMB/Share)	1.495	1.068	39.98%
Weighted average ROE	9.53%	7.85%	1.68%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	14,485,586,577.06	13,218,349,735.31	9.59%
Net assets attributable to shareholder of listed company(RMB)	5,886,726,195.51	5,453,393,694.55	7.95%

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)

Applicable Not applicable

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)

Applicable Not applicable

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)	8,792,371.94	The income from assets disposal received by subsidiary Guangxi Logistics
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)	7,581,599.85	Vary special subsidies and finance discount received in the Period
Reversal of impairment reserve for account receivable with separate impairment testing	1,309,568.96	
Trustee fee obtained from entrusted management	353,773.59	Mainly due to the hosted services offering to Sinopharm Holding and China National Pharmaceutical Foreign Trade Corporation
Other non-operating income and expenditure except for the aforementioned items	2,640,765.63	The default fine of overdue payment for equity transfer received from Xinyu Boda
Subsidiary disposal and revaluation gains/losses of long-term investment	121,754,182.26	
Less: impact on income tax	4,643,039.53	
Influenced amount of minority shareholders' equity (after tax)	176,547.25	
Total	137,612,675.45	--

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

Applicable Not applicable

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

Section IV. Report of the Board of Directors

I. Introduction

2016 is the first year of Company's 13th Five-Year Plan and also a year for the enterprise integration, restructuring and transformation. Looking back on the first half year, confronted with the external policy changes and industry changes, and faced with the challenges of internal business restructuring, rebuilding infrastructure, and employee transition, the Company unifies the thoughts, clarifies the thinking, adapts to the changes, and takes the strong foundation, brave innovation, risk control, and security compliance as the main line of business, continues to strengthen the basic management, improve the control efficiency, improve the quality and efficiency of traditional businesses and expand the innovation businesses, so that the Company has preferably completed all key tasks of the first half year.

(I) Overall economic performance of China National Accord in the first half of 2016

China National Accord achieved operating income of 14.089 billion Yuan, with a year-on-year growth of 9.95%; achieved net profit attributable to parent Company of 542 million Yuan, with a year-on-year growth of 39.97%.

Distribution division achieved operating income of 13.305 billion Yuan, with a year-on-year growth of 11.23%; achieved net profit attributable to parent Company of 235 million Yuan, with a year-on-year growth of 7.68%.

Pharmaceutical division achieved operating income of 787 million Yuan, a decrease of 8.39% on a year-on-year basis; achieved net profit attributable to parent Company of 138 million Yuan, an increase of 12.56% on a year-on-year basis.

(II) Major work the Company has completed in the first half of 2016

1. Steadily advance the major asset restructuring

The Company organizes the intermediaries to fulfill their duties and smoothly implements the asset restructuring. In the progress, the Company has carried out the roadshow in Beijing, Shanghai and Shenzhen, explained the restructuring project and its strategic importance to the Company's development to all investors, and has got supports and acceptance of many investors, the restructuring bill has been unanimously passed by the meeting of stockholders. At the end of June, the Company has received the "Administrative license application acceptance notice of China Securities Regulatory Commission".

2. Launch the development planning formulation for retail and diagnosis and treatment

In the strategic positioning, keep a foothold in Guangdong and Guangxi, take advantages of the integration of wholesale and retail and the operational integration, make the pharmacy brands which form an effective synergy and complementary mechanism for the medical cooperation with hospitals, establish the professional DTP health service network mainly based on new special medicines and medicines for chronic diseases, further cultivate the market segment for wholesale and retail, and develop new profit growth points of distribution.

On the development tasks, build a competitive DTP professional health service system having the best service and

the fastest delivery; keep the leading position in the industry, and become the preferred "medical cooperation pharmacy" partners to hospitals; innovate the development patterns of retail business, and meet the multi-level and diversified health service needs.

3. Control the operational risks and consolidate the results of "two reduce one decrease"

Performance-oriented, and clarify responsibilities; implement the "four linkage" policy. Performance and remuneration link with the Company and individual annual evaluation; in accordance with the principle of "reasonable collect and release, proper control and increase", optimize the internal resource allocation, optimize the marketing variety structure, and improve the contribution degree of high quality customers and the market shares; combine with the requirements of "Four Clean-ups", sort out the inefficient varieties and inefficient customers, and enhance the profitability of inefficient enterprises; strategically carry out the medical cooperation projects, and periodically evaluate the input-output results; strengthen the capital budget management, and strictly control the overall capital scale, including bank credit, annual capital scale merit and scale increment.

4. Establish long-term mechanism for compliance management, and strengthen the implementation and supervision of responsibilities

The Company signs the liability statement of compliance management and honest business layer upon layer; improve the system and internal control system, strengthen the compliance awareness and implementation of responsibilities, and initially establish the long-term mechanism for compliance management; form a joint inspection mechanism for finance, internal control and audit to realize multi-sectoral linkage and comprehensively investigate the potential risks.

In the first half year, the Company has completed the comprehensive investigation to high-risk businesses of distribution enterprises and industrial enterprises; completed the general check-up on the financial work of subsidiary enterprises, including expense reimbursement, cash and bank deposits, capital approval and budget, taxation, and reception, and rectified and reformed all problems.

5. Distribution, potential tapping and innovation, two-wheel drive promoting the development

(1) Tap the potential of traditional business

Integrated sales volume increases by 17% on a year-on-year basis; vaccine business undertakes the variety distribution services, and continue to carry out the depth distribution projects; improve the logistics network layout, promote the projects such as Guangzhou-Foshan logistics center new warehouse, Zhanjiang new warehouse, etc.; put logistics operation billing into trial use, optimize the business flow and logistics collaboration, and cut the costs and improve the efficiency; promote the hospital supply chain extending services and vaccine distribution services.

(2) New Businesses are flourishing

Up to June 2016, the distribution division has been involving in 54 medical cooperation projects, increasing 11 new service types, project evaluation system and risk assessment system have been improved; B2B e-commerce has won 530 online customers, and the sales volume has reached 2.5 billion Yuan; there are 17 DTP pharmacies with sales volume over 200 million Yuan. Make service innovation and establish Guangdong Hospital Internet Call Center; in April, Sinopharm Holding Guangzhou Co., Ltd. obtained the "Qualification Certificate for Internet Drugs Transaction Services".

6. Improve the industrial integrated platform, and build a strong service background

(1) Adjust the organizational structure

Complete the adjustment to integration, professionalization, delayering and gradient of organizational structure for Shenzhen Industry; optimize the annual incentive plan to enhance the organizational effectiveness.

(2) Marketing management

Actively explore the marketing model transformation, and continue to promote the fine marketing. Forecast the financial risks under two-vote system and new model, and focus on the control of selling expenses reimbursement and make policy responses; promote the national price maintenance work, take advantages of the successful biddings in EU and Hong Kong for major varieties, its quality levels have been recognized in many provinces which brings prominent competitive advantage in the bidding.

(3) R & D management

Actively respond to the "consistency evaluation to generic drugs", plan ahead, eight varieties and 11 specifications have been sifted for consistency evaluation; set up a project team, concentrate on superior resources, and complete the consistency evaluation work.

(4) Production management

Deepen the lean production, and leverage the quality authentication program to enhance the quality management level. In February, China National Zhijun Shenzhen has passed the new GMP certification for non-cephalosporin oral solid preparation workshop; in March, China National Zhijun Shenzhen Pingshan has passed the GMP on-site inspection to oral solid second workshop, external preparation workshops, warehouses, shared systems, and workshops for traditional Chinese medicine pre-treatment and extraction done by Guangdong Food and Drug Administration; in May, China National Zhijun Shenzhen has passed the on-site inspection of EU certification to the solid second workshop; China National Zhijun Shenzhen Pingshan's EU GMP certification project has made effective progress which is expected to receive the clients' pre-audit recently.

(5) The process of internationalization

Based on the EU, focusing on big market, developing major customers, further developing and increasing sales, international brands getting recognition, Sinopharm Zhijun Shenzhen has been awarded "China's Top 20 International Leading Preparations Enterprises in 2015"

(6) Pingshan base

Intensify efforts to introduce projects, seven projects are currently in negotiations; PGT project has realized the supply of material in Pingshan; the vermoz project commissioned to Pingshan base for processing is being advanced. On April 18, China National Accord has signed the framework agreement with Pingshan New District to co-build the incubator for bio-pharmaceutical industry development

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	14,089,052,871.88	12,813,803,166.77	9.95%	
Operating costs	13,040,493,792.81	11,801,661,040.42	10.50%	
Sales expenses	256,587,355.57	262,074,106.01	-2.09%	
Administration expenses	223,764,647.62	203,589,373.35	9.91%	
Finance expenses	31,429,057.49	58,639,672.40	-46.40%	Mainly because capital efficiency improve for the accelerated asset turnover, optimize financing structure in aspect of variety at the same time and reduce outward financing
Income tax expenses	110,456,898.44	95,348,854.50	15.85%	
R&D input	25,988,200.63	33,640,577.40	-22.75%	
Net cash flow arising from operating activities	492,634,062.23	448,239,578.73	9.90%	
Net cash flow arising from investment activities	157,465,676.21	-79,800,820.06	297.32%	Resulted by the disposal of 67% equity of China National Zhijun (Suzhou)
Net cash flow arising from financing activities	-188,369,594.17	-65,104,388.08	-202.99%	Mainly because capital turnover accelerated, and the debt payment increased
Net increase of cash and cash equivalent	461,730,144.27	303,343,621.01	52.21%	Mainly due to the increase of net cash flow arising from investment activities

Major changes on profit composition or profit resources in reporting period

Applicable Not applicable

No major changes on profit composition or profit resources occurred in reporting period.

The future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

Applicable Not applicable

No future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement.

Summary on the progress of the operation plan as disclosed previously by the Company during the reporting period

Nil.

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	13,272,623,263.70	12,585,131,877.14	5.18%	11.45%	11.66%	-0.18%
Medical manufacture	758,296,980.40	433,105,496.75	42.88%	-10.16%	-15.89%	3.89%
Logistics and warehousing services	19,256,444.94	14,860,926.88	22.83%	23.41%	33.10%	-5.61%
Lease and other service	3,619,564.79	1,193,473.50	67.03%	-7.74%	-0.40%	-2.43%
According to products						
Drugs	13,734,416,205.78	12,742,266,060.14	7.22%	9.81%	10.23%	-0.36%
Apparatus	296,504,038.32	275,971,313.76	6.92%	20.58%	21.71%	-0.88%
Other	22,876,009.73	16,054,400.38	29.82%	16.74%	29.68%	-7.00%
According to region						
Domestic income	14,018,459,177.96	13,006,482,062.78	7.22%	10.05%	10.50%	-0.38%
Foreign income	35,337,075.87	27,809,711.49	21.30%	3.54%	-0.19%	2.94%

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

The Company has no external equity investment in the Period.

(2) Holding equity of financial enterprise

Applicable Not applicable

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

(3) Securities investment

Applicable Not applicable

The Company has no securities investment in the Period.

(4) Explanation on equity of other listed company held

Applicable Not applicable

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

2. Trust management, derivative investment and entrust loans

(1) Trust financing

Applicable Not applicable

The Company has no trust financing in the Period.

(2) Investment of derivatives

Applicable Not applicable

The Company has no derivatives investment in the Period.

(3) Entrustment loan

Applicable Not applicable

In 10 thousand Yuan

Loan customer	Related parties (Y/N)	Loan amount	Lending rate	Guarantor/Collateral	Application of funds
China National Zhijun (Suzhou) Pharmaceutical Co., Ltd.	Yes	9,394.9	4.57%	Guarantor: Xinyu Boda Hengkang Investment Management Center (Limited Partnership)	RMB 56.949 million was the project loan and rests of the loans will supplement the operating cash flow
Total	--	9,394.9	--	--	--
Extension, overdue or lawsuits (if any)	RMB 4.949 million outstanding				
Solutions for the risks of extension, overdue or lawsuits (if any)	Amount outstanding-collection				
Disclosure date of the Notice of BOD for the entrust loans approved (if any)	Not applicable				
Disclosure date of the Notice of BOS for the entrust loans approved (if any)	Not applicable				

3. Application of raised proceeds

Applicable Not applicable

The Company has no application of raised proceeds in the Period.

4. Main subsidiaries and joint-stock companies analysis

Applicable Not applicable

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	200,000,000.00	945,202,950.97	475,157,578.68	600,241,558.55	141,677,492.16	124,359,173.21

			treated by authorized certificates						
Sinopharm Holding Guangzhou Co., Ltd.	Subsidiary	Commerce	Western medicine, Chinese patent medicine, Chinese herbal pieces, chemical drugs agents, antibiotics, blood products, biochemical drugs, diagnosis drugs, biological products (vaccine included), prepackaged food, medical diagnosis, medical care and treatment facility, internet drug business, merchandise information consulting service, self-operated and agent vary merchandise and technology import and export.	1,000,000,000.00	6,121,556,214.33	1,187,383,485.87	7,782,864,948.96	107,430,350.60	77,684,934.50
Sinopharm Holding Guangxi Co., Ltd.	Subsidiary	Commerce	Chinese herbal medicines, Chinese herbal pieces, Chinese patent medicine, chemical raw medicines and its preparation, antibiotics, biochemical drugs, biological products, vaccine, narcotic, psychoactive drug, medicinal toxic drugs and medical equipments.	500,000,000.00	1,930,571,852.50	622,101,439.04	1,940,752,019.67	64,589,166.77	56,833,110.45

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	2,306.61	49,784.11	89.80%	The project covers approximately 73352 M ² in total, positioning as the production base of 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	2014-03-22	“China National Accord: Announcement of Increasing Investment Amount” (Notice No.: 2014-18) released on Juchao Website
Total	88,137	2,306.61	49,784.11	--	--	--	--

VI. Prediction of business performance from January – September 2016

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

Formulation, Implementation and Adjustment of common stock Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

The profit distribution scheme for year of 2015 was deliberated and approved in the Shareholders General Meeting of 2015 on April 22, 2016, calculating based on the Company's total existing shares of 362,631,943 shares, and the Company distribute RMB 3.00 (including tax) dividend per ten shares to all shareholders in cash. On May 24, 2016, Board of Directors issued Announcement on Implementation of the 2015 Equity Distribution Plan (published on Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website <http://www.cninfo.com.cn>), the 2015 Annual Profit Distribution Plan was implemented, and dividend for social public shareholders distributed to shareholders' account on 30 May 2016 (A shares) and 1 June 2016 (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

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual year.

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

Applicable Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
2016-01-13	The Company	Field research	Institution	Guotai Junan Securities, Guosen Securities, Tianhong Asset Management, Founder Securities, Chongzhi Asset Management,	Research condition found more in the "IR Actively Log (13 Jan. 2016)" upload on SSE's Interactive easy

			Guangzheng Hengsheng, Minsheng Securities, Haitong Securities, CITIC Securities, Shenwan Hongyuan, China Merchants Fund Management, Bosera Funds, Rabbit Fund, HuaAn Funds, Zhongrong International Trust, JX Asset Management, Huaixin Investment, Pacific Securities, Wanxiang Funds, Southwest Securities, Youngy Investment, Century Securities, Foresea Life Insurance, Dongguan Securities, Dacheng Fund, Changsheng Fund, Shenwan Hongyuan, Upright Fund, Etock Capital, CMS, Shangcheng Asset Management, Essence Fund, Chuanghai Fuxin, Rongtong Fund Management, Weishi Capital, Elitimes, Chengding Fund, China Industrial Asset Management, Dingtian Investment, Dewei Capital, CICC, Zhongrong International Trust, Zundao Investment, Kaishi Capital, Huayi Shengshi, Lion Fund and etc.	(http://irm.cninfo.com.cn/ssessgs/S000028/index.html)
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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.

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

Material lawsuits and arbitration

Applicable Not applicable

The Company has no significant lawsuits and arbitrations in reporting period.

Other lawsuits

√ Applicable □ Not applicable

Lawsuits (arbitrations)	Amount involved (in 10 thousand Yuan)	Resulted an accrual liability (Y/N)	Progress	Trial result and influence	Execution of judgment	Disclosure date	Disclosure index
The Company and subordinate enterprises suit against other company for contract disputes (23 cases)	4,894.77	N	-	-	-		Case far from disclosure standards of major litigation
Other company suit against subordinate of the Company for contract dispute (1 case)	760.32	N	-	-	-		Case far from disclosure standards of major litigation
Subordinate enterprise of the Company submit official report on contract fraud suspicion against other company (2 cases)	1,454.44	N	-	-	-		Case far from disclosure standards of major litigation
Subordinate enterprise of the Company suit against other company for trademark, trade name infringement (1 case)	100.00	n	-	-	-		Case far from disclosure standards of major litigation
Labor dispute (2 cases)	104.40	N	-	-	-		Case far from disclosure standards of major litigation

Other (7 cases)	155.18	N	-	-	-	-	Case far from disclosure standards of major litigation
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III. Questions by media

Applicable Not applicable

No questions by media in Period.

IV. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization in Period.

V. Transaction in assets

1. Assets acquisition

Applicable Not applicable

The Company had no assets acquisition in the Period.

2. Sales of assets

Applicable Not applicable

Counter party	Assets for sale	The date of sale	Transaction price (in 10 thousand Yuan)	The net profits contributed to the listed company by the asset from the beginning of current period to the	Impact on the Company (note3)	The proportion of the net profits that the assets for sale contributed to the listed company in total	Pricing principle	Related transaction confirmed (Y/N)	The association with the counterparty (Applicable for related transaction)	The ownership of property rights that involved has transferred totally (Y/N)	The creditor's rights and debts that involved has transferred totally (Y/N)	Date of disclosure	Index of disclosure

				date of sale(in 10 thousand Yuan)		profits							
Xinyu Boda Hengka Investment Management Center (Limited Partnership)	67% equity of China National Zhijun (Suzhou)	2016.4.26	15,780	1,116.99	-	21.96%	Based on assessment result	No	Non-related party	Yes	Yes	2015-12-31	Juchao website, Notice No.: 2015-56

3. Enterprise combination

Applicable Not applicable

No enterprise combination in Period.

VI. Implementation and its influence of equity incentive plan

Applicable Not applicable

No implementation of equity incentive plan in Period.

VII. Material related transaction

1. Related transaction with daily operation 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 26 March 2016, and disclosure on Juchao Website with Notice No.: 2016-32;

(3) According with the Notice of Routine Related Transactions for year of 2016, deliberated and approved by the Board dated 26 March 2016, during the reporting period, the affiliated company sales representing 46.39% of the total predicted amount, affiliated company procurement representing 46.05% of the total predicted amount, the interest expenditure of affiliated company loans representing 3.65% of the predicted amount, the interest expenditure of buyer discount for affiliated company notes representing 43.10% of the predicted amount, interest expenditure for finance lease of affiliated company representing 8.64% of the total predicted amount, expenses of long-term assets acquisition as fixed assets from affiliated company representing 4.52% of the total predicted amount, affiliated

company's leasing revenue representing 47.37% of the total predicted amount, affiliated company's house & equipment leasing expenses representing 48.91% of the total predicted amount, the income of service providing from affiliated company representing 53.09% of the predicted amount and expenditure of the service received by affiliated company representing 19.60% of the predicted amount.

2. Related transaction incurred by purchase or sales of assets

Applicable Not applicable

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

3. Related transaction from jointly investment outside

Applicable Not applicable

No related transaction from jointly investment outside occurred in Period.

4. Current related liabilities and debts

Applicable Not applicable

Whether has non-operational contact of related liability and debts or not

Yes No

No non-operational contact of related liability or debts in Period.

5. Other related transactions

Applicable Not applicable

The company had no other related transactions in Period.

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

Applicable Not applicable

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

Applicable Not applicable

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.

Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

(2) Contract

Applicable Not applicable

The Company had no contract in the reporting period.

(3) Leasing

Applicable Not applicable

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 Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation (Y/N)	Guarantee for related party (Y/N)
China National Accord Medicines Corporation Ltd.	2016-03-26	20,000	2016-04-29	6,000	General guarantee	2016.4.29-2016.5.15	No	Yes
China National Accord Medicines Corporation Ltd.	2016-03-26	25,000	2016-05-25	10,520.06	General guarantee	2016.5.25-2017.5.25	No	Yes
China National	2015-03-21	3,000	2015-09-08	1,550	General	2015.9.8-	No	Yes

Zhijun (Suzhou) Pharmaceutical Co., Ltd.					guarantee	2016.9.7		
Total approving external guarantee in report period (A1)		45,000		Total actual occurred external guarantee in report period (A2)		18,431.5		
Total approved external guarantee at the end of report period (A3)		48,000		Total actual balance of external guarantee at the end of report period (A4)		18,070.06		
Guarantee of the Company 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 (Y/N)	Guarantee for related party (Y/N)
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	35,000	2016-05-18	23,932.08	General guarantee	2016.5.20-2017.5.20	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	10,000	2015-08-21	8,138.09	General guarantee	2015.8.21-2016.8.20	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	5,000	2015-12-25	0	General guarantee	2015.12.25-2016.10.30	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-08-20	20,000	2015-12-21	1,399.63	General guarantee	2015.12.21-2016.12.20	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	40,000	2016-06-29	18,124.48	General guarantee	2016.6.29-2017.6.28	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	40,000	2015-09-20	13,048.59	General guarantee	2015.9.20-2016.9.19	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	35,000	2015-09-08	29,329.3	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding	2015-03-21	30,000	2015-06-23	20,410.77	General guarantee	2015.6.23-2016.4.30	No	Yes

Guangzhou Co., Ltd.								
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	35,000	2016-05-05	29,742.36	General guarantee	2016.5.9-2017.4.28	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2015-03-21	10,000	2015-10-23	7,502.8	General guarantee	2015.10.23-2016.7.31	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	20,000	2016-05-10	14,983.33	General guarantee	2016.5.10-2017.5.9	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	50,000	2016-06-30	39,437.95	General guarantee	2016.6.30-2017.6.30	No	Yes
Sinopharm Holding Guangzhou Co., Ltd.	2016-03-26	126,000	2016-04-01	27,289.54	General guarantee	2016.4.1-2017.3.31	No	Yes
Sinopharm Holding Guangdong Yuexing Co., Ltd.	2016-03-26	3,500	2016-05-18	1,411.46	General guarantee	2016.5.20-2017.5.20	No	Yes
Sinopharm Holding Guangdong Yuexing Co., Ltd.	2015-03-21	5,000	2015-09-08	3,059.36	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2015-03-21	9,000	2015-09-08	7,520.24	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2016-03-26	5,000	2016-06-20	2,021.96	General guarantee	2016.6.20-2017.6.19	No	Yes
Sinopharm Holding Liuzhou Co., Ltd.	2015-08-20	6,000	2015-11-24	3,204.43	General guarantee	2015.11.24-2016.11.23	No	Yes
Sinopharm Holding Shenzhen	2015-03-21	2,000	2015-12-17	1,480.49	General guarantee	2015.12.17-2016.12.16	No	Yes

Yanfeng Co., Ltd.								
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2015-03-21	7,000	2015-09-08	4,195.6	General guarantee	2015.09.08-2016.09.07	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2016-03-26	2,000	2016-06-03	1,700	General guarantee	2016.06.03-2016.11.15	No	Yes
Sinopharm Holding Shenzhen Yanfeng Co., Ltd.	2016-03-26	3,000	2016-06-28	1,714.75	General guarantee	2016.06.28-2017.04.28	No	Yes
Sinopharm Holding Foshan Co., Ltd.	2015-03-21	1,000	2016-02-01	960.21	General guarantee	2016.2.1-2016.9.7	No	Yes
Sinopharm Holding Jiangmen Renren Co., Ltd.	2015-03-21	3,000	2015-09-08	1,957.24	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding Shaoguang Co., Ltd.	2015-03-21	1,000	2015-09-08	989.16	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding Zhanjiang Co., Ltd.	2015-03-21	3,000	2016-03-30	0	General guarantee	2016.3.30-2016.9.7	No	Yes
Sinopharm Holding Shenzhen Medicine Co., Ltd.	2015-03-21	1,000	2015-09-08	334.53	General guarantee	2015.9.8-2016.9.7	No	Yes
China National Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	2015-03-26	2,000	2016-03-07	277.27	General guarantee	2016.3.7-2016.9.8	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	5,000	2015-10-23	0	General guarantee	2015.10.23-2016.10.23	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	20,000	2015-07-30	15,122.49	General guarantee	2015.7.30-2016.7.30	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	25,000	2015-09-08	12,477.77	General guarantee	2015.9.8-2016.9.7	No	Yes

Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	20,000	2015-09-23	1,999.61	General guarantee	2015.9.23-2016.9.23	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-08-20	15,000	2015-09-25	9,705.68	General guarantee	2015.9.25-2016.8.6	No	Yes
Sinopharm Holding Guangxi Co., Ltd.	2015-03-21	10,000	2015-08-21	0	General guarantee	2015.8.21-2016.8.20	No	Yes
China National Zhijun (Shenzhen) Pharmaceutical Co., Ltd.	2015-03-21	20,000	2015-09-10	7,666.08	General guarantee	2015.9.10-2016.9.10	No	Yes
China National Zhijun (Shenzhen) Pharmaceutical Co., Ltd.	2015-03-21	5,000	2015-09-08	0	General guarantee	2015.9.8-2016.9.7	No	Yes
Sinopharm Holding Meizhou Co., Ltd.	2015-03-21	2,000	2015-09-08	1,500	General guarantee	2015.3.22-2016.09.07	No	Yes
Total amount of approving guarantee for subsidiaries in report period (B1)		319,500		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		542,805.86		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		631,500		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		312,637.25		
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 (A1+B1+C1)		364,500		Total amount of actual occurred guarantee in report period (A2+B2+C2)		561,237.36		
Total amount of approved guarantee at the end of report period (A3+B3+C3)		679,500		Total balance of actual guarantee at the end of report period (A4+B4+C4)		330,707.31		
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)				56.18%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(D)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(E)				266,603.83				

Proportion of total amount of guarantee in net assets of the Company exceed 50%(F)	36,371.02
Total amount of the aforesaid three guarantees(D+E+F)	302,974.85
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)	N/A
Explanations on external guarantee against regulated procedures (if applicable)	N/A

Explanation on guarantee with composite way

(1) Guarantee outside against the regulation

Applicable Not applicable

No guarantee outside against the regulation in Period.

3. Other significant contract

Applicable Not applicable

No other significant contract in Period.

4. Other significant transaction

Applicable Not applicable

No other significant transaction in Period.

X. Commitments from the Company or shareholder with over 5% share held in reporting period or occurred in prior period but continues 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	2005-06-21	Long-term effective	Normally implement

		<p>compete with that of Accord Pharma, or set up any new subsidiaries or subordinate enterprises who engage in such business. 2. it will enter into business delineation with Accord Pharma and Sinopharm Holding Guangzhou, thereby giving the three parties clear geographical areas to carry out pharmaceutical wholesale and retail businesses, so as to avoid potential peer competition. Apart from above, Sinopharm Holding will no longer newly-establish any enterprise that may compete with Accord Pharma in the production and R&D of pharmaceutical products.”</p>			
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</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

		entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss which may arise out of the Company’s violation of the Undertaking.”			
	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 necessary interested directors and shareholders shall be abstained from voting according to relevant regulations, and follow the</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

		<p>legal procedures for approval of connected transactions and fulfill its information disclosure obligation. V. the Company guarantees to attend shareholders' meeting according to the constitutional documents of Sinopharm Accord, exercise its corresponding rights and assumed its corresponding obligations in an equitable manner, not to take advantage of its standing as controlling shareholder to seek unjust interests, or to use connected transactions to illegally transfer capital or profit out of Sinopharm Accord, or to prejudice the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). VI. the Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss that may arise out of the Company's violation of the Undertaking."</p>			
	Sinopharm Group	<p>"Sinopharm Group has undertaken in the Letter of Undertaking from China National Pharmaceutical Group Corporation on Avoiding the Peer Competition with China National Accord Medicines Corporation Ltd. that, "I. in the coming five years, Sinopharm Group intends to take appropriate measures including replacement or acquisition of assets or equity reorganization to solve the problem of peer competition between Weiqida and Sinopharm Accord. II. apart from the matters disclosed in the past and in the Letter of Undertaking, the Company and the enterprises it wholly-owns, controls or has de facto control over (excluding Sinopharm Accord and its controlled enterprises, similarly hereinafter) do not directly engage in, participate in or carry out within the PRC any business or activities that would constitute substantive competition with the production and operation of Sinopharm Accord. The relative undertakings in respect of avoiding peer</p>	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>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 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</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

		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

Whether the semi-annual financial report had been audited

Yes No

The semi-annual report was not audited.

XII. Penalty and rectification

Applicable Not applicable

No penalty or rectification in Period.

XIII. Risk disclosure of delisting with laws and rules violated

Applicable Not applicable

The Company has no delisting risks with laws and rules violated in Period.

XIV. Other significant issues

√Applicable □Not applicable

In reporting period, events with material assets reorganization concerned are push forward steadily, notices of the significant issues are as:

Content	Date of disclosure	Index of disclosure
Notice of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions	2016-03-10	Juchao Website (http://www.cninfo.com.cn) Notice No.:2016-22
Plan of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions	2016-03-10	Juchao Website (http://www.cninfo.com.cn)
Plan of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions (Revised)	2016-03-25	Juchao Website (http://www.cninfo.com.cn)
Supplemental notice of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions	2016-05-31	Juchao Website (http://www.cninfo.com.cn) Notice No.:2016-53
Report of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions (draft) (revised)	2016-06-14	Juchao Website (http://www.cninfo.com.cn)
Report of assets sale, issue shares, assets acquisition by cash, raising supporting funds and related transactions (draft) (2nd revised)	2016-06-27	Juchao Website (http://www.cninfo.com.cn)

XV. Issuance of corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No

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-converted 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%
Domestic natural 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		13,521		Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see Note 8)			0	
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	0	74,482,543	110,459,748		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Overseas corporate	2.08%	7,548,119					
China Securities Finance Corporation Limited	State-owned corporate	1.73%	6,275,699					
National Council for Social Security Fund – 118	Domestic non state-owned corporate	1.39%	5,053,187					
VALUE PARTNERS CLASSIC FUND	Overseas corporate	1.29%	4,664,607					
National Council for Social Security Fund – 116	Domestic non state-owned corporate	1.24%	4,483,871					
GUOTAI JUNAN SECURITIES(Overseas corporate	1.22%	4,408,269					

HONGKONG) LIMITED								
National Council for Social Security Fund – 106	Domestic non state-owned corporate	1.17%	4,252,251					
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - - 018L-FH002 Shen	Domestic non state-owned corporate	1.16%	4,199,772					
CITIC Securities Co., Ltd.	Domestic non state-owned corporate	1.16%	4,198,728					
Explanation on associated relationship among the aforesaid shareholders	It is unknown that there exists associated relationship or belongs to the consistent actionist among the above-mentioned 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					
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	7,548,119	Domestically listed foreign shares	7,548,119					
China Securities Finance Corporation Limited	6,275,699	RMB ordinary shares	6,275,699					
National Council for Social Security Fund – 118	5,053,187	RMB ordinary shares	5,053,187					
VALUE PARTNERS CLASSIC FUND	4,664,607	Domestically listed foreign shares	4,664,607					
National Council for Social Security Fund – 116	4,483,871	RMB ordinary shares	4,483,871					
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,408,269	Domestically listed foreign shares	4,408,269					
National Council for Social Security	4,252,251	RMB ordinary	4,252,251					

Fund – 106		shares	
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - - 018L-FH002 Shen	4,199,772	RMB ordinary shares	4,199,772
CITIC Securities Co., Ltd.	4,198,728	RMB ordinary shares	4,198,728
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	It is unknown that there exists associated relationship or belongs to the consistent actionist among the above-mentioned shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.		

Agree to buy-back dealings occurred in Period by top 10 common shareholders and top 10 common shareholders with shares restricted for sale

Yes No

No agree to buy-back dealings occurred in Period by top 10 common shareholders and top 10 common shareholders with shares restricted for sale

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

As far as the Company know, there are no share holding increasing plan proposed or implemented in Period from shareholder of the Company and its concerted action person.

Section VII. Preferred Stock

Applicable Not applicable

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

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2015.

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

Applicable Not applicable

Name	Title	Type	Date	Reasons
Yan Zhigang	Deputy GM	Appointment and removal	2016-03-09	Mr. Yan Zhigang resign from the director and specialized committee, Mr. Yan is no longer in post of GM of the Company; BOD agrees to appoint Mr. Yan to be deputy GM of the Company
Lin Zhaoxiong	GM	Appointed	2016-03-09	According to the work arrangement, BOD agrees to appoint Mr. Lin Zhaoxiong to be GM (legal representative) of the Company; being recommended by controlling shareholder Sinopharm Group Co., Ltd, Mr. Lin Zhaoxiong was nominated as append candidate of directors
Lin Zhaoxiong	Director	Be elected	2016-04-06	Being selected by the 2 nd extraordinary general meeting of 2016, Mr. Lin was elected as the director of 7 th BOD of the Company
Yan Zhigang	N/A	Dismissed	2016-05-23	Mr. Yan Zhigang resigned deputy GM of the Company due to personnel reasons

Section IX Financial Reporting

I. Report of the Auditors

Consolidated financial statements for the six months ended 30 June 2016 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 2016

Unit: RMB

Item	30 June 2016	31 December 2015
Current assets		
Cash at bank and on hand	2,030,956,448.63	1,570,706,970.51
Notes receivable	1,144,758,273.13	820,125,807.67
Accounts receivable	7,021,479,531.77	6,153,830,882.75
Advances to suppliers	57,891,873.15	72,041,261.84
Interest receivable	306,885.56	0.00
Other receivables	146,537,262.42	38,175,884.46
Inventories	2,264,788,110.40	2,533,160,758.28
Divided into holdingassets for sale	0.00	2,456,876.83
Other current assets	5,272,545.09	19,456,915.58
Total current assets	12,671,990,930.15	11,209,955,357.92
Non-current assets		
Long-term equity investments	251,155,234.93	180,831,714.55
Investment properties	141,861,582.35	145,102,318.77
Fixed assets	978,907,375.66	1,079,412,437.53
Construction in progress	124,167,606.84	176,096,786.58
Intangible assets	118,532,870.38	137,720,156.55
Development costs	-	5,619,315.47
Goodwill	51,359,439.83	79,378,833.15
Long-term prepaid expenses	36,968,640.81	40,464,563.93

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Deferred income tax assets	45,088,462.57	88,210,062.44
Other non-current assets	65,554,433.54	75,558,188.42
Total non-current assets	1,813,595,646.91	2,008,394,377.39
TOTAL ASSETS	14,485,586,577.06	13,218,349,735.31
Current liabilities		
Short-term borrowings	1,310,291,209.80	1,212,959,267.74
Notes payable	1,460,935,278.16	1,301,594,416.81
Accounts payable	4,652,842,317.77	4,036,910,159.14
Advances from customers	27,128,326.37	56,943,167.40
Employee benefits payable	112,763,035.02	164,315,934.17
Taxes payable	92,826,382.33	72,863,480.20
Interests payable	5,278,580.43	6,544,067.19
Other payables	545,621,413.51	468,450,153.85
Current portion of long-term borrowings	38,737,578.41	5,444,858.84
Total current liabilities	8,246,424,121.80	7,326,025,505.34
Non-current liabilities		
Long-term borrowings		72,495,172.30
Long-term payables	10,802,918.37	8,394,559.05
Long-term employee benefits payable	2,582,145.00	2,499,100.00
Payables for specific projects	1,287,000.00	1,287,000.00
Deferred Income	154,708,505.68	173,099,023.98
Deferred income tax liabilities	19,569,326.75	22,647,074.06
Other non-current liabilities	45,427,343.31	45,427,343.31
Total non-current liabilities	234,377,239.11	325,849,272.70
Total liabilities	8,480,801,360.91	7,651,874,778.04
OWNERS' EQUITY		
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	3,478,883,747.67	3,045,551,246.71
Total equity attributable to equity holders of the Company	5,886,726,195.51	5,453,393,694.55
Minority interest	118,059,020.64	113,081,262.72
Total owners' equity	6,004,785,216.15	5,566,474,957.27

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

TOTAL LIABILITIES AND OWNERS' EQUITY	14,485,586,577.06	13,218,349,735.31
Legal representative: 林兆雄	Principal in charge of accounting: 魏平孝	Head of accounting department: 王颖

2. Company balance sheets

Unit: RMB

Item	30 June 2016	31 December 2015
Current assets		
Cash at bank and on hand	837,997,527.68	429,437,078.35
Notes receivable	83,563,244.75	43,896,287.87
Accounts receivable	478,787,955.99	381,093,808.53
Advances to suppliers	3,759,920.60	5,452,046.55
Interest receivable	1,963,872.60	2,053,659.27
Other receivables	1,608,311,825.67	1,613,862,656.17
Inventory	161,602,602.34	182,659,794.51
Other current assets	39,482.38	39,482.38
Total current assets	3,176,026,432.01	2,658,494,813.63
Non-current assets		
Long-term equity investments	2,645,916,568.69	2,795,231,208.93
Investment properties	3,975,798.11	4,379,786.84
Fixed assets	503,597,111.82	391,937,393.50
Construction in progress	67,610,174.55	129,851,067.29
Intangible assets	35,140,480.78	35,678,610.77
Long-term prepaid expenses	6,768,161.84	7,417,691.74
Deferred income tax assets	2,890,619.87	2,906,189.80
Other non-current assets	20,944,009.06	34,856,698.50
Total non-current assets	3,286,842,924.72	3,402,258,647.37
TOTAL ASSETS	6,462,869,356.73	6,060,753,461.00
Current liabilities		
Short-term borrowings	100,000,000.00	106,000,000.00
Notes payable	299,808,339.81	285,394,838.22
Accounts payable	370,862,409.58	292,794,309.39
Advances from customers	692,395.14	5,841,769.74

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Employee benefits payable	16,604,815.29	22,441,125.24
Taxes payable	4,112,511.51	10,770,924.28
Interests payable	34,365.00	354,492.17
Other payables	558,894,798.97	680,741,770.79
Current portion of long-term borrowings	31,600,000.00	
Total current liabilities	1,382,609,635.30	1,404,339,229.83
Non-current liabilities		
Long-term borrowings		72,495,172.30
Long-term employee benefits payable	40,000.00	72,000.00
Payables for specific projects	800,000.00	800,000.00
Deferred income	4,824,999.97	5,074,999.99
Deferred income tax liabilities	3,773,319.00	3,773,319.00
Total non-current liabilities	9,438,318.97	82,215,491.29
Total liabilities	1,392,047,954.27	1,486,554,721.12
OWNERS' EQUITY		
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	2,657,180,566.26	2,160,557,903.68
Total owners' equity	5,070,821,402.46	4,574,198,739.88
TOTAL LIABILITIES AND OWNERS' EQUITY	6,462,869,356.73	6,060,753,461.00

3. Consolidated and company income statements

Unit: RMB

Item	For the six months ended 30 June 2016	For the six months ended 30 June 2015
I.Sales	14,089,052,871.88	12,813,803,166.77
Including: Sales	14,089,052,871.88	12,813,803,166.77
II.Cost of Sales	13,585,116,509.33	12,359,627,721.82
Including: Cost of Sales	13,040,493,792.81	11,801,661,040.42
Taxes and surcharges	27,344,651.91	26,443,689.75
Selling and distribution expenses	256,587,355.57	262,074,106.01
Administration expenses	223,764,647.62	203,589,373.35
Financial expenses – net	31,429,057.49	58,639,672.40

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Asset impairment losses	5,497,003.93	7,219,839.89
Add: Investment income	149,545,314.64	28,274,061.44
Including: Share of profits of associates	27,791,132.38	28,274,061.44
III. Operating profit	653,481,677.19	482,449,506.39
Add: Non-operating income	12,637,511.19	12,982,289.46
Including: Gain on disposal of non-current assets	1,653,712.19	10,297.36
Less: Non-operating expenses	1,290,244.44	440,680.38
Including: Loss on disposal of non-current assets	528,810.92	225,404.59
IV. Total profit	664,828,943.94	494,991,115.47
Less: Income taxes expenses	110,456,898.44	95,348,854.50
V. Net profit	554,372,045.50	399,642,260.97
Attributable to equity holders of the Company	542,122,083.86	387,319,252.33
Minority interest	12,249,961.64	12,323,008.64
VI. Other comprehensive income		
VII. Total comprehensive income	554,372,045.50	399,642,260.97
Attributable to equity holders of the Company	542,122,083.86	387,319,252.33
Minority interest	12,249,961.64	12,323,008.64
VIII. Earnings per share		
(1) Basic earnings per share	1.495	1.068
(2) Diluted earnings per share	1.495	1.068

Legal representative: 林兆雄

Principal in charge of accounting: 魏平孝

Head of accounting department: 王颖

4. Company income statements

Unit: RMB

Item	For the six months ended 30 June 2016	For the six months ended 30 June 2015
I.Sales	1,552,341,588.24	1,409,915,735.50
Less: Cost of sales	1,493,968,402.10	1,350,096,101.89
Taxes and surcharges	2,731,916.50	2,742,214.76
Selling and distribution expenses	21,954,941.85	22,711,056.43

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Administration expenses	27,037,698.40	22,137,614.50
Financial expenses – net	(30,420,731.23)	(32,319,843.63)
Asset impairment losses	162,410.56	293,938.78
Add: Investment income	619,060,351.75	542,787,180.98
Including: Share of profits of associates	24,377,006.76	28,274,061.44
II. Operating profit	655,967,301.81	587,041,833.75
Add: Non-operating income	2,235,966.07	97,780.77
Including: Gain on disposal of non-current assets	0.00	0.00
Less: Non-operating expenses	253,886.24	0.02
Including: Loss on disposal of non-current assets	253,886.24	0.00
III. Total profit	657,949,381.64	587,139,614.50
Less: Income taxes expenses	6,795,489.16	11,533,143.16
IV. Net profit	651,153,892.48	575,606,471.34
V. Other comprehensive income	0.00	0.00
VI. Total comprehensive income	651,153,892.48	575,606,471.34
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 2016	For the six months ended 30 June 2015
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	14,255,134,808.77	13,538,599,427.81
Refund of taxes and surcharges	12,237,366.30	1,412,100.00
Cash received relating to other operating activities	44,218,297.00	40,061,810.25
Sub-total of cash inflows	14,311,590,472.07	13,580,073,338.06
Cash paid for goods and services	12,977,413,941.55	12,323,623,570.32
Cash paid to and on behalf of employees	361,322,009.36	346,227,791.38
Payments of taxes and surcharges	321,864,315.78	297,175,090.54
Cash paid relating to other	158,356,143.15	164,807,307.09

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

operating activities		
Sub-total of cash outflows	13,818,956,409.84	13,131,833,759.33
Net cash flows from operating activities	492,634,062.23	448,239,578.73
II. Cash flows from investing activities		
Cash received from returns on investments	36,639,004.96	0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,237,089.18	4,695,691.53
Cash received from disposal of subsidiaries and other business units	128,845,881.13	0.00
Cash received relating to other investing activities	87,200,415.00	0.00
Sub-total of cash inflows	254,922,390.27	4,695,691.53
Cash paid to acquire fixed assets, intangible assets and other long-term assets	71,766,169.34	84,244,511.59
Net cash paid to acquire subsidiaries and other business units	0.00	252,000.00
Cash paid relating to other investing activities	25,690,544.72	0.00
Sub-total of cash outflows	97,456,714.06	84,496,511.59
Net cash flows from investing activities	157,465,676.21	(79,800,820.06)
III. Cash flows from financing activities		
Cash received from investments	0.00	1,470,000.00
Including: Cash receivables for dividends or profit to minority shareholders of subsidiaries	0.00	1,470,000.00
Cash received from borrowings	59,124,387.49	99,576,626.12
Cash received relating to other financing activities	112,788,435.41	0.00
Sub-total of cash inflows	171,912,822.90	101,046,626.12
Cash repayments of borrowings	202,495,172.30	14,333,727.61

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Cash payments for interest expenses and distribution of dividends or profits	154,304,108.98	127,751,125.57
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	7,272,203.72	1,032,000.00
Cash payments relating to other financing activities	3,483,135.79	24,066,161.02
Sub-total of cash outflows	360,282,417.07	166,151,014.20
Net cash flows from financing activities	(188,369,594.17)	(65,104,388.08)
IV. Effect of foreign exchange rate changes on cash	0.00	9,250.42
V. Net increase in cash	461,730,144.27	303,343,621.01
Add: Cash at beginning of period	1,569,226,304.36	854,212,006.84
VI. Cash at end of period	2,030,956,448.63	1,157,555,627.85

6. Company cash flows statements

Unit: RMB

Item	For the six months ended 30 June 2016	For the six months ended 30 June 2015
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	1,576,646,019.42	1,506,941,667.17
Cash received relating to other operating activities	22,616,621.43	6,475,294.32
Sub-total of cash inflows	1,599,262,640.85	1,513,416,961.49
Cash paid for goods and services	1,475,945,895.68	1,463,172,714.22
Cash paid to and on behalf of employees	35,409,274.67	30,095,211.91
Payments of taxes and surcharges	27,421,192.97	24,640,593.24
Cash paid relating to other operating activities	11,418,997.25	17,001,372.02
Sub-total of cash outflows	1,550,195,360.57	1,534,909,891.39

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Net cash flows from operating activities	49,067,280.28	(21,492,929.90)
II. Cash flows from investing activities		
Cash received from returns on investments	163,130,121.71	165,748,512.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	0.00
Cash received from disposal of subsidiaries and other business units	156,111,000.00	0.00
Cash received relating to other investing activities	1,172,470,415.00	2,144,319,315.47
Sub-total of cash inflows	1,491,711,536.71	2,310,067,827.47
Cash paid to acquire fixed assets, intangible assets and other long-term assets	26,667,196.89	65,650,551.69
Net cash paid to acquire subsidiaries and other business units	1,267,000.00	252,000.00
Cash paid relating to other investing activities	1,188,252,457.00	2,382,714,617.00
Sub-total of cash outflows	1,216,186,653.89	2,448,617,168.69
Net cash flows from investing activities	275,524,882.82	(138,549,341.22)
III. Cash flows from financing activities		
Cash received from investments		
Cash received from borrowings	80,100,000.00	64,933,328.85
Cash received relating to other Financing activities	3,791,553,620.54	183,994,821.13
Sub-total of cash inflows	3,871,653,620.54	248,928,149.98
Cash repayments of borrowings	190,995,172.30	10,000,000.00
Cash payments for interest expenses and distribution of dividends or profits	113,348,821.62	79,224,081.04
Cash payments relating to other	3,483,341,340.39	24,000,000.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

financing activities		
Sub-total of cash outflows	3,787,685,334.31	113,224,081.04
Net cash flows from financing activities	83,968,286.23	135,704,068.94
IV. Effect of foreign exchange rate changes on cash	0.00	0.00
V. Net increase/(decrease) in cash	408,560,449.33	(24,338,202.18)
Add: Cash at beginning of period	429,437,078.35	257,173,314.81
VI. Cash at end of period	837,997,527.68	232,835,112.63

7. Consolidated statement of changes in owners' equity

For the six months ended 30 June 2016

Unit: RMB

Item	For the six months ended 30 June 2016					
	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 2015	362,631,943.00	1,863,894,533.34	181,315,971.50	3,045,551,246.71	113,081,262.72	5,566,474,957.27
2. Balance at 1 January 2016	362,631,943.00	1,863,894,533.34	181,315,971.50	3,045,551,246.71	113,081,262.72	5,566,474,957.27
3. Movements for this period	0.00	0.00	0.00	433,332,500.96	4,977,757.92	438,310,258.88
(1)Comprehensive income	0.00	0.00	0.00	542,122,083.86	12,249,961.64	554,372,045.50
(2)Capital contribution and withdrawals by owners	0.00	0.00	0.00	0.00	0.00	0.00
Capital contribution by owners	0.00	0.00	0.00	0.00	0.00	0.00
(3)Profit distribution	0.00	0.00	0.00	(108,789,582.90)	(7,272,203.72)	(116,061,786.62)
Profit distribution to shareholders (or equity owners)	0.00	0.00	0.00	(108,789,582.90)	(7,272,203.72)	(116,061,786.62)
4. Balance at 30 June 2016	362,631,943.00	1,863,894,533.34	181,315,971.50	3,478,883,747.67	118,059,020.64	6,004,785,216.15

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

For the year ended 31 December 2015

Unit: RMB

Item	For the year ended 31 December 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	688,785,872.46	26,473,648.16	715,259,520.62
(1)Comprehensive income	0.00	0.00	0.00	761,312,261.06	26,035,648.16	787,347,909.22
(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
Others	0.00	0.00	0.00	0.00	0.00	0.00
(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 31 December 2015	362,631,943.00	1,863,894,533.34	181,315,971.50	3,045,551,246.71	113,081,262.72	5,566,474,957.27

8. Company statement of changes in owners' equity

For the six months ended 30 June 2016

Unit: RMB

Items	For the six months ended 30 June 2016				
	Paid-in capital	Capital surplus	Surplus reserves	Undistributed profits	Total share holders' equity
1. Balance at 31 December 2015	362,631,943.00	1,869,692,921.70	181,315,971.50	2,160,557,903.68	4,574,198,739.88
Others				(45,741,647.00)	(45,741,647.00)
2. Balance at 1 January 2016	362,631,943.00	1,869,692,921.70	181,315,971.50	2,114,816,256.68	4,528,457,092.88
3. Movements for this period	-	-	-	542,364,309.58	542,364,309.58
(1)Comprehensive income	-	-	-	651,153,892.48	651,153,892.48
(2)Profit distribution	-	-	-	(108,789,582.90)	(108,789,582.90)
Profit distribution to shareholders (or equity owners)	-	-	-	(108,789,582.90)	(108,789,582.90)
4. Balance at 30 June 2016	362,631,943.00	1,869,692,921.70	181,315,971.50	2,657,180,566.26	5,070,821,402.46

For the year ended 31 December 2015

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Unit: RMB

Item	For the year ended 31 December 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	565,719,734.29	565,719,734.29
(1)Comprehensive income	0.00	0.00	0.00	638,246,122.89	638,246,122.89
(2)Capital contribution and withdrawals by owners	0.00	0.00	0.00	0.00	0.00
Capital contribution by owners	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
(3)Profit distribution	0.00	0.00	0.00	(72,526,388.60)	(72,526,388.60)
Appropriation to surplus reserves	0.00	0.00	0.00	0.00	0.00
Profit distribution to shareholders (or equity owners)	0.00	0.00	0.00	(72,526,388.60)	(72,526,388.60)
4. Balance at 31 December 2015	362,631,943.00	1,869,692,921.70	181,315,971.50	2,160,557,903.68	4,574,198,739.88

III. Profile of company

(1) Historical development and basic information

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 RMB362,631,943. up to 30 June 2016.

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 shareholdings.

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, 2016, the total share capital was 362,631,943.

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 the long term. The registered capital of the Company is RMB362, 631,943. The legal representative of the Company is Lin Zhaoxiang.

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.

(2) Change in consolidation scope and the significant reorganization plan in progress for the current year

Subsidiaries consolidated in the statement this year are listed in Note IX.

On 31 December 2015, with the approval of the Board, the Company publicly list for sale of the holding 67% of the total equity of Zhijun(Suzhou). Up to the report date, the Company reached agreement with an independent third party, and the price is RMB157.8 million, relative registration has completed.

On 9 March 2016, the Board of the Company approved the reorganization plan regarding the commercial and manufacturing business with related parties, including:

1) The company purchases 100% of the equity of Sinopharm Holding Guoda Drugstore Co., Ltd("Guoda Drugstore"), Foshan Nanhai Medicine Group Co., Ltd.("Foshan Nanhai"), Guangdong Dongfang Uptodate & Special Medicines Co., Ltd("Guangdong Dongfang") and 51% of the equity of Guangdong Nanfang Foreign Trade Co., Ltd("Nanfang Trade") from the Parent company Sinopharm Holding and the related party China National Pharmaceutical Foreign Trade Co., Ltd("Sinopharm Trade") respectively, with consideration of non-public issuance of A-share. Meanwhile, the Company purchases 49% of the equity Nanfang Trade from 11 natural person minority shareholders with cash.

2) The company sells Pingshan Pharmaceutical Research & Development Manufacturing Base and 51% of the equity 3 subsidiaries including Sinopharm Group Zhijun(Shenzhen) Pharmaceutical Co., Ltd.("Zhijun Medicine"), Zhijun Pharmaceutical Trade Co., Ltd.("Zhijun Trade"), and Sinopharm Group Zhijun(Shenzhen) Pingshan Pharmaceutical Co., Ltd.("Pingshan Medicine") and subscribe the new shares of Shanghai Shyndec Pharmaceutical Co.,Ltd..

(3) These financial statements were authorised for issue by the board of directors of the Company on 15August,2016.

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.

3. Accounting year

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

4. Functional currency

The functional currency is Renminbi (RMB).

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 2016 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 2016 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. Assets classified as held for sale

Non-current assets or disposal group satisfying the following conditions will be classified as assets held for sale: (i) The non-current assets or disposal group are instantly ready for sale under the custom terms. (ii) The resolution regarding the disposal of non-current assets or disposal group has been appropriately approved. (iii) The company has signed an irrevocable agreement. (iv) The disposal will be accomplished within 1 year.

Non current assets which meet the conditions of Assets classified as held for sale, excluding financial assets, investment properties measured by fair value method, and deferred income tax assets, could be appraised as the lower number between book value and fair value minus disposal cost. The difference between the fair value minus disposal cost and the book value, should be recognized as asset impairment loss.

Asset and liability among the non-current assets or disposal group that are classified as Assets classified as held for sale, should be classified as current asset and current liability respectively, and should be individually presented on the balance sheet.

12. 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.

13. 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	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.		

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 .

14. 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%

(3) Recognition basis and measurement method for financing leased fixed assets

Financing leases are leases with the whole risks and rewards related to the asset substantially transferred. Financing leased fixed assets are recognized with the smaller value among the fair value and minimum lease payments. Difference between the booking value and the minimum lease payments should be recognized as unrecognized financing charges

Financing leased fixed assets adopt depreciation policies aligned with those fixed assets owned by the

company. For those leased assets that can ascertain the ownership of the assets by the expiration date, the assets should be depreciated within estimated useful lives. Otherwise, the assets should be depreciated within the shorter period among the leasing period and estimated useful lives.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. Leases

Financing leases are leases with the whole risks and rewards related to the asset substantially transferred. The other kinds of leases are nominated operating leases.

Lease income under an operating lease are recognized on a straight-line basis over the period of the lease.

(a) Operating leases

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

(b) Financing leases

Financing leased fixed assets are recognized with the smaller value among the fair value and present value of the minimum lease payments. Difference between the booking value and the minimum lease payments should be recognized as unrecognized financing charges, to be amortized within the leasing period. The minimum lease payments net off the unrecognized financing charges should be classified as long-term payables.

26. Othersignificant 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%.5%.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
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Shenzhen Zhijun Pharmaceutical Co., Ltd.	15%
Sinopharm Medicine Holding Guangxi Co., Ltd.	15%
Sinopharm Holding Yulin Co., Ltd.	15%
Sinopharm Holding Wuzhou Co., Ltd.	15%
Sinopharm Holding Guilin Co., Ltd	15%
Sinopharm Holding Baise Co., Ltd	15%
Sinopharm Holding Guigang Co., Ltd	15%
Sinopharm Holding Beihai Co., Ltd	15%
Sinopharm Holding Guangzhou Medical Management Co., Ltd	10%
Sinopharm Holding Liuzhou Co., Ltd	15%

2. Tax preferences

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 in year 2016 are 15% (2015: 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 2016, Guangxi Logistics recognized its income from compensation of property as other operating income caused the enterprise’s main operating income accounts for less than 70% of its total income. Hence, Guangxi logistics is no longer qualified for preferential tax rate thereby 25% income tax rate (Year 2015: 15% preferential tax rate).

From May to December of 2015, subsidiaries in Guangxi Province, including Sinopharm Holding Guangxi Co., Ltd (“Sinopharm Guangxi”), Sinopharm Holding Liuzhou Co., Ltd (“Sinopharm Liuzhou”), Sinopharm Holding Beihai Co., Ltd (“Sinopharm Beihai”), Sinopharm Holding Guilin Co., Ltd (“Sinopharm Guilin”), Sinopharm Holding Guigang Co., Ltd (“Sinopharm Guigang”), Sinopharm Holding Yulin Co., Ltd (“Sinopharm Yulin”), Sinopharm Holding Baise Co., Ltd (“Sinopharm Baise”) and Sinopharm Holding Wuzhou Co., Ltd (“Sinopharm Wuzhou”) were all approved by the Guangxi Local Tax Bureau to enjoy a tax discount applicable to corporations in the region of Western Development. Applicable period for Sinopharm Guangxi, Sinopharm Liuzhou and Sinopharm Beihai is 1 January 2014 to 31 December 2020, and the other 5 subsidiaries is 1 January 2015 to 31 December 2020.

Guangzhou Medical is regarded as Small Enterprise. The company enjoys a 50% tax discount and pays tax at a 20% rate.

VII. Notes to the consolidated financial statements

1. Cash at bank and on hand

Unit:RMB

Items	30 June 2016	31 December 2015
Cash on hand	99,360.45	109,096.17
Cash at bank	2,030,857,088.18	1,569,117,208.19
Other cash balances	0.00	1,480,666.15
Total	2,030,956,448.63	1,570,706,970.51

At 30 June 2016, 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 2016	31 December 2015
Bank acceptance notes	599,798,143.56	478,404,877.95
Trade acceptance notes	544,960,129.57	341,720,929.72
Total	1,144,758,273.13	820,125,807.67

(2) As at the end of this period, there was no pledged notes receivable.

(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	1,386,385,533.82	0.00
Trade acceptance notes	0.00	186,919,596.06
Total	1,386,385,533.82	186,919,596.06

3. Accounts receivable

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

Unit: RMB

Types	30 June 2016					31 December 2015				
	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	18,236,087.35	0.26%	12,130,513.67	66.52%	6,105,573.68	26,080,873.29	0.42%	26,080,873.29	100.00%	0.00
receivable accounts within similar credit risk group	6,999,780,716.93	99.33%	783,515.05	0.01%	6,998,997,201.88	6,143,707,981.16	99.19%	634,109.87	0.01%	6,143,073,871.29
individually not significant but individually evaluated for impairment	29,114,261.98	0.41%	12,737,505.77	43.75%	16,376,756.21	24,043,527.79	0.39%	13,286,516.33	55.26%	10,757,011.46
Total	7,047,131,066.26	100.00%	25,651,534.49	0.36%	7,021,479,531.77	6,193,832,382.24	100.00%	40,001,499.49	0.65%	6,153,830,882.75

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 2016			
	Accounts receivable	Bad debt provision	Rate	Assessment for impairment
Qinzhou Second People's Hospital	6,672,589.06	567,015.38	8.50%	Uncertainty in recoverability
Hubei Xianning Pharmaceutical Co., Ltd.	11,563,498.29	11,563,498.29	100.00%	Disputed receivable with higher risk of recoverability which has filed a lawsuit
Total	18,236,087.35	12,130,513.67	--	--

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

Unit:RMB

Aging	30 June 2016		
	Accounts receivable	Bad debt provision	Rate
Within 1 year	6,984,425,067.28	0.00	0.00%
1 to 2 years	15,040,998.23	752,049.91	5.00%
2 to 3 years	314,651.42	31,465.14	10.00%
Total	6,999,780,716.93	783,515.05	0.01%

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

Bad debt provision in this year is RMB1,468,100.34. Recovered or reversed bad debt amount adds up to RMB1,300,690.34.

Name of company	Recovered or reversed amount	Way of recovery
Hainan XinShiTong Pharmaceutical Co., Ltd	700,440.00	Amount received
Zengcheng Zhongxin Hospital	126,283.08	Amount received
Total	826,723.08	--

(3) Accounts receivable written off in current year are analysed as below:

Unit:RMB

Name of company	Recovered or reversed amount	Way of recovery
Guangdong Liyuan Pharmaceutical Co., Ltd.	14,517,375.00	Disputed receivable with higher risk of recoverability which has filed a lawsuit
Total	14,517,375.00	--

(4)As at 30 June 2016, the top five accounts receivable by customer are summarised as below:

As at 30 June 2016, 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	584,671,474.15	-	8.30%

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

By 30 June 2016, accounts receivable of RMB692,612,846.74has been factored to financial institute(2015 semi-annual: RMB70,499,859.45).

4. Advances to suppliers

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

Unit:RMB

Aging	30 June 2016		31 December 2015	
	amount	% of total balance	amount	% of total balance
Within 1 year	57,864,673.15	99.95%	71,740,255.84	99.58%
1 to 2 years	9,000.00	0.02%	285,290.00	0.40%
2 to 3 years	18,200.00	0.03%	6,001.48	0.01%
Above 3 years	-	-	9,714.52	0.01%
Total	57,891,873.15	--	72,041,261.84	--

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

As at 30 June 2016, the top five advances to suppliers by customer are summarized as below:		
	Amount	Proportion of total balance
Total amount of top five advances to suppliers	26,176,613.17	45.22%

5. Interests receivable

Unit:RMB

Projects	30 June 2016	31 December 2015
Time deposit	128,212.50	0.00
Loan by mandate	178,673.06	0.00
Total	306,885.56	0.00

6. Other receivables

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

Unit:RMB

Types	30 June 2016	31 December 2015
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	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	5.71%	8,980,000.00	100.00%	0.00	8,980,000.00	18.33%	8,980,000.00	100.00%	0.00
Receivable accounts within similar credit risk group	144,584,265.18	92.00%	190,669.46	0.13%	144,393,595.72	34,544,946.39	70.52%	268,381.89	0.78%	34,276,564.50
Individually not significant but individually evaluated for impairment	3,599,495.16	2.29%	1,455,828.46	40.45%	2,143,666.70	5,462,760.54	11.15%	1,563,440.58	28.62%	3,899,319.96
Total	157,163,760.34	100.00%	10,626,497.92	6.76%	146,537,262.42	48,987,706.93	100.00%	10,811,822.47	22.07%	38,175,884.46

As at 30 June 2016, impairment provision for other receivables individually significant:

Unit:RMB

Other receivables(by company)	30 June 2016			
	Other receivables	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:

Unit:RMB

Aging	30 June 2016		
	Other receivables	Bad debt provision	Rate
Within 1 year	142,653,805.32	0.00	0.00%
1 to 2 years	1,075,216.76	53,760.84	5.00%
2 to 3 years	341,400.00	34,140.00	10.00%
Over 3 years	513,843.10	102,768.62	20.00%

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Total	144,584,265.18	190,669.46	0.13%
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(2)Bad debt provision of Other receivables, Important recovered or reversed items this period

Bad debt provision of Other receivables this period is RMB21,444.95with the recovered or reversed amount to be RMB172,207.19.

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

Other receivables written off for the six months ended 30 June, 2016 is RMB34,562.31.

(4)Other receivables by nature are analysed below:

Unit:RMB

Nature	30 June 2016	31 December 2015
Deposit	19,002,830.65	20,157,099.69
Petty cash advance to employees	8,418,013.03	7,254,354.65
Receivable of equity transaction	8,980,000.00	8,980,000.00
Receivable due from related party	99,747,914.89	1,715,000.00
Others	21,015,001.77	10,881,252.59
Total	157,163,760.34	48,987,706.93

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

Unit:RMB

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	6.13%	8,980,000.00
Guangzhou people's Court of Yuexiu District ,Guangzhou, Guangdong Province	Litigation deposit	5,388,080.00	Within 1 year	3.68%	0.00
Eisai China Inc.	Collective advisory fee	4,530,000.00	Within 1 year	3.09%	0.00
People's Court of Guangzhou Tianhe District	Retention fee for lawsuit filed as plaintiff	2,473,179.00	Within 1 year	1.69%	0.00
Guangxi Autonomous Region Housing Reformed System Finance Department	Collective housing repair funds	1,943,997.04	Over 5 years	1.33%	--
Total	--	23,315,256.04	--	15.92%	8,980,000.00

7. Inventories

(1) Inventories by category

Unit:RMB

Items	30 June 2016			31 December 2015		
	Book value	Provision	Net book value	Book value	Provision	Net book value
Raw materials	97,441,620.31	2,938,022.50	94,503,597.81	119,787,461.99	2,825,858.08	116,961,603.91
Work in progress	9,282,763.78	0.00	9,282,763.78	23,461,516.85	6,773,872.30	16,687,644.55
Finished goods	2,174,704,877.12	18,974,904.35	2,155,729,972.77	2,416,024,602.74	23,469,246.48	2,392,555,356.26
Consigned processing materials	2,378,173.45	0.00	2,378,173.45	1,959,239.89	0.00	1,959,239.89
Low cost consumables	2,960,364.14	66,761.55	2,893,602.59	5,019,915.55	23,001.88	4,996,913.67
Total	2,286,767,798.80	21,979,688.40	2,264,788,110.40	2,566,252,737.02	33,091,978.74	2,533,160,758.28

(2) Provision for declines in value of inventories

Unit:RMB

Items	31 December 2015	Current period increase		Current period decrease		30 June 2016
		Increases	Others	Reversal or written off	Others	
Raw materials	2,825,858.08	391,491.12	0.00	279,326.70	0.00	2,938,022.50
Work in progress	6,773,872.30	0.00	0.00	6,773,872.30	0.00	0.00
Finished goods	23,469,246.48	8,053,632.99	0.00	12,547,975.12	0.00	18,974,904.35
Low cost consumables	23,001.88	177,638.70	0.00	133,879.03	0.00	66,761.55
Total	33,091,978.74	8,622,762.81	0.00	19,735,053.15	0.00	21,979,688.40

8. Other Current Asset

Unit:RMB

Items	30 June 2016	31 December 2015
VAT to be deducted	4,939,600.99	16,623,377.34
Corporate income tax to be deducted	39,482.38	2,540,076.52
Other	293,461.72	293,461.72

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Total	5,272,545.09	19,456,915.58
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9. Long-term equity investments

Unit:RMB

Investees	31 December 2015	Additional investment	Increases/(Decreases)				30 June 2016	Provis endi balan
			Share of profit or loss	Other equity movement	Dividend declared	Provision of impairment		
Associates								
Shenzhen Wanle Medical Co., Ltd.	179,567,519.13	0.00	28,190,606.72	0.00	35,190,000.00	0.00	172,568,125.85	0
Sinopharm HoldingZhuhai Co., Ltd.	1,264,195.42	0.00	134,206.51	0.00	0.00	0.00	1,398,401.93	0
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	0.00	0.00	(533,680.85)	77,722,388.00	0.00	0.00	77,188,707.15	0
Total	180,831,714.55	0.00	27,791,132.38	77,722,388.00	35,190,000.00	0.00	251,155,234.93	0

Other equity movement is the gain on disposal of Zhijun(Suzhou).

10. Investment Properties

Unit:RMB

Items	Buildings	Land use rights	Total
I.Cost			
1.31 December 2015	221,833,844.79	20,117,583.47	241,951,428.26
2. Increase in Current period	561,803.00	62,726.06	624,529.06
Transferred from fixed assets	561,803.00	0.00	561,803.00
Transferred from intangible assets	0.00	62,726.06	62,726.06
3. Decrease in Current period	0.00	64,408.40	64,408.40
Other outflow	0.00	64,408.40	64,408.40
4.30 June 2016	222,395,647.79	20,115,901.13	242,511,548.92
II.Accumulated depreciation/ amortisation			

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

1.31 December 2015	92,039,232.18	3,509,877.31	95,549,109.49
2. Increase in Current period	3,770,943.02	37,214.81	3,808,157.83
Provision or depreciation	3,468,534.84	34,914.89	3,503,449.73
Transferred from fixed assets	302,408.18	0.00	302,408.18
Transferred from intangible assets	0.00	2,299.92	2,299.92
3. Decrease in Current period	0.00	7,300.75	7,300.75
Other outflow	0.00	7,300.75	7,300.75
4.30 June 2016	95,810,175.20	3,539,791.37	99,349,966.57
III.Provision for impairment loss			
1.31 December 2015	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 2016	1,300,000.00	0.00	1,300,000.00
IV.Net book value			
1.30 June 2016 Net book value	125,285,472.59	16,576,109.76	141,861,582.35
2.31 December 2015 Net book value	128,494,612.61	16,607,706.16	145,102,318.77

In 2016 semi annual, investment properties without official property right certificates with a carrying amount of RMB69,134,615.28 (Cost: RMB70,085,820.00, accumulated depreciation: RMB951,204.72).

In 2016 semi annual, the amount of depreciation and amortization were RMB3,503,449.73 (2015 semi annual: RMB3,897,013.25).

In 2016 semi annual, the Group changed the use of buildings with a carrying amount of RMB259,394.82 (Cost: RMB561,803.00, accumulated depreciation: RMB302,408.18) and the land use right with a carrying amount of RMB 60,426.14 (Cost: 62,726.06, accumulated depreciation: RMB2,299.92) into leasing. The relative fixed assets and intangible assets were respectively transferred into investment properties at the date of change in use.

In 2016 semi annual, the Group changed the use of buildings with a carrying amount of RMB57,107.65 (Cost: RMB64,408.40, accumulated depreciation: RMB7,300.75) The relative investment properties were transferred into intangible assets for self use at the date of change.

11. Fixed Assets

(1) Fixed Assets

Unit: RMB

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Items	Buildings	Machinery and equipment	Motor vehicles	Other	Leasehold improvements	Total
I. Cost:						
1.31 December 2015	849,925,720.66	557,047,728.62	54,085,958.51	217,223,141.26	37,402,811.81	1,715,685,360.86
2. Current period additions	66,117,000.63	67,142,949.81	314,918.01	3,226,276.94	1,911,368.38	138,712,513.77
(1) purchase	3,266,719.29	3,497,259.79	314,918.01	2,419,255.30	1,033,412.38	10,531,564.77
(2) Transfer from Construction in Progress	62,850,281.34	63,645,690.02	0.00	807,021.64	877,956.00	128,180,949.00
(3) Increase in Enterprise merger	0.00	0.00	0.00	0.00	0.00	0.00
(4) Transfer from investment properties	0.00	0.00	0.00	0.00	0.00	0.00
3. Current period disposals	137,211,346.08	180,324,533.61	3,417,584.51	4,521,699.29	2,420,650.77	327,895,814.26
(1) Disposal or dumping	136,649,543.08	180,324,533.61	3,417,584.51	4,521,699.29	2,420,650.77	327,334,011.26
(2) Transfer to investment properties	561,803.00	0.00	0.00	0.00	0.00	561,803.00
4.30 June 2016	778,831,375.21	443,866,144.82	50,983,292.01	215,927,718.91	36,893,529.42	1,526,502,060.37
II. Accumulated depreciation						
1.31 December 2015	166,390,207.83	255,591,447.95	33,429,305.94	144,865,882.92	20,580,071.74	620,856,916.38
2. Current period other additions	12,971,975.96	18,997,493.96	2,290,692.27	10,422,386.71	2,496,051.00	47,178,599.90
(1) Provision	12,971,975.96	18,997,493.96	2,290,692.27	10,422,386.71	2,496,051.00	47,178,599.90
(2) Transfer from investment properties	0.00	0.00	0.00	0.00	0.00	0.00
3. Current period disposals	33,255,814.93	79,743,297.40	3,033,508.57	3,837,069.66	2,173,191.01	122,042,881.57
(1) Disposal or	32,953,406.75	79,743,297.40	3,033,508.57	3,837,069.66	2,173,191.01	121,740,473.39

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

dumping						
(2)Transfer to investment properties	302,408.18	0.00	0.00	0.00	0.00	302,408.18
4.30 June 2016	146,106,368.86	194,845,644.51	32,686,489.64	151,451,199.97	20,902,931.73	545,992,634.71
III. Provision for diminution in value						
1.31 December 2015	2,449,498.76	12,493,558.67	0.00	106,511.27	366,438.25	15,416,006.95
2. Current period other additions	0.00	0.00	0.00	0.00	0.00	0.00
3. Current period disposals	2,449,498.76	11,356,699.55	0.00	0.00	7,758.64	13,813,956.95
Disposal or dumping	2,449,498.76	11,356,699.55	0.00	0.00	7,758.64	13,813,956.95
4.30 June 2016	0.00	1,136,859.12	0.00	106,511.27	358,679.61	1,602,050.00
IV.Net book value						
1.30 June 2016 Net book value	632,725,006.35	247,883,641.19	18,296,802.37	64,370,007.67	15,631,918.08	978,907,375.66
2.31 December 2015 Net book value	681,086,014.07	288,962,722.00	20,656,652.57	72,250,747.07	16,456,301.82	1,079,412,437.53

(2)Temporary idle fixed assets

Unit:RMB

Items	Cost	accumulated depreciation	Provision of impairment	Net book value	Notes
machinery and equipments	301,538.46	180,195.83	0.00	121,342.63	Temporary idle for repairmen and maintenance

(3) Financing lease of fixed assets

As of 30 June 2016, fixed assets with carrying amount of RMB11,075,655.86 was financing leased(As of December 2015: RMB7,215,410.60).

(4) Fixed assets without official property right certificates

Items	Carrying amount	Reason for outstanding property right certificates
Buildings	439,379,792.80	Pending project final accounts

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

In 2016 semi annual, details of the depreciation are charged as below:		
	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Cost of goods sold	23,118,411.95	24,199,873.36
Selling expenses	3,006,584.94	2,710,530.24
General and administrative expenses	17,081,746.52	13,633,937.70
Research and development expenses	3,971,856.49	3,504,067.04
Total	47,178,599.90	44,048,408.34

12. Construction in progress

(1)Construction in progress

Unit:RMB

Items	30 June 2016			31 December 2015		
	Carrying amount	Provision of impairment	Net book value	Carrying amount	Provision of impairment	Net book value
Pingshan Pharmaceutical Research & Development Manufacturing Base	67,356,288.31	0.00	67,356,288.31	129,597,181.05	0.00	129,597,181.05
Zhijun Production Workshop Technological Transformation Project	23,859,674.49	0.00	23,859,674.49	12,468,050.72	0.00	12,468,050.72
Warehouse improvement project	12,261,138.66	0.00	12,261,138.66	5,341,796.63	0.00	5,341,796.63
Supply chain extension Project	8,117,606.83	0.00	8,117,606.83	12,620,204.41	0.00	12,620,204.41
District hospital intelligent supply chain management project	3,063,555.55	0.00	3,063,555.55	0.00	0.00	0.00
Zhijun(Suzhou)	0.00	0.00	0.00	5,388,239.70	0.00	5,388,239.70

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Production Workshop Technological Transformation Project						
Others	9,509,343.00		9,509,343.00	12,181,314.07	1,500,000.00	10,681,314.07
Total	124,167,606.84		124,167,606.84	177,596,786.58	1,500,000.00	176,096,786.58

(2) Significant changes of construction in progress

Unit:RMB

Name of Project	Budget of Project	31 December 2015	Current period additions	Transfer out during current year	Current period disposals	30 June 2016	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	881,370,000.00	129,597,181.05	59,065,916.97	121,306,809.71	0.00	67,356,288.31	89.80%	89.80%	21,417,118.66	1,631,571.43	4.64%	Working capital and borrowings
Zhijun Production Workshop Technological Transformation Project	63,763,000.00	12,468,050.72	12,912,729.77	1,521,106.00	0.00	23,859,674.49	50.31%	66.53%	0.00	0.00	0.00%	Working capital
Warehouse improvement project	22,980,000.00	5,341,796.63	7,984,629.34		1,065,287.31	12,261,138.66	88.00%	95.00%	0.00	0.00	0.00%	Working capital
Supply chain extension Project	21,063,732.60	12,620,204.41	237,649.71	4,466,662.39	273,584.90	8,117,606.83	95.53%	95.53%	0.00	0.00	0.00%	Working capital
District hospital intelligent supply chain management project	12,850,000.00	0.00	3,063,555.55	0.00	0.00	3,063,555.55	23.84%	23.84%	0.00	0.00	0.00%	Working capital
Zhijun(Suzhou) Production Workshop Technological Transformation Project	49,938,000.00	5,388,239.70	0.00	886,370.90	4,501,868.80	0.00	0%	0%	0.00	0.00	0.00%	Working capital and borrowings

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Other projects	0.00	12,181,314.07	726,495.73		3,398,466.80	9,509,343.00	0.00	0.00	0.00	0.00	0.00%	Working capital
Total	1,051,964,732.60	177,596,786.58	83,990,977.07	128,180,949.00	9,239,207.81	124,167,606.84	--	--	21,417,118.66	1,631,571.43	4.64%	--

In 2016 semi annual, the amounts that construction in progress transferred into fixed asset were RMB128,180,949.00 (2015 semi annual: RMB10,076,038.68), long term prepaid expense were RMB1,065,287.31(2015 semi annual: RMB524,431.39), and intangible asset were RMB273,584.90(2015 semi annual: Nil)

In 2016 semi annual, construction in progress with carrying amount of RMB3,790,051.28 was financing leased(As of December 2015: 4,231,000.00).

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 2015	143,663,111.50	53,901,204.72	25,474,741.31	196,850.00	33,657,142.86	256,893,050.39
2. Current period additions	64,408.40	0.00	1,307,678.70	0.00	0.00	1,372,087.10
(1) purchase	0.00	0.00	1,034,093.80	0.00	0.00	1,034,093.80
(2) Transferred from Construction in Progress	0.00	0.00	273,584.90		0.00	273,584.90
(3) Transferred from investment properties	64,408.40	0.00	0.00	0.00	0.00	64,408.40
3. Current period decreases	40,357,289.04	53,083,933.33	585,700.68	0.00	0.00	94,026,923.05
(1) disposal	40,294,562.98	53,083,933.33	585,700.68	0.00	0.00	93,964,196.99
(2) Transferred to investment properties	62,726.06	0.00	0.00	0.00	0.00	62,726.06
4. 30 June 2016	103,370,230.86	817,271.39	26,196,719.33	196,850.00	33,657,142.86	164,238,214.44
II. Accumulated amortization						
1.31 December 2015	39,986,394.88	50,276,036.19	19,388,898.68	196,850.00	6,059,761.90	115,907,941.65
2. Current period additions	1,220,239.05	80,188.68	1,432,681.54	0.00	841,428.58	3,574,537.85
(1) Provision	1,212,938.30	80,188.68	1,432,681.54	0.00	841,428.58	3,567,237.10
(2) Transferred from investment properties	7,300.75	0.00	0.00	0.00	0.00	7,300.75
3. Current period decreases	23,551,135.26	49,923,936.53	302,063.65	0.00	0.00	73,777,135.44
(1) disposal	23,548,835.34	49,923,936.53	302,063.65			73,774,835.52

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

(2)Transferred to investment properties	2,299.92	0.00	0.00	0.00	0.00	2,299.92
4.30 June 2016	17,655,498.67	432,288.34	20,519,516.57	196,850.00	6,901,190.48	45,705,344.06
III. Provision for impairment loss						
1.31 December 2015	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	3,000,000.00	264,952.19	0.00	0.00	3,264,952.19
(1)disposal		3,000,000.00	264,952.19			3,264,952.19
4.30 June 2016	0.00	0.00	0.00	0.00	0.00	0.00
IV. Net book value						
1.30 June 2016 Net book value	85,714,732.19	384,983.05	5,677,202.76	0.00	26,755,952.38	118,532,870.38
2.31 December 2015 Net book value	103,676,716.62	625,168.53	5,820,890.44	0.00	27,597,380.96	137,720,156.55

There is no intangible asset recognized through internal research and development for the six months ended 30 June 2016.

14. Expenditures on research and development

Unit:RMB

Projects	31 December 2015	Current period additions		Current period decreases			30 June 2016
		Expenditures on internal development	Other	Confirmed as Intangible asset	Recognized in profit and loss	Other	
Projects of Chinese patent medicine	0.00	4,125,034.88	0.00	0.00	4,125,034.88		0.00
Projects of antibiotics preparation and powder injection projects subtotal	0.00	14,819,229.97	0.00	0.00	14,819,229.97		0.00
Projects of cardiovascular and cerebrovascular	0.00	173,332.55	0.00	0.00	173,332.55		0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

diseases treatment subtotal							
Projects of respiratory system diseases treatment subtotal	18,117.29		0.00	0.00		18,117.29	0.00
Projects of antibiotics crude drugs etc.	5,357,691.17	1,495,695.99	0.00	0.00	1,495,695.99	5,357,691.17	0.00
Other Projects	243,507.01	7,591,344.23	0.00	0.00	7,591,344.23	243,507.01	0.00
Total	5,619,315.47	28,204,637.62	0.00	0.00	28,204,637.62	5,619,315.47	0.00

Expenditures on research and development incurred in 2016 semi annual amount to RMB28,204,637.62 (2015 semi annual: RMB33,640,577.40), the total amount is recognised in profit or loss for the current period, (2015 semi annual: RMB33,640,577.40 was recognized in profit and loss and as development cost).

15. Goodwill

(1) Goodwill cost

Unit: RMB

	31 December 2015	Current period additions	Current period decreases	30 June 2016
		Business combination	Disposal	
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	33,869,393.32	0.00	33,869,393.32	0.00
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	51,359,439.83

(2) Provision of impairment loss

Unit:RMB

	31 December 2015	Current period additions	Current period decreases	30 June 2016
		Provision	Disposal	
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	5,850,000.00	0.00	5,850,000.00	0.00

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 2015	Current period additions	Current period amortization	Other current period decreases	30 June 2016
Leasehold improvements	37,563,181.21	1,392,319.13	2,023,308.33	0.00	36,932,192.01
Other	2,901,382.72	0.00	2,369,165.36	495,768.56	36,448.80
Total	40,464,563.93	1,392,319.13	4,392,473.69	495,768.56	36,968,640.81

17. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets

Unit:RMB

Projects	30 June 2016		31 December 2015	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	58,598,054.08	13,044,269.67	99,537,981.41	22,863,042.74
Deductible losses	5,497,197.30	1,329,891.69	106,551,451.67	25,836,889.79

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accrued expenses	54,326,134.13	11,062,280.39	82,861,800.83	15,675,447.65
Accrued payroll	37,610,254.36	8,632,031.24	49,498,383.60	11,505,001.96
Deferred revenue	57,685,991.28	9,027,098.15	71,716,109.84	11,391,871.99
Other	12,752,395.83	1,992,891.43	5,613,633.90	1,214,415.80
Total	226,470,026.98	45,088,462.57	415,779,361.25	88,486,669.93

(2)Deferred income tax liabilities

Unit:RMB

Projects	30 June 2016		31 December 2015	
	Deductible temporary differences	Deferred income tax liabilities	Deductible temporary differences	Deferred income tax liabilities
Business combination involving entities not under common control	26,755,952.40	6,688,988.10	36,437,645.85	9,109,411.46
Changes in fair value	36,808,324.01	9,107,019.65	40,156,878.68	9,733,983.44
Other	15,093,276.00	3,773,319.00	16,321,146.59	4,080,286.65
Total	78,657,552.41	19,569,326.75	92,915,671.12	22,923,681.55

(3)The net value of deferred income tax assets/liabilities after the offset

Unit:RMB

Projects	Offsetting value of deferred income tax assets/liabilities 30 June 2016	The net value of deferred income tax assets/liabilities after the offset 30 June 2016	Offsetting value of deferred income tax assets/liabilities 31 December 2015	The net value of deferred income tax assets/liabilities after the offset 31 December 2015
Deferred income tax assets	0.00	45,088,462.57	276,607.49	88,210,062.44
deferred income tax liabilities	0.00	19,569,326.75	276,607.49	22,647,074.06

(4)Unrecognised deferred tax assets

Unit:RMB

Projects	30 June 2016	31 December 2015
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

deductible losses	0.00	5,099,846.63
Total	0.00	5,099,846.63

(5) Unrecognised deferred tax assets in respect of deductible losses will be expired as following

Unit: RMB

Year	30 June 2016	31 December 2015	Notes
2020	0.00	5,099,846.63	Sinopharm Group Zhijun(Suzhou)
Total	0.00	5,099,846.63	--

The amount of RMB5,099,846.63 was due to the loss of Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.

Due to the disposal of 67% share of Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd, the amount is zero at the end of June 30 2016.

18. Other non-current assets

Unit: RMB

Projects	30 June 2016	31 December 2015
Medical reserve fund	41,106,641.13	42,855,240.33
Prepayment for project and equipment	24,447,792.41	32,702,948.09
Total	65,554,433.54	75,558,188.42

19. Short term borrowings

Unit: RMB

Projects	30 June 2016	31 December 2015
Guaranteed borrowings	0.00	286,264,700.35
Unsecured borrowings	1,154,921,347.72	837,769,852.39
Discounted notes	155,369,862.08	88,924,715.00
Total	1,310,291,209.80	1,212,959,267.74

On 30 June 2016, unsecured borrowings of RMB 1,154,921,347.72 (31 December 2015: RMB767,769,852.39) are guaranteed by the Company and its subsidiaries. Meanwhile, unsecured borrowing of RMB95,066,149.21 is borrowed from the Sinopharm Group Financial Co., Ltd. ("Group Financial Co.").

On 30 June 2016, bank borrowings of RMB0.00(31 December 2015: RMB286,264,700.35) are guaranteed by Sinopharm Group.

On 30 June 2016, commercial acceptance bills that had discounted but not terminated amounted to RMB155,369,862.08 (2015:RMB88,924,715.00)

On 30 June 2016, the weighted average interest rate of short-term borrowings is 4.30% per annum (31 December 2015: 4.48%).

In 30June 2016, there has been no unpaid due short-term borrowings (December 31, 2015: Nil).

20. Notes payable

Unit:RMB

category	30 June 2016	31 December 2015
Trade acceptance notes	147,561,025.09	216,141,770.19
Bank acceptance notes	1,313,374,253.07	1,085,452,646.62
Total	1,460,935,278.16	1,301,594,416.81

21. Accounts payable

(1)Accounts payable

Unit:RMB

Projects	30 June 2016	31 December 2015
Trade payable	4,652,842,317.77	4,036,910,159.14
Total	4,652,842,317.77	4,036,910,159.14

(2)Account payable aged over 1 year

Unit:RMB

Projects	30 June 2016	Reasons that accounts payable have not been settled
Trade payable	130,077,838.12	Transactions were not closed yet.
Total	130,077,838.12	

22. Advances from customers

(1) Advances from customers

Unit:RMB

Projects	30 June 2016	31 December 2015
Sales received in advance	27,128,326.37	56,943,167.40
Total	27,128,326.37	56,943,167.40

As at 30 June 2016, advances from customers of RMB1,298,949.11 (31 December 2014: RMB1,845,243.48) were aged over 1 year. Before the financial statement is approved, no such long aged advance has been settled.

23. Employee benefits payable

(1) Employee benefits payable

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016
1. Short term employee benefits payable	160,934,496.69	301,955,902.03	352,872,393.51	110,018,005.21
2. Defined contribution plans payable	2,407,982.07	26,008,573.45	26,794,430.37	1,622,125.15
3. Termination benefits payable	973,455.41	1,349,716.59	1,200,267.34	1,122,904.66
Total	164,315,934.17	329,314,192.07	380,867,091.22	112,763,035.02

(2) Short term employee benefits payable

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016
1. Wages and salaries, bonuses, allowances and subsidies	139,459,804.01	256,437,829.20	304,604,315.98	91,293,317.23
2. Staff welfare	1,992,465.44	12,095,983.91	13,598,232.85	490,216.50
3. Social security contributions	374,955.91	10,978,207.62	11,157,447.96	195,715.57
Including: Medical insurance	332,483.09	9,648,810.59	9,786,549.79	194,743.89

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Work injury insurance	32,960.67	497,913.38	530,283.86	590.19
Maternity insurance	9,512.15	831,483.65	840,614.31	381.49
4.Housing funds	492,521.50	13,072,581.73	12,852,908.11	712,195.12
5.Labor union funds and employee education funds	17,742,928.06	8,404,169.31	9,443,329.01	16,703,768.36
6.Others	871,821.77	967,130.26	1,216,159.60	622,792.43
Total	160,934,496.69	301,955,902.03	352,872,393.51	110,018,005.21

(3)Defined contribution plans payable

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016
1.Basic pensions	365,782.25	23,068,912.13	23,434,046.38	648.00
2.Unemployment insurance	28,451.29	888,188.47	913,730.44	2,909.32
3.Supplementary pensions	2,013,748.53	2,051,472.85	2,446,653.55	1,618,567.83
Total	2,407,982.07	26,008,573.45	26,794,430.37	1,622,125.15

(4)Termination benefits payable

	30 June 2016	31 December 2015
Retirement benefits payable – within 1 year	1,060,000.00	873,455.41
Other dismissal benefits(Note i)	62,904.66	100,000.00
Total	1,122,904.66	973,455.41

(i)For year 2016 semi annual, the amount that the group provided other termination benefits for severing labor relations was RMB216,482,79.(2015:Other termination benefits for severing labor relations: RMB651,382.79).

24.Tax payable

Unit:RMB

Projects	30 June 2016	31 December 2015
Value-added-tax payable	23,080,738.76	19,957,187.35
Business tax payable	0.00	1,025,850.75

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Enterprise income tax payable	51,494,087.91	39,167,388.57
Individual income tax payable	5,001,688.59	1,609,121.36
City maintenance and construction tax payable	1,777,280.53	1,544,705.46
Anti-flood fund payable	1,766,513.73	5,881,784.79
Stamp duty tax payable	2,351,377.64	1,290,342.40
Educational surcharge payable	1,274,187.47	1,113,244.42
Real estate tax payable	968,746.18	834,900.64
Land use tax payable	385,189.32	211,481.61
Other tax payables	4,726,572.20	227,472.85
Total	92,826,382.33	72,863,480.20

25. Interest payable

Unit:RMB

Projects	30 June 2016	31 December 2015
Short term borrowing interests payable	5,278,580.43	6,486,284.75
Long term borrowing interests payable		57,782.44
Total	5,278,580.43	6,544,067.19

26. Other payable

(1) Other payable by nature are analysed below:

Unit:RMB

Projects	30 June 2016	31 December 2015
Accrued selling and distribution expenses	181,534,293.75	167,570,277.31
Payables for construction in progress and equipment	109,447,609.80	108,438,287.53
Amount collected on behalf of third party	107,527,204.18	57,273,890.13
Deposit	26,946,757.86	39,558,840.49
Deposit from intermediaries	30,000,000.00	
Other	90,165,547.92	95,608,858.39
Total	545,621,413.51	468,450,153.85

(2) Significant other payable aged over 1 year

Unit:RMB

Projects	30 June 2016	Reasons that accounts payable have not been settled
Payable of R&D expenses to China State Institute of Pharmaceutical Industry	8,440,000.00	Research status were not closed yet.
Total	8,440,000.00	

27. Current portion of long-term borrowings

Unit:RMB

Projects	30 June 2016	31 December 2015
Long-term borrowings- due within one year	31,600,000.00	0.00
Promotion rewards program - due within one year	4,987,500.00	3,510,000.00
Financing lease payables	2,150,078.41	1,934,858.84
Total	38,737,578.41	5,444,858.84

28. Long term borrowings

Unit:RMB

Projects	30 June 2016	31 December 2015
Unsecured borrowings	0.00	40,895,172.30
Entrusted borrowings	0.00	31,600,000.00
Total	0.00	72,495,172.30

Long term borrowings was due within one year and had been reclassified to long-term borrowings- due within one year (Note:27).

29. Long-term payables

Projects	30 June 2015	31 December 2014
Financing lease payables	12,952,996.78	10,329,417.89
Less: due within one year	2,150,078.41	1,934,858.84
Total	10,802,918.37	8,394,559.05

30. Long term employee benefits

Unit:RMB

Projects	30 June 2016	31 December 2015
Early retirement benefits payable	2,582,145.00	2,499,100.00
Total	2,582,145.00	2,499,100.00

31. Payables for specific projects

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016	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	

32. Deferred income

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016	Reasons of formation
Government grants	155,936,441.64	1,219,863.20	10,601,936.76	146,554,368.08	Government grants
Promotion Rewards Program	17,162,582.34	4,987,500.00	13,995,944.74	8,154,137.60	Fair value of rewards
Total	173,099,023.98	6,207,363.20	24,597,881.50	154,708,505.68	

Projects involve Government grant:

Unit:RMB

Government grants program	31 December 2015	Current year additions	Amount recognized as non-operating income	Other change	30 June 2016	Related to income/assets
Resettlement Compansation(i)	83,650,666.85	0.00	1,349,204.28	0.00	82,301,462.57	Related to assets
Cephalosporin Solid	11,742,379.25	0.00	1,190,215.05	0.00	10,552,164.20	Related to

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Preparations Development Project						assets
Cardiovascular system targeted drug development programs	10,392,533.33	0.00	440,891.20	0.00	9,951,642.13	Related to assets
Guangxi Logistics Project	7,942,645.78	0.00	248,203.20	0.00	7,694,442.58	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	4,874,999.99	0.00	250,000.02	0.00	4,624,999.97	Related to assets
Logistics standardization project	4,300,000.02	0.00	199,999.98	0.00	4,100,000.04	Related to assets
Cephalosporin Powder Injection Passing EU-GMP Authentication	3,815,792.34	0.00	361,983.24	0.00	3,453,809.10	Related to assets
Medical R&D Center II (in progress)	3,056,300.89	0.00	410,659.98	0.00	2,645,640.91	Related to assets
New Cephalosporin R&D Project	3,046,340.57	0.00	458,022.30	0.00	2,588,318.27	Related to assets
Cardiovascular system targeted drug development programs	2,436,037.10	0.00	396,008.90	624,990.80	1,415,037.40	Related to assets
A comprehensive experimental modern service industry subsidies	2,400,000.00	0.00	150,000.00	0.00	2,250,000.00	Related to assets
Cefpirome Sulfate R&D Project	1,853,960.95	0.00	0.00	1,853,960.95	0.00	Related to assets
The laval shaaban raw materials and tablets project	1,500,000.00	0.00	640,000.00	0.00	860,000.00	Related to assets
New Cephalosporin R&D Project	608,900.38	0.00	305,246.76	0.00	303,653.62	Related to assets

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Shared Logistics Center	339,100.51	0.00	40,041.16	0.00	299,059.35	Related to assets
Other projects	8,976,783.68	1,219,863.20	755,709.18	926,799.76	8,514,137.94	Related to assets
Total	155,936,441.64	1,219,863.20	7,196,185.25	3,405,751.51	146,554,368.08	--

(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 physical compensation amounted RMB70,250,000.00. The physical building had been completed and transferred to investment properties. 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.

33. Other non-current liabilities

Unit:RMB

Projects	30 June 2016	31 December 2015
Medical reserve funds	45,427,343.31	45,427,343.31
Total	45,427,343.31	45,427,343.31

34. Share Capital

Unit: RMB

	31 December 2015	Movements (+.—)					30 June 2016
		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

35. Capital reserve

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016
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

36. Surplus reserve

Unit:RMB

Projects	31 December 2015	Current period additions	Current period decreases	30 June 2016
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

37. Undistributed profits

Unit:RMB

Projects	For the six months ended 30 June 2016	For the twelve months ended 31 December 2015
Undistributed profits at the beginning of year	3,045,551,246.71	2,356,765,374.25
Adjustment of retained earnings(add +,minus -)	0.00	0.00
Adjusted undistributed profits at the beginning of year	3,045,551,246.71	2,356,765,374.25
Add:net profit attributable to the shareholders of the company	542,122,083.86	761,312,261.06
Less: Dividend	108,789,582.90	72,526,388.60
Ending balance of undistributed profits	3,478,883,747.67	3,045,551,246.71

38. Sales and cost of sales

Unit:RMB

Projects	For the six months ended 30 June 2016		For the six months ended 30 June 2015	
	Income	Expenses	Income	Expenses
Revenue of main operations	14,053,796,253.83	13,034,291,774.27	12,772,868,609.63	11,798,432,332.88
Other operating income	35,256,618.05	6,202,018.54	40,934,557.14	3,228,707.54
Total	14,089,052,871.88	13,040,493,792.81	12,813,803,166.77	11,801,661,040.42

39. Tax and surcharges

Unit:RMB

Projects	For the six months ended 30 June	For the six months ended 30 June 2015
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	2016	
Business tax	2,199,084.46	2,983,841.85
City maintenance and construction tax	13,760,406.74	12,685,982.46
Educational surcharge	9,844,713.44	9,308,250.19
Other	1,540,447.27	1,465,615.25
Total	27,344,651.91	26,443,689.75

40. Selling and distribution expenses

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Employees payroll and welfare benefits	135,746,751.00	112,490,739.45
Transportation charges	26,389,084.51	27,939,051.39
Promotion and marketing expenses	13,423,741.87	46,124,636.39
Conference expenses	3,179,753.28	4,354,342.75
Travel allowances	6,975,341.71	7,496,122.39
Entertainment expenses	9,905,380.59	10,897,298.61
Advertising expenses	3,424,475.42	4,705,456.10
Storage expenses	7,584,803.78	4,518,164.34
Office allowances	1,701,664.10	1,582,850.88
Rental expenses	15,997,974.63	13,666,951.13
Depreciation expenses	3,006,584.94	2,937,090.09
Other	29,251,799.74	25,361,402.49
Total	256,587,355.57	262,074,106.01

41. General and administrative expense

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Employees payroll and welfare benefits	125,009,772.61	104,170,785.32
Research and development expenses	25,988,200.63	33,640,577.40
Depreciation expenses	17,081,746.52	16,379,344.44
Taxations	12,871,722.04	11,862,094.67

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Entertainment expenses	2,313,643.28	4,101,888.76
Amortisation of intangible assets	3,687,246.77	2,819,911.80
Office allowances	2,753,413.81	3,053,398.52
Rental expenses	5,783,111.10	2,508,540.85
Vehicle management expenses	1,335,994.14	3,060,128.18
Conference expenses	28,393.71	117,497.36
Maintenance and other charges	940,611.94	1,561,358.97
Travel allowances	1,245,097.00	1,572,653.34
Utilities	2,195,225.87	2,496,765.25
Other	22,530,468.20	16,244,428.49
Total	223,764,647.62	203,589,373.35

42. Financial expense

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Interest expenses	49,265,242.89	66,320,510.56
Less: interest income	-4,738,723.87	-2,669,578.08
discount in cash	-19,125,086.03	-8,821,521.20
Gain and loss from exchanges	-59,027.15	-536,717.77
Other	6,086,651.65	4,346,978.89
Total	31,429,057.49	58,639,672.40

43. Asset impairment loss

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Bad debt	16,647.75	-649,892.85
Declines in values of inventories	5,480,356.18	7,869,732.74
Total	5,497,003.93	7,219,839.89

44. Gain from investment

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Share of profit of investees under equity method	27,791,132.38	28,274,061.44
Gain on disposal of long-term equity investment	121,754,182.26	0.00
Total	149,545,314.64	28,274,061.44

Gain on disposal of long-term equity investment is mainly due to the disposal of Zhijun(Suzhou) . In current period, the group disposes its 67% equity right of Sinopharm zhijun (Suzhou) at the price of RMB157,800,000.00. Remaining 33% equity right of Sinopharm zhijun(Suzhou) would be re measured at fair value at the price of RMB77,722,388.00.

The difference between the total amount of consideration received from transaction that resulted in the loss of control plus the fair value of 33% equity right and the net asset of Sinopharm zhijun (Suzhou) calculated continuously from the acquisition date shall be recognized as gain on the investment in this period. And the goodwill related to the subsidiary shall also be derecognized. There is no significant restriction on the remittance of investment income to the Group.

45. Non-operating income

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Amount in Non-routine items
Gain on disposal of non-current assets	1,653,712.19	10,297.36	1,653,712.19
Including: Gain on disposal of fixed assets	1,653,712.19	10,297.36	1,653,712.19
Government grants	7,581,599.85	10,567,256.16	7,581,599.85
Written off payments	1,000,000.00	146,039.32	1,000,000.00
Reversal of payments			
Other	2,402,199.15	2,258,696.62	2,402,199.15
Total	12,637,511.19	12,982,289.46	12,637,511.19

Classified as this period profit Government grants:

Unit:RMB

Government grantsProjects	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Government grants related to income
Government-funded interest discount	0.00	1,635,195.84	Related to income
Industry grant	214,514.60	0.00	Related to income

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Resettlement compensation-amortization of assets	1,353,604.28	1,349,204.28	Related to assets
Others	6,013,480.97	7,582,856.04	Related to assets
Total	7,581,599.85	10,567,256.16	--

46. Non-operating expenses

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015	Amount in Non-routine items
Loss on disposal of non-current assets	528,810.92	225,404.59	528,810.92
Including: Losses on disposal of fixed assets	528,810.92	225,404.59	528,810.92
Donations			
Other	761,433.52	215,275.79	761,433.52
Total	1,290,244.44	440,680.38	1,290,244.44

47. Income taxes expenses

(1)Income taxes expenses

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Current income tax	102,852,115.09	93,190,979.53
Deferred income tax	7,604,783.35	2,157,874.97
Total	110,456,898.44	95,348,854.50

(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 2016
Total profit	664,828,943.94
Income tax expenses calculated at applicable tax rates	166,207,235.99
Differences in preferential tax rates of certain companies	-22,599,872.46

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Deferred tax changes with tax rate adjustments	441,368.11
Income not subject to tax	-9,266,803.87
Expenses not deductible for tax purposes	6,123,051.55
Utilization of previously unrecognized tax losses	-30,282,463.96
Deductible losses unrecognized as deferred tax assets	-165,616.92
Income tax	110,456,898.44

48. Cash flow statements

(1)Cash received relating to other operating activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Withdraw deposits for bank acceptance notes and deposits for letter of credit	1,154,269.04	9,034,563.52
Interest income	4,738,723.87	2,669,578.08
Government grants except tax return	1,219,863.20	4,926,078.35
Rental income	10,837,633.55	10,585,370.80
Other	26,267,807.34	12,846,219.50
Total	44,218,297.00	40,061,810.25

(2)Cash paid relating to other operating activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Market development expenses	13,423,741.87	46,124,636.39
Research and development expenses	3,342,315.41	10,782,478.49
Rental expenses	21,781,085.73	16,175,491.98
Entertainment expenses	12,219,023.87	14,999,187.37
Travel expenses	8,220,438.71	9,068,775.73
Advertising expenses	3,424,475.42	4,705,456.10
Office expenses	4,455,077.91	4,636,249.40
Others	91,489,984.23	58,315,031.63
Total	158,356,143.15	164,807,307.09

(3)Cash received relating to other investing activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Repayment of entrusted borrowings from Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.(Zhijun (Suzhou))	84,000,000.00	
Others	3,200,415.00	
Total	87,200,415.00	

(4)Cash paid relating to other investing activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Deposit	20,000,000.00	
Others	5,690,544.72	
Total	25,690,544.72	

(5)Cash received relating to other financing activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Accounts receivable factoring without recourse	67,788,435.41	
Others	45,000,000.00	
Total	112,788,435.41	

(6)Cash payments relating to other financing activities

Unit:RMB

Projects	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Others	3,483,135.79	24,066,161.02
Total	3,483,135.79	24,066,161.02

49. Supplementary information of cash flow statements

(1)Supplementary information of cash flow statements

Unit:RMB

Supplementary information	For the six months ended 30 June 2016	For the six months ended 30 June 2015
1.Reconciliation of net profit to cash flows from operating activities:	--	--
Net profit	554,372,045.50	399,642,260.97
Add: Provision for assets impairment	5,497,003.93	7,219,839.89
Depreciation of fixed assets and investment properties	50,682,049.63	47,945,421.59
Amortisation of intangible assets	3,567,237.10	3,821,424.91
Amortisation of long-term prepaid expenses	4,392,473.69	4,262,640.17
Losses on disposal of fixed assets, intangible assets, and other non-current assets	(8,706,501.20)	(4,114,941.12)
Financial expenses	49,265,242.89	66,674,714.71
Investment losses	(149,545,314.57)	(28,274,061.44)
Decrease of deferred tax assets	43,121,599.87	3,000,326.62
Increase of deferred tax liabilities	(3,077,747.31)	(842,451.65)
Decrease of inventory	262,892,291.70	88,388,515.28
Decrease in operating receivables	(1,162,075,844.51)	(753,547,929.22)
Increase in operating payables	832,154,509.87	605,029,254.51
Other	10,095,015.64	9,034,563.51
Net cash flow from operating activities	492,634,062.23	448,239,578.73
2.Significant non-cash investing activities:		
3.Movement of cash		
Cash on 30 June 2016	2,030,956,448.63	1,157,555,627.85
Less:Cash on 31 December 2015	1,569,226,304.36	854,212,006.84
Net increase in cash	461,730,144.27	303,343,621.01

(2)Cash received from disposal of subsidiaries and other business units

Cash received from disposal of subsidiaries	156,111,000.00
Deduct: cash and cash equivalents in subsidiaries when loss of control	27,265,118.87
Net cash received from disposal of subsidiaries	128,845,881.13

(3)Composition of cash and cash equivalents

Unit:RMB

Programs	30 June 2016	31 December 2014
1.Cash	2,030,956,448.63	1,569,226,304.36
Including: Cash on hand	99,360.45	109,096.17
Call deposits with banks	2,030,857,088.18	1,569,117,208.19

50. Foreign currencies projects

Unit:RMB

Projects	Financial assets denominated in foreign currency	Exchange rate	Financial assets denominated in RMB
Amout Receivable	--	--	
Including:US Dollars	1,408,547.29	6.6312	9,340,358.79
HK Dollars	136,517.82	0.8547	116,677.69
Accounts payable	--	--	
Including:US Dollars	297,224.00	6.6312	1,970,951.79

VIII.Alteration of consolidated financial statement scope

1、 Disposal of subsidiaries

Unit:RMB

Name of the subsidiary	Price of equity disposal	Percentage of equity disposal	Method of equity disposal	Timing for loss of control	Determination of timing for loss	The difference between price of equity	Remaining percentage of equity	Book value of remaining equity when	Fair value of remaining equity when	Gains or losses resulting from the remeasur	The determination method and its main hypothesis	The amount of investment gains and losses transferred
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

					of control	disposal and share of net assets of the subsidiary in consolidated financial statement	when loss of control	loss of control	loss of control	ement of the remaining equity by fair value	of the fair value for the remaining equity when loss of control	from other comprehensive income related to equity investment of the disposal subsidiary
China National Zhijun(Suzhou) Pharmaceutical Co., Ltd	157,800,000.00	67.00%	Shareholding transferred	April 26 th , 2016	Date of resolution of the general meeting of shareholders	101,479,925.38	33.00%	27,739,738.24	77,722,388.00	49,982,649.82	The fair value of net identifiable assets in the assessment report on disposal day is multiplied by the proportion of holding equity	0.00

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
Sinopharm Holding Guangzhou Medical	Guangzhou	Guangzhou	Commercial		51.00%	Set up

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Management Co., Ltd.						
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

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

						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

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

						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 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

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

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

2. Associates

(1) Financial information of the significant cooperative and joint venture

Company name	Place of operation	Place of registration	Nature of business	Equity interest held		Method of accounting
				Direct	Indirect	
Shenzhen Wanle Medical Co., Ltd. (Wanle Medical)	Shenzhen	Shenzhen	Manufacturing	35.19%		Equity
Sinopharm Holding Zhuhai Co., Ltd. (Sinopharm Zhuhai)	Zhuhai	Zhuhai	Commercial	10.00%		Equity
Zhijun (Suzhou)	Suzhou	Suzhou	Manufacturing	33.00%		Equity

Board of the directors is the highest decision making organization, which is formed by 3 shareholders of Wanle Medical evenly, each shareholder appoints 2 directors set up the board.

The highest authority of Sinopharm Zhuhai is the shareholders' committee, and the shareholders exercise their voting rights according to their investment proportion. Meanwhile, Sinopharm Zhuhai set up the board of directors and be responsible for the shareholders, with 3 members in total, and the Company delegates 1 member. One member has 1 voting right, and all of the resolutions should be passed by half of the directors.

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 pharmaceutical enterprise, Assets Reorganization, Distribution and retail of medicines and pharmaceutical products, etc	2,767,095,089 yuan	51.00%	51.00%

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
Sinopharm Zhuhai	Associate
Zhijun(Suzhou)	Associate

4. Other related parties

Company name	Relationship with the Company
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Controlled by Sinopharm Group
Foshan Nanhai Medicine Group Co., Ltd	Controlled by Sinopharm Group
Foshan Nanhai Medicine Co., Ltd.	Controlled by Sinopharm Group
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guorui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Chemical Reagent Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	Controlled by Sinopharm Group
Sinopharm Group Southwest Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
China National Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin Binhai Pharmaceutical Co., Ltd	Controlled by CNPGC
Sinopharm Holding (China) finance leasing Co., Ltd	Controlled by CNPGC
Sinopharm Holding Anhui Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Huahong Co., Ltd.	Controlled by Sinopharm Group

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou 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 Chifeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dezhou Co., Ltd.	Controlled by Sinopharm Group
China National Pharmaceutical Industry Medicine distribution Co. Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fujian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Gansu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai management consulting branch	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store Guangzhou Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Drugstore Co., Ltd	Controlled by Sinopharm Group
Sinopharm Holding Hainan Hongyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Henan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Heilongjiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Co., Ltd.	Controlled by Sinopharm Group

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Hunan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jining Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangsu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jingmen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Liaocheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding linju Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding longyan 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 Macheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanping New Power Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nantong Co., Ltd.	
Sinopharm Holding Neimenggu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningxia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Putian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Putyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qianxinan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qingdao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qinghai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Quanzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Sanming Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Sandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Linfen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shangqiu Co., Ltd.	Controlled by Sinopharm Group

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Shanyang 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 Suzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Taizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medicine Holding Tianjin Co.,Ltd Distribution Center	Controlled by Sinopharm Group
Sinopharm Holding Wenzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xizang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hongkong International Co. Ltd	Controlled by Sinopharm Group
Sinopharm Holding Xiangtan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xiangxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinxiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinyu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yantai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yancheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Yangzhou) Chinese Western Medicine Branch Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yunnan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Biological Product Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhoukou Co., Ltd.	Controlled by Sinopharm Group

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Zunyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Hebei Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang shijiazhuangMedicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Medicine 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
Shanxi Guoyi Drug Store Co., Ltd.	Controlled by Sinopharm Group
Shanghai Donghong Medicine Co., Ltd.	Controlled by Sinopharm Group
Shanghai Meiluo Medicine Co., Ltd.	Controlled by Sinopharm Group
Shanghai Nuoyun Marketing Consulting Co., Ltd.	Controlled by Sinopharm Group
Shanghai Tongyu Information Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guoda Qunkang Drug Store Taizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Co., Ltd.	Controlled by Sinopharm Group
Anhui Jingfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Beijing Fusheng Tiandi Property Management Ltd.	Controlled by CNPGC
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Controlled by CNPGC
Chengdu Rongsheng Pharmacy Co., Ltd.	Controlled by CNPGC
Foshan YingTian Medicine Sales Co., Ltd.	Controlled by CNPGC
Guangdong Medi-World Pharmacertical Co., Ltd.	Controlled by CNPGC
Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Controlled by CNPGC
Guizhou Longlife Pharmacertical Co., Ltd.	Controlled by CNPGC
Guizhou Tongjitang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm (Shanghai) E-Health Co.,Ltd.	Controlled by CNPGC
Group Financial Co.	Controlled by CNPGC
Foshan Dezhong Pharmaceutical Co., Ltd.	Controlled by CNPGC
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Controlled by CNPGC
Foshan Fengliaoqing Medicine Co., Ltd.	Controlled by CNPGC
Guangdong Medi-World Pharmacertical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Controlled by CNPGC

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Group Guangdong Medical Inspection Co., Ltd	Controlled by CNPGC
Anhui Jingfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm United Medical Device Co.,Ltd	Controlled by CNPGC
Sinopharm United Luya (Shandong) Pharmaceutical Co.,Ltd	Controlled by CNPGC
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm United Shantou Jinshi Pharmaceutical Co.,Ltd	Controlled by CNPGC
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Controlled by CNPGC
Sinopharm Group Guizhou Tongjitang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Weiqida Medicine Co., Ltd.	Controlled by CNPGC
Sinopharm United Wuhan ZhongLian SiYao Pharmaceutical Co.,Ltd	Controlled by CNPGC
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Controlled by CNPGC
Sinopharm United Zhonglian Pharmaceutical Co.,Ltd	Controlled by CNPGC
Sinopharm Holding Financial Co., Ltd	Controlled by CNPGC
Reed Sinopharm Exhibitions Co., Ltd.	Controlled by CNPGC
Heilongjiang Sinopharm Medical Herbs Co., Ltd.	Controlled by CNPGC
Group Financial Co.	Controlled by CNPGC
Lanzhou Institute of Biological Products Co., Ltd.	Controlled by CNPGC
Qinghai Medical Pharmaceutical Material Co., Ltd.	Controlled by CNPGC
Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.	Controlled by CNPGC
Shanghai Shyndec Pharmaceutical Co., Ltd	Controlled by CNPGC
Shanghai Shyndec Pharmaceutical Markteing Co., Ltd	Controlled by CNPGC
Shanghai Institute of Pharmaceutical Industry	Controlled by CNPGC
Sichuan Jiangyouzhongbeifuzi Science Development Co., Ltd.	Controlled by CNPGC
Wuhan Institute of Biological Products Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Group Corporation	Controlled by CNPGC
China National Scientific Instruments and Materials Corporation	Controlled by CNPGC
China National Pharmaceutical Foreign Trade Co., Ltd.	Controlled by CNPGC
China State Institute of Pharmaceutical Industry	Controlled by CNPGC
Sino Pharmengin Corporation	Controlled by CNPGC
Sinopharm Chongqing Pharmaceutical and Medical Industry	Controlled by CNPGC

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Design Institute	
China National Pharmaceutical group	Controlled by CNPGC
China National Traditional Chinese Medicine Corporation	Controlled by CNPGC
Shenzhen Wanwei Medicine trading Co., Ltd.	Subsidiary of Wanle Medical
Kangxinda Pharmaceutical Co., Ltd.	Associate of Sinopharm Group
Yichang Humanwell Pharmaceutical Co., Ltd.	Associate of Sinopharm Group
Sino-Swed Pharmaceutical Co.,Ltd	Associate of CNPGC
China Otsuka Pharmaceutical Co., Ltd.	Associate of CNPGC
Foshan Chancheng Pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm
Foshan Chancheng District Central Hospital	Subsidiary of Fosun Pharm
Foshan Chanyixing Medicine Development Co Ltd	Subsidiary of Fosun Pharm
Guilin South pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Dongting Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jiangsu Huanghe Pharmaceutical Co., Ltd	Subsidiary of Fosun Pharm
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Chaohui Pharmecurical Co., Ltd.	Subsidiary of Fosun Pharm
Shenyang Hongqi Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Sichuan Hexin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Suzhou Erye Pharmaceutical Limited Company	Subsidiary of Fosun Pharm
Chongqing Haisiman Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jiangmen Renren Medical instrument Co.,Ltd	Business combinations involving enterprises not under common control
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Controlled by minority interest of subsidiary
Wang Yang	Family member of minority interest of subsidiary

5. Related party transactions

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

Purchase of goods / Purchase of service

Related party	Related party transactions	For the six months ended	Approved trading limit	Whether exceed trading limit	For the six months ended
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

		30 June 2016			30 June 2015
Sinopharm Holding Sub Marketing Center Co., Ltd.	Purchase of goods	568,701,470.91	2,700,000,000.00	No	473,896,462.97
Sinopharm Group	Purchase of goods	188,596,537.34		No	220,482,005.40
China National Medicines Co., Ltd.	Purchase of goods	150,037,440.34		No	182,000,081.49
Sino-Swed Pharmaceutical Co.,Ltd	Purchase of goods	52,912,528.38		No	44,774,861.25
Zhijun(Suzhou)	Purchase of goods	51,634,488.03		No	
Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Purchase of goods	51,435,374.10		No	24,983,541.39
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Purchase of goods	30,666,615.32		No	14,813,289.21
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Purchase of goods	29,139,970.85		No	21,718,308.34
Wanle Medical.	Purchase of goods	22,849,679.65		No	-7,097.80
Lanzhou Institute of Biological Products Co., Ltd.	Purchase of goods	16,915,410.00		No	10,770,840.00
Foshan Nanhai Medicine Co., Ltd.	Purchase of goods	16,573,411.01		No	338,654.17
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Purchase of goods	15,973,063.30		No	11,561,348.52

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Shenzhen Wanwei Medicine trading Co., Ltd.	Purchase of goods	13,361,816.77	No	37,187,026.99
Chengdu Rongsheng Pharmacy Co., Ltd.	Purchase of goods	8,270,140.00	No	8,372,573.00
Sichuan Hexin Pharmaceutical Co., Ltd.	Purchase of goods	5,664,973.33	No	441,452.30
Sinopharm Lerentang Hebei Medicine Co., Ltd.	Purchase of goods	3,897,198.94	No	
Foshan YingTian Medicine Sales Co., Ltd.	Purchase of goods	3,413,610.89	No	10,095,226.43
Sinopharm Holding Beijing Huahong Co., Ltd.	Purchase of goods	1,909,025.93	No	1,368,186.29
Chongqing Haisiman Pharmaceutical Co., Ltd.	Purchase of goods	1,762,537.60	No	2,290,382.37
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd	Purchase of goods	1,386,346.49	No	3,073,788.88
Guizhou Tongjitang Pharmaceutical Co., Ltd.	Purchase of goods	1,359,770.86	No	
Shanghai Shyndec Pharmaceutical Markteing Co., Ltd	Purchase of goods	892,628.83	No	
Yichang Humanwell Pharmaceutical Co., Ltd.	Purchase of goods	807,224.79	No	122,603.64

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

China Otsuka Pharmaceutical Co., Ltd.	Purchase of goods	666,425.29	No	589,739.54
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Purchase of goods	550,363.50	No	346,153.85
Wuhan Institute of Biological Products Co., Ltd.	Purchase of goods	493,200.00	No	3,936,356.00
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Purchase of goods	490,878.97	No	760,017.61
Sinopharm United Zhonglian Pharmaceutical Co., Ltd	Purchase of goods	468,360.38	No	343,373.23
Anhui Jingfang Pharmaceutical Co., Ltd.	Purchase of goods	386,218.80	No	
Sinopharm Group Chemical Reagent Co., Ltd.	Purchase of goods	356,338.12	No	624,526.11
Sinopharm Holding Hunan Co., Ltd.	Purchase of goods	288,410.89	No	130,865.31
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Purchase of goods	286,763.40	No	9,415.93
Sinopharm Holding Zhuhai Co., Ltd.	Purchase of goods	200,213.57	No	
Sinopharm Holding Fujian Co., Ltd.	Purchase of goods	177,999.15	No	
Sinopharm Holding Guizhou	Purchase of goods	177,189.49	No	11,777,123.06

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Co., Ltd.				
Sinopharm Group Guorui Medicine Co., Ltd.	Purchase of goods	119,682.05	No	234,240.60
Hunan Dongting Pharmaceutical Co., Ltd.	Purchase of goods	90,500.43	No	53,955.90
Shenyang Hongqi Pharmaceutical Co., Ltd.	Purchase of goods	76,759.34	No	240,758.99
Sinopharm Holding Hainan Co., Ltd.	Purchase of goods	73,807.69	No	
Sichuan Jiangyouzhongbei fuzi Science Development Co., Ltd.	Purchase of goods	63,716.81	No	63,716.82
Sinopharm Holding Quanzhou Co., Ltd.	Purchase of goods	63,336.00	No	
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Purchase of goods	51,245.58	No	48,160.32
Sinopharm Holding Hubei Co., Ltd.	Purchase of goods	51,183.59	No	229,075.88
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Purchase of goods	50,607.72	No	60,354.91
Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	Purchase of goods	16,168.58	No	
Guilin South pharmaceutical	Purchase of goods	12,564.10	No	226,311.99

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Co., Ltd.				
Sinopharm United Shantou Jinshi Pharmaceutical Co.,Ltd	Purchase of goods	5,829.23	No	
Sinopharm Holding Beijing Co., Ltd.	Purchase of goods	1,613.68	No	1,633,846.16
Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.	Purchase of goods	-60.13	No	87,488.42
Suzhou Erye Pharmaceutical Limited Company	Purchase of goods	-105.56	No	49,594.02
China National Pharmaceutical Foreign Trade Co., Ltd.	Purchase of goods	-760.00	No	530,655.75
Shanghai Shyndec Pharmaceutical Markteing Co., Ltd	Purchase of goods	-1,270.33	No	993,581.20
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Purchase of goods	-24,401.46	No	2,062,006.33
Qinghai Pharmaceutical (Group) Co., Ltd.	Purchase of goods		No	4,514,443.50
Sinopharm Holding Macheng Co., Ltd.	Purchase of goods		No	-214.86
Sinopharm Group Weiqida Medicine Co., Ltd.	Purchase of goods		No	2,980,769.22
Beijing Huasheng Pharmaceutical	Purchase of goods		No	1,165,876.23

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Biotechnology Development Co., Ltd.				
Guizhou Tongjitang Pharmaceutical Co., Ltd.	Purchase of goods		No	1,658,359.36
Anhui Jingfang Pharmaceutical Co., Ltd.	Purchase of goods		No	535,332.58
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Purchase of goods		No	161,323.08
Handan Pharmaceutical Co., Ltd	Purchase of goods		No	150,992.73
Sinopharm Holding Jiangsu Co., Ltd.	Purchase of goods		No	-19,408.20
Sinopharm Group Southwest Medicine Co., Ltd.	Purchase of goods		No	305,128.20
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods		No	5,230.38
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Purchase of goods		No	1,549,539.30
Foshan Fengliaoqing Pharmaceutical Co., Ltd.	Purchase of goods		No	168,830.34
Sinopharm Holding Luoyang Co., Ltd.	Purchase of goods		No	97,094.01
Sinopharm	Purchase of		No	11,282.05

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Holding Dalian Co., Ltd.	goods				
Sinopharm Holding Hainan Hongyi Co., Ltd.	Purchase of goods			No	5,864.40
Sinopharm Group Guangdong Medical Inspection Co., Ltd	Purchase of goods			No	632.48
Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	Purchase of goods			No	-1,054.87
Guangdong Medi-World Pharmaceutival Co., Ltd.	Purchase of goods			No	-427.18
Sinopharm Holding Suzhou Co., Ltd.	Purchase of goods			No	187.18
Guizhou Longlife Pharmaceutical Co., Ltd.	Purchase of goods			No	-25.64
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Pinshan management fees	7,905,682.00		No	527,358.49
Sinopharm Group Medicine Logistic Co., Ltd.	Transportation and warehousing charges	718,681.16		No	922,860.39
Sinopharm Holding Tianjin Binhai Pharmaceutical Co., Ltd	Information system maintenance	182,109.39		No	
Shanghai Institute of Pharmaceutical	Research and development	58,490.57		No	175,471.70
			45,400,000.00		

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Industry	expenses			
Reed Sinopharm Exhibitions Co., Ltd.	Exhibition expenses	28,301.89	No	34,000.00
Shanghai Tongyu Information Technology Co., Ltd.	Information system maintenance	4,583.00	No	
Sinopharm Group Chemical Reagent Suzhou Co., Ltd.	Research and development expenses		No	1,625.64
Sinopharm Holding Shanghai Management Consulting Branch	Other labor service		No	3,600.00
Sinopharm Xingsha Pharmaceuticals	Research and development expenses		No	16,500.00
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Other labor service		No	31,325,674.00
Sinopharm Group Medicine Logistic Co., Ltd.	Information System Maintenance		No	443,026.99
China National Scientific Instruments and Materials Corporation	Other labor service		No	192,500.00
Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	Designing fee		No	1,129,620.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sales of goods /Rendering of service

Related party	Content of related party transactions	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Sales of goods	85,251,516.18	76,833,546.36
Foshan Nanhai Medicine Co., Ltd.	Sales of goods	70,057,124.03	40,499,542.53
Sinopharm Holding Hunan Co., Ltd.	Sales of goods	68,864,202.26	77,915,186.98
Sinopharm Holding Shandong Co., Ltd.	Sales of goods	52,333,470.32	47,623,472.79
Sinopharm Holding Sichuan Co., Ltd.	Sales of goods	46,976,751.29	43,440,891.95
Sinopharm Holding Guangdong Co., Ltd.	Sales of goods	43,307,281.14	34,048,558.78
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Sales of goods	36,181,230.83	37,385,364.68
Sinopharm Holding Beijing Co., Ltd.	Sales of goods	35,798,000.64	40,646,909.68
Sinopharm Holding Hubei Co., Ltd.	Sales of goods	33,887,216.22	32,219,359.25
Sinopharm Lerentang Medicine Co., Ltd.	Sales of goods	32,140,042.44	34,684,209.72
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Sales of goods	29,352,419.59	31,056,792.97
Sinopharm Holding Hainan Co., Ltd.	Sales of goods	27,218,791.88	42,611,254.30
Sinopharm Holding Sub Marketing Center Co., Ltd.	Sales of goods	24,658,285.65	15,497,277.04
Sinopharm Holding Hainan Hongyi Co., Ltd.	Sales of goods	19,236,469.43	12,678,051.93
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	Sales of goods	18,682,460.41	16,268,845.77
Sinopharm Holding Beijing Huahong Co., Ltd.	Sales of goods	15,936,026.85	31,818,003.87

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Foshan Chancheng District Pharmaceutical Co., Ltd	Sales of goods	15,516,838.32	8,798,005.75
Sinopharm Group Southwest Medicine Co., Ltd.	Sales of goods	15,149,699.76	15,212,888.04
Sinopharm Holding Nantong Co., Ltd.	Sales of goods	14,242,985.57	12,309,543.99
Sinopharm Holding Fujian Co., Ltd.	Sales of goods	13,434,604.44	1,708,344.06
Sinopharm Holding Tianjin Co., Ltd.	Sales of goods	12,740,834.92	15,395,118.07
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Sales of goods	12,599,132.27	11,741,123.13
Sinopharm Holding Wenzhou Co., Ltd.	Sales of goods	12,478,635.27	15,099,938.24
Sinopharm Holding Henan Co., Ltd.	Sales of goods	11,471,773.17	8,870,236.38
Sinopharm Holding Ningxia Co., Ltd.	Sales of goods	10,444,389.37	21,192,630.53
Sinopharm Holding Shenyang Co., Ltd.	Sales of goods	10,304,627.64	5,782,044.41
Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	Sales of goods	10,030,554.75	7,213,575.88
Sinopharm Holding Yunnan Co., Ltd.	Sales of goods	8,833,790.34	9,419,118.45
Sinopharm Holding Jinzhou Co., Ltd.	Sales of goods	8,807,076.90	9,282,821.20
Sinopharm Group	Sales of goods	6,364,221.28	15,579,638.74
Sinopharm Holding Guizhou Co., Ltd.	Sales of goods	6,233,062.21	5,116,359.93
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	5,366,483.57	5,960,444.74
Sinopharm Holding Zhejiang Co., Ltd.	Sales of goods	5,325,652.26	11,611,214.64
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	5,081,614.34	5,999,416.05

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Yangzhou Co., Ltd.	Sales of goods	4,913,339.55	3,253,616.01
Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	Sales of goods	4,336,964.46	4,525,339.36
Sinopharm Holding Quanzhou Co., Ltd.	Sales of goods	3,997,588.86	660,609.25
Sinopharm Holding Fuzhou Co., Ltd.	Sales of goods	3,601,288.32	9,718,182.05
Sinopharm Holding Gansu Co., Ltd.	Sales of goods	3,362,121.29	2,123,949.16
Sinopharm Holding Jilin Co., Ltd.	Sales of goods	3,164,190.61	1,580,127.02
Shanghai Meiluo Medicine Co., Ltd.	Sales of goods	3,045,513.70	77,694.03
Sinopharm Holding Heilongjiang Co., Ltd.	Sales of goods	2,899,049.29	3,443,566.66
Sinopharm Holding Dalian Co., Ltd.	Sales of goods	2,027,426.28	607,011.05
Sinopharm Holding Zhangzhou Co., Ltd.	Sales of goods	1,801,268.11	24,094.37
Sinopharm Holding Lunan Co., Ltd.	Sales of goods	1,785,466.80	978,264.96
Sinopharm Group	Sales of goods	1,710,201.91	2,441,499.27
Sinopharm Holding Taizhou Co., Ltd.	Sales of goods	1,656,489.97	732,858.62
Sinopharm Holding Qinghai Co., Ltd.	Sales of goods	1,653,878.60	2,037,902.58
Sinopharm Holding Putian Co., Ltd.	Sales of goods	1,577,814.38	381,461.55
Sinopharm Holding Ningde Co., Ltd.	Sales of goods	1,577,663.39	464,264.03
Sinopharm Holding Yancheng Co., Ltd.	Sales of goods	1,302,481.16	1,604,406.39
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Sales of goods	1,213,270.34	4,656,653.54
Sinopharm Holding Wuxi	Sales of goods	1,035,374.53	1,593,582.85

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Co., Ltd.			
Sinopharm Holding Zhuhai Co., Ltd.	Sales of goods	958,664.01	
Sinopharm Holding Xuzhou Co., Ltd.	Sales of goods	857,990.21	910,548.70
Foshan Chancheng District Central Hospital	Sales of goods	803,677.81	3,007,579.36
Sinopharm Holding Guoda Drugstore Co., Ltd	Sales of goods	792,731.07	1,307,427.35
Sinopharm Holding Chongqing Co., Ltd.	Sales of goods	788,490.12	591,571.81
Sinopharm Holding Longyan Co., Ltd.	Sales of goods	668,135.86	794,650.72
Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	Sales of goods	544,607.78	1,125,856.31
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Sales of goods	530,769.23	
Shanghai Donghong Medicine Co., Ltd.	Sales of goods	524,820.49	63,538.46
Sinopharm Holding Sanming Co., Ltd.	Sales of goods	523,407.96	237,305.65
Sinopharm Holding Shanxi Co., Ltd.	Sales of goods	457,913.35	442,999.38
Sinopharm Holding Neimenggu Co., Ltd.	Sales of goods	421,401.42	1,529,454.28
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Sales of goods	374,337.49	1,254,769.21
Sinopharm Holding Neimenggu Co., Ltd.	Sales of goods	288,871.53	
Sinopharm Holding Jiangxi Co., Ltd.	Sales of goods	276,013.09	228,099.69
Sinopharm Medicine Holding Tianjin Co.,Ltd Distribution Center	Sales of goods	271,102.57	
Sinopharm Holding Changzhou Medical logistics	Sales of goods	184,263.50	356,495.77

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

center Co., Ltd.			
Sinopharm Holding Jiangmen Renren Co., Ltd.	Sales of goods	168,011.08	199,355.46
China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	Sales of goods	162,461.52	81,230.76
Sinopharm Holding Guoda Kangqun Drug Store Taizhou Co., Ltd.	Sales of goods	145,087.38	
Sinopharm Holding Xizang Co., Ltd.	Sales of goods	110,779.49	
Sinopharm Holding Anqing Co., Ltd.	Sales of goods	88,830.32	327,912.83
Sinopharm Holding Suzhou Co., Ltd.	Sales of goods	81,897.44	68,948.73
Sinopharm Holding Yantai Co., Ltd.	Sales of goods	71,774.36	227,815.40
Sinopharm Holding Wuhu Co., Ltd.	Sales of goods	51,282.05	
Sinopharm Holding Jiangsu Co., Ltd.	Sales of goods	47,193.17	309,194.86
China National Pharmaceutical Group Corporation	Sales of goods	44,871.79	44,871.79
Sinopharm Holding Jining Co., Ltd.	Sales of goods	40,820.49	10,461.52
Sinopharm Group Guangdong Medical Inspection Co., Ltd	Sales of goods	38,359.59	
Sinopharm Holding Puyang Co., Ltd.	Sales of goods	31,958.97	305.98
Kangxinda Pharmaceutical Co., Ltd.	Sales of goods	29,076.93	16,615.38
Beijing Fusheng Tiandi Property Management Ltd.	Sales of goods	27,538.43	56,697.41
Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	Sales of goods	19,948.72	10,829.08

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Shanxi Guoyi Drug Store Co., Ltd.	Sales of goods	15,863.22	43,794.85
Sinopharm Holding Qingdao Co., Ltd.	Sales of goods	14,185.16	1,789,913.20
Sinopharm Holding Qianxinan Co., Ltd.	Sales of goods	14,000.00	14,423.93
Sinopharm Holding Changde Co., Ltd.	Sales of goods	9,538.46	281,577.44
Heilongjiang Sinopharm Medical Herbs Co., Ltd.	Sales of goods	6,410.25	11,025.63
Sinopharm Holding Zhoukou Co., Ltd.	Sales of goods	6,186.32	2,726.38
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Sales of goods	5,948.71	307,179.50
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Sales of goods	5,707.69	10,568.21
Sinopharm Holding Xiangxi Co., Ltd.	Sales of goods	4,923.08	
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Sales of goods	3,446.16	777,435.92
Sinopharm Holding Chenzhou Co., Ltd.	Sales of goods	3,000.01	3,692.31
Sinopharm Holding Shangqiu Co., Ltd.	Sales of goods	2,170.94	3,226.50
Sino Pharmengin Corporation	Sales of goods	1,794.88	
Sinopharm Holding Nanping New Power Co., Ltd.	Sales of goods	1,497.44	3,743.58
Sinopharm Holding Anhui Co., Ltd.	Sales of goods	1,099.46	301,567.25
Sinopharm Holding Xiangtan Co., Ltd.	Sales of goods	512.82	
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Sales of goods		794,871.79
Sinopharm Group Guorui	Sales of goods		134,615.38

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Medicine Co., Ltd.			
Hetian Region Ankang Chain Drugstore Co., Ltd.	Sales of goods		92,155.52
Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	Sales of goods		76,327.18
Sinopharm Group Medicine Logistic Co., Ltd.	Sales of goods		57,692.30
Wanle Medical	Sales of goods		51,295.73
Foshan Chanyixing Medicine Development Co Ltd	Sales of goods		50,322.00
Sinopharm Holding Chifeng Co., Ltd.	Sales of goods		25,969.23
Sinopharm Holding Anyang Co., Ltd.	Sales of goods		14,905.98
Sinopharm Holding Dezhou Co., Ltd.	Sales of goods		12,923.07
Sinopharm Holding Liaocheng Co., Ltd.	Sales of goods		11,282.05
Sinopharm Xinjiang Korla Pharmaceutical Co., Ltd.	Sales of goods		11,075.89
Sinopharm Holding Changzhou Co., Ltd.	Sales of goods		11,068.38
Sinopharm Holding (Yangzhou) Chinese Western Medicine Branch Co., Ltd.	Sales of goods		10,660.51
Sinopharm Holding Xinyu Co., Ltd.	Sales of goods		6,478.65
Sinopharm Holding Shanxi Linfen Co., Ltd.	Sales of goods		1,923.07
Sinopharm (Shanghai) E-Health Co.,Ltd.	Sales of goods		1,846.16
Sinopharm Holding Xinxiang Co., Ltd.	Sales of goods		931.62
Shanghai Nuoyun Marketing Consulting Co., Ltd.	Sales of goods		-155,982.92

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Holding Zunyi Co., Ltd.	Sales of goods	-12,239.32	
Sinopharm Group Southwest Medicine Co., Ltd.	Dispatching and transportation charges	106,341.02	
China National Medicines Co., Ltd.	Dispatching and transportation charges	3,262,443.19	2,856,084.27
China National Medicines Co., Ltd.	Transportation and Warehousing Revenue		
Sinopharm Group Medicine Logistic Co., Ltd.	Dispatching and transportation charges	1,181,491.00	2,046,871.70
China National Medicines Co., Ltd.	Entrusted revenue	235,849.06	250,000.00
Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	Dispatching and transportation charges	2,579,028.54	2,418,885.86
Shenzhen Wanle Medical Co., Ltd.	Transportation and Warehousing Revenue	15,266.25	
Shenzhen Wanwei Medicine trading Co., Ltd.	Transportation and Warehousing Revenue	178,087.97	183,714.43
China National Pharmaceutical Foreign Trade Co., Ltd.	Entrusted revenue	117,924.53	125,000.00
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Dispatching and transportation charges	2,395,299.07	1,615,666.54
Foshan Nanhai Medicine Co., Ltd.	Dispatching and transportation charges	4,042,227.31	1,327,072.71
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	Parking fees	6,678.58	8,500.00

(2) Trusteeship

Trustor	Trustee	Type	Starting day	Ending Day	Price Basis	Amount
China National Pharmaceutical Foreign Trade Co., Ltd.	China National Accord Medicines Corporation Ltd.	Share taking over	2013.9.1	2016.9.30	Market Price	117,924.53

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Sinopharm Group	China National Accord Medicines Corporation Ltd.	Share taking over	2013.7.1	2016.7.31	Market Price	235,849.06
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(3)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	1,253,050.60	1,178,062.80
China National Medicines Co., Ltd.	Building	43,200.00	43,200.00
China National Pharmaceutical Industry Medicine distribution Co. Ltd.	Building	21,085.71	32,400.00
Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	Building	248,735.66	277,867.38
Sinopharm Holding Guoda Drug Store Guangzhou Chain Co., Ltd.	Building	139,263.80	141,050.00
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Building		141,900.00

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	Building	3,717,000.00	3,540,000.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Logistic Co., Ltd.			
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Building	485,833.90	484,969.92
Wang Yang	Building	276,000.00	276,000.00
Foshan Nanhai Medicine Group Co., Ltd.	Building	134,628.57	128,160.00

(4)Guarantees provided

As a guarantor

Unit:RMB

Guarantee	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co. Ltd.	15,500,000.00	8-Sep-15	7-Sep-16	No
Sinopharm Holding Guangzhou Co., Ltd.	239,320,811.70	20-May-16	20-May-17	No
Sinopharm Holding Guangzhou Co., Ltd.	81,380,862.24	21-Aug-15	20-Aug-16	No
Sinopharm Holding Guangzhou Co., Ltd.	13,996,300.73	21-Dec-15	20-Dec-16	No
Sinopharm Holding Guangzhou Co., Ltd.	181,244,838.61	29-Jun-16	28-Jun-17	No
Sinopharm Holding Guangzhou Co., Ltd.	130,485,919.25	20-Sep-15	19-Sep-16	No
Sinopharm Holding Guangzhou Co., Ltd.	293,292,978.56	8-Sep-15	7-Sep-16	No
Sinopharm Holding Guangzhou Co., Ltd.	204,107,728.25	23-Jun-15	30-Apr-16	No
Sinopharm Holding Guangzhou Co., Ltd.	297,423,585.28	9-May-16	28-Apr-17	No
Sinopharm Holding Guangzhou Co., Ltd.	75,027,962.95	23-Oct-15	31-Jul-16	No
Sinopharm Holding	149,833,302.23	10-May-16	9-May-17	No

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Guangzhou Co., Ltd.				
Sinopharm Holding Guangzhou Co., Ltd.	394,379,515.71	30-Jun-16	30-Jun-17	No
Sinopharm Holding Guangzhou Co., Ltd.	272,895,372.73	1-Apr-16	31-Mar-17	No
Sinopharm Holding Guangdong Yuexing Co., Ltd.	14,114,645.02	20-May-16	20-May-17	No
Sinopharm Holding Guangdong Yuexing Co., Ltd.	30,593,635.54	8-Sep-15	7-Sep-16	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	75,202,403.93	8-Sep-15	7-Sep-16	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	20,219,620.69	20-Jun-16	19-Jun-17	No
Sinopharm Medicine Holding Liuzhou Co., Ltd.	32,044,296.30	24-Nov-15	23-Nov-16	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	14,804,903.26	17-Dec-15	16-Dec-16	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	41,956,000.10	8-Sep-15	7-Sep-16	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	17,000,000.00	3-Jun-16	15-Nov-16	No
Sinopharm holding Shenzhen Yanfeng Co.,Ltd	17,147,502.59	28-Jun-16	28-Apr-17	No
Sinopharm holding Foshan Co.,Ltd	9,602,123.40	1-Feb-16	7-Sep-16	No
Sinopharm Holding Jiangmen Renren Co., Ltd.	19,572,418.44	8-Sep-15	7-Sep-16	No
Sinopharm Holding	9,891,614.16	8-Sep-15	7-Sep-16	No

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Shaoguan Co., Ltd.				
Sinopharm Holding Shenzhen Medicine Co., Ltd	3,345,327.73	8-Sep-15	7-Sep-16	No
Sinopharm Medicine Holding Zhijun(Shenzhen) Pingshan Pharmaceutical Co., Ltd.	2,772,722.40	8-Sep-15	8-Sep-16	No
Sinopharm Holding Guangxi Co., Ltd.	151,224,891.35	30-Jul-15	30-Jul-16	No
Sinopharm Holding Guangxi Co., Ltd.	124,777,698.95	8-Sep-15	7-Sep-16	No
Sinopharm Holding Guangxi Co., Ltd.	19,996,134.58	23-Sep-15	23-Sep-16	No
Sinopharm Holding Guangxi Co., Ltd.	97,056,813.97	25-Sep-15	6-Aug-16	No
Shenzhen Zhijun Pharmaceutical Co., Ltd.	76,660,753.85	10-Sep-15	10-Sep-16	No
Sinopharm Holding Meizhou Co., Ltd.	15,000,000.00	22-Mar-15	7-Sep-16	No

As guarantee

Unit:RMB

Guarantor	Amount	Beginning date of guarantee contract	Maturity date of guarantee contract	Guarantee obligation expired
Sinopharm Holding Guangzhou Co., Ltd.	60,000,000.00	29-Apr-16	15-May-16	No
Sinopharm Holding Guangzhou Co., Ltd.	105,200,614.40	25-May-16	25-May-17	No
Sinopharm Holding Co., Ltd.	49,514,955.34	16-Nov-15	30-Oct-16	No

(5)Financing

Unit:RMB

Related Party	Amount	Effective date	Maturity date	Notes
Borrowed from-				
Group Financial Co.	40,000,000.00	3-Mar-16	7-Jun-16	Short-term borrowings
Group Financial Co.	4,923,535.95	27-May-16	30-Jun-16	Short-term borrowings
Group Financial Co.	2,368,060.53	27-May-16	29-Jul-16	Short-term borrowings
Group Financial Co.	6,746,578.15	27-May-16	9-Aug-16	Short-term borrowings
Group Financial Co.	11,505,956.89	27-May-16	9-Sep-16	Short-term borrowings
Group Financial Co.	4,338,160.94	27-May-16	31-Aug-16	Short-term borrowings
Group Financial Co.	339,485.60	27-May-16	29-Sep-16	Short-term borrowings
Group Financial Co.	2,490,497.36	27-May-16	10-Aug-16	Short-term borrowings
Group Financial Co.	406,315.60	29-Jun-16	24-Oct-16	Short-term borrowings
Group Financial Co.	4,140,612.19	29-Jun-16	30-Sep-16	Short-term borrowings
Group Financial Co.	11,049,791.04	29-Jun-16	9-Oct-16	Short-term borrowings
Group Financial Co.	8,148,254.41	29-Jun-16	31-Jul-16	Short-term borrowings
Group Financial Co.	14,655,071.15	29-Jun-16	25-Aug-16	Short-term borrowings
Group Financial Co.	9,601,591.85	29-Jun-16	25-Jul-16	Short-term borrowings
Group Financial Co.	5,627,120.69	29-Jun-16	3-Jul-16	Short-term borrowings
Group Financial Co.	6,198,414.86	29-Jun-16	3-Jul-16	Short-term borrowings
Group Financial Co.	1,715,902.61	29-Jun-16	3-Jul-16	Short-term borrowings
Group Financial Co.	2,973,302.94	29-Jun-16	25-Jul-16	Short-term borrowings
Group Financial Co.	297,973.00	29-Jun-16	25-Aug-16	Short-term borrowings
Group Financial Co.	1,803,734.70	29-Jun-16	25-Aug-16	Short-term borrowings
Group Financial Co.	659,324.70	29-Jun-16	25-Sep-16	Short-term borrowings

(6)Interest Expense

Unit:RMB

Related Party	Type of transaction	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Group Financial Co.	Interest paid for the loans from	941,985.36	667,955.53

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	related party		
Sinopharm Holding Sub Marketing Center Co., Ltd.	Charges of discounted notes payable	517,195.20	284,004.78
Group Financial Co.	Charges of discounted notes payable	645,596.38	0.00
Sinopharm Holding (China) finance leasing Co., Ltd	Interest on payment of financing lease	527,016.98	0.00
Sinopharm Group	Charges of discounted notes payable	0.00	391,286.97
CNPGC	Interest paid for the loans from related party	737,899.50	839,572.50
Total		3,369,693.42	2,182,819.78

(7)Interest Revenue

Unit:RMB

Related Party	Type of transaction	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Group Financial Co.	Deposit interest	216,355.34	15,368.24

6. Accounts receivable from and payables to related parties

(1)Accounts receivable from related parties

Unit:RMB

Nature	Related parties	30-Jun-16		31-Dec-15	
		Cost	Provision for bad debts	Cost	Provision for bad debts
Accounts receivable	Sinopharm Holding Hunan Co., Ltd.	21,139,548.77	0.00	11,800,789.90	0.00
Accounts receivable	Sinopharm Holding Sichuan Co., Ltd.	17,148,126.27	0.00	12,596,645.37	0.00
Accounts receivable	Sinopharm Holding Beijing Co., Ltd.	11,513,770.82	0.00	4,889,068.82	0.00
Accounts receivable	Foshan Chancheng District Pharmaceutical	11,153,163.22	0.00	10,456,488.42	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Co., Ltd				
Accounts receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	11,112,134.67	0.00	724,380.00	0.00
Accounts receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	10,380,221.32	0.00	4,903,794.10	0.00
Accounts receivable	Sinopharm Lerentang Medicine Co., Ltd.	9,993,252.87	0.00	7,276,380.60	0.00
Accounts receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	9,441,182.80	0.00	10,080.00	0.00
Accounts receivable	Sinopharm Holding Hainan Co., Ltd.	8,766,583.97	0.00	8,340,807.83	0.00
Accounts receivable	Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	7,952,180.70	0.00	2,134,200.73	0.00
Accounts receivable	Sinopharm Holding Shandong Co., Ltd.	5,912,581.50	0.00	2,806,173.06	0.00
Accounts receivable	Sinopharm Group Southwest Medicine Co., Ltd.	5,763,482.53	0.00	5,899,149.63	0.00
Accounts receivable	Sinopharm Holding Beijing Huahong Co., Ltd.	5,760,591.31	0.00	4,294,245.00	0.00
Accounts receivable	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	5,259,979.68	0.00	51,038.40	0.00
Accounts receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	5,226,555.00	0.00	4,798,848.39	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accounts receivable	Sinopharm Holding Tianjin Co., Ltd.	4,735,858.96	0.00	4,182,348.44	0.00
Accounts receivable	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	4,612,301.06	0.00	962,292.05	0.00
Accounts receivable	Sinopharm Holding Hubei Co., Ltd.	4,094,669.55	0.00	1,363,102.12	0.00
Accounts receivable	Sinopharm Holding Nantong Co., Ltd.	3,097,267.70	0.00	222,814.00	0.00
Accounts receivable	Sinopharm Holding Shenyang Co., Ltd.	2,994,151.80	0.00	2,078,546.57	0.00
Accounts receivable	Sinopharm Holding Fuzhong Co., Ltd.	2,862,409.51	0.00	710,962.31	0.00
Accounts receivable	Sinopharm Holding Guizhou Co., Ltd.	2,170,875.16	0.00	1,578,943.80	0.00
Accounts receivable	Sinopharm Holding Ningxia Co., Ltd.	2,124,131.70	0.00	7,623,539.82	0.00
Accounts receivable	Foshan Nanhai Medicine Co., Ltd.	2,047,881.34	0.00	8,555,449.29	0.00
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,872,465.27	0.00	1,822,992.74	0.00
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	1,860,258.85	0.00	2,087,252.42	0.00
Accounts receivable	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	1,702,985.73	0.00	16,667,817.24	0.00
Accounts receivable	Sinopharm Holding Henan Co., Ltd.	1,676,485.88	0.00	2,622,549.61	0.00
Accounts receivable	Sinopharm Holding Jinzhou Co., Ltd.	1,626,565.73	0.00	1,520,970.19	0.00
Accounts receivable	Sinopharm Holding Wenzhou Co., Ltd.	1,542,881.74	0.00	4,497,007.74	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accounts receivable	China National Medicines Co., Ltd.	1,501,836.76	0.00	2,193,101.44	0.00
Accounts receivable	Sinopharm Holding Yangzhou Co., Ltd.	1,401,146.30	0.00	661,883.69	0.00
Accounts receivable	Sinopharm Holding Dalian Co., Ltd.	1,394,999.56	0.00	220,071.46	0.00
Accounts receivable	Shanghai Meiluo Medicine Co., Ltd.	1,322,068.10	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Zhejiang Co., Ltd.	1,204,388.40	0.00	182,236.00	0.00
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,036,231.64	0.00	2,232,030.00	0.00
Accounts receivable	Sinopharm Holding Jilin Co., Ltd.	965,309.20	0.00	673,556.80	0.00
Accounts receivable	Sinopharm Holding Heilongjiang Co., Ltd.	941,592.49	0.00	635,280.68	0.00
Accounts receivable	Sinopharm Holding Taizhou Co., Ltd.	862,348.80	0.00	915,855.80	0.00
Accounts receivable	Sinopharm Group Medicine Logistic Co., Ltd.	678,314.83	0.00	472,192.10	0.00
Accounts receivable	Sinopharm Holding Gansu Co., Ltd.	627,831.30	0.00	111,980.36	0.00
Accounts receivable	Shanghai Donghong Medicine Co., Ltd.	614,040.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Yunan Co., Ltd.	589,135.99	0.00	2,644.00	0.00
Accounts receivable	Sinopharm Holding Yancheng Co., Ltd.	539,543.24	0.00	1,560,640.56	0.00
Accounts receivable	Foshan Chancheng District Central Hospital	535,590.96	0.00	930,281.02	0.00
Accounts receivable	Sinopharm Holding Chengdu Pharmaceutical	435,628.80	0.00	239,723.83	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Co., Ltd.				
Accounts receivable	Sinopharm Holding Fuzhou Co., Ltd.	434,014.29	0.00	411,057.50	0.00
Accounts receivable	Sinopharm Holding Xuzhou Co., Ltd.	420,500.79	0.00	1,167,604.18	0.00
Accounts receivable	Sinopharm Holding Qinghai Co., Ltd.	415,424.35	0.00	324,129.86	0.00
Accounts receivable	Sinopharm Guoda Drug Store Jiangmen Chain Co., Ltd.	296,780.15	0.00	195,744.28	0.00
Accounts receivable	Sinopharm Holding Guoda Drugstore Co., Ltd	289,340.00	0.00	330,020.00	0.00
Accounts receivable	Sinopharm Holding Wuxi Co., Ltd.	278,449.47	0.00	637,461.00	0.00
Accounts receivable	Sinopharm Holding Neimenggu Co., Ltd.	269,290.97	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Chongqing Co., Ltd.	263,383.48	0.00	285,331.58	0.00
Accounts receivable	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	171,111.12	0.00	992,644.00	0.00
Accounts receivable	Sinopharm Group	164,242.40	0.00	1,049,269.12	0.00
Accounts receivable	Sinopharm Holding Longyan Co., Ltd.	154,799.16	0.00	204,969.60	0.00
Accounts receivable	Sinopharm Holding Lunan Co., Ltd.	154,212.74	0.00	858,375.60	0.00
Accounts receivable	Sinopharm Holding Ningde Co., Ltd.	142,275.84	0.00	102,354.00	0.00
Accounts receivable	Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	138,480.70	0.00	173,902.40	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accounts receivable	Sinopharm Medicine Holding Tianjin Co.,Ltd Distribution Center	113,910.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Suzhou Co., Ltd.	77,328.00	0.00	13,488.00	0.00
Accounts receivable	Jiang Meng Renren Medical instrument Co., Ltd.	75,570.40	0.00	49,230.00	0.00
Accounts receivable	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	68,771.23	0.00	87,360.00	0.00
Accounts receivable	Sinopharm Holding Zhuhai Co., Ltd.	61,945.61	0.00	13,056.00	0.00
Accounts receivable	Sinopharm Holding Jiangxi Co., Ltd.	56,083.34	0.00	23,520.00	0.00
Accounts receivable	Sinopharm Holding Guoda Kangqun Drug Store Taizhou Co., Ltd.	55,074.90	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Sanming Co., Ltd.	47,932.00	0.00	6,276.00	0.00
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	46,618.50	0.00	59,050.10	0.00
Accounts receivable	Sinopharm Holding Anqing Co., Ltd.	42,851.47	0.00	10,500.00	0.00
Accounts receivable	Sinopharm Holding Jiangsu Co., Ltd.	27,891.30	0.00	60,642.00	0.00
Accounts receivable	Sinopharm Group Shanghai Likang Pharmaceutical Co. Ltd.	23,340.00	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Yantai Co., Ltd.	19,935.62	0.00	55,887.62	0.00
Accounts receivable	Sinopharm Holding Changde Co., Ltd.	8,818.39	0.00	18,818.39	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accounts receivable	Sinopharm Holding Qingdao Co., Ltd.	7,330.11	0.00	90,733.47	0.00
Accounts receivable	Sinopharm Holding Zhangzhou Co., Ltd.	5,668.32	0.00	0.00	0.00
Accounts receivable	Sinopharm Holding Linju Co., Ltd.	1,907.70	0.00	0.00	0.00
Accounts receivable	China National Pharmaceutical Group Corporation		0.00	377,768.70	0.00
Accounts receivable	Sinopharm Holding Putian Co., Ltd.		0.00	238,032.00	0.00
Accounts receivable	Sinopharm Holding Quanzhou Co., Ltd.		0.00	139,443.84	0.00
Accounts receivable	Sinopharm Holding Anhui Co., Ltd.		0.00	31,250.00	0.00
Accounts receivable	Sinopharm Holding Zhunyi Co., Ltd.		0.00	15,458.00	0.00
Accounts receivable	Sinopharm Holding Tianjin North Medicine Co., Ltd.		0.00	8,064.00	0.00
Accounts receivable	Sinopharm Holding Puyang Co., Ltd.		0.00	358.00	0.00
Accounts receivable	Foshan Chanyixing Medicine Development Co Ltd		0.00	67,053.16	0.00
Accounts receivable	Suzhou Erye Pharmaceutical Limited Company		0.00	1,373,520.00	0.00
Notes receivable	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	31,647,756.43			
Notes receivable	Sinopharm Holding Shandong Co., Ltd.	15,087,519.84		6,750,101.98	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Notes receivable	Foshan Nanhai Medicine Co., Ltd.	15,085,592.71			
Notes receivable	Sinopharm Holding Guoda Drug Store Guangdong Co., Ltd.	6,236,381.60		1,410,614.24	
Notes receivable	Sinopharm Holding Hubei Co., Ltd.	6,009,977.18		7,941,341.48	
Notes receivable	Sinopharm Lerentang Medicine Co., Ltd.	5,707,513.90		5,233,743.53	
Notes receivable	Sinopharm Holding Hainan Co., Ltd.	5,018,840.03		4,813,712.16	
Notes receivable	Sinopharm Holding Sichuan Co., Ltd.	4,210,110.48		4,506,792.88	
Notes receivable	Sinopharm Holding Nantong Co., Ltd.	2,780,000.00		2,830,000.00	
Notes receivable	Sinopharm Holding Jinzhou Co., Ltd.	2,493,710.20		1,408,846.39	
Notes receivable	Sinopharm Holding Henan Co., Ltd.	2,147,355.82			
Notes receivable	Sinopharm Holding Wenzhou Co., Ltd.	2,076,440.72			
Notes receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	1,814,269.00		4,588,966.95	
Notes receivable	Sinopharm Holding Yunnan Co., Ltd.	1,651,550.65			
Notes receivable	Sinopharm Holding Shanxi Co., Ltd.	1,546,990.57			
Notes receivable	Sinopharm Holding Quanzhou Co., Ltd.	1,394,438.40			
Notes receivable	Sinopharm Holding Shenyang Co., Ltd.	1,328,720.00		1,317,158.00	
Notes receivable	Sinopharm Holding Hainan Hongyi	1,208,494.28			

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Co., Ltd.				
Notes receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	900,000.00		1,000,000.00	
Notes receivable	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	874,893.92		5,615,477.11	
Notes receivable	Sinopharm Holding Gansu Co., Ltd.	762,290.70		581,379.06	
Notes receivable	Sinopharm Holding Tianjin Co., Ltd.	685,320.00		3,758,893.95	
Notes receivable	Sinopharm Holding Yancheng Co., Ltd.	325,680.00		342,000.00	
Notes receivable	Sinopharm Holding Heilongjiang Co., Ltd.	252,000.00		103,258.40	
Notes receivable	Sinopharm Holding Chongqing Co., Ltd.	234,420.00		373,556.00	
Notes receivable	Sinopharm Holding Hunan Co., Ltd.	222,396.00		3,235,657.34	
Notes receivable	Sinopharm Holding Sanming Co., Ltd.	205,100.00			
Notes receivable	Sinopharm Holding Xuzhou Co., Ltd.	200,000.00			
Notes receivable	Sinopharm Holding Qingdao Co., Ltd.	100,000.00		100,000.00	
Notes receivable	Sinopharm Holding Changzhou Medical logistics center Co., Ltd.	50,000.00		30,000.00	
Notes receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.			18,567,124.28	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Notes receivable	Sinopharm Holding Beijing Co., Ltd.			5,445,673.00	
Notes receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.			2,400,000.00	
Notes receivable	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.			2,375,104.52	
Notes receivable	Sinopharm Holding Fuzhou Co., Ltd.			883,089.31	
Notes receivable	China National Medicines Co., Ltd.			477,810.00	
Notes receivable	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.			200,000.00	
Notes receivable	Sinopharm Holding Beijing Huahong Co., Ltd.			168,880.00	
Notes receivable	Sinopharm Holding Wuxi Co., Ltd.			150,000.00	
Notes receivable	Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.			132,695.00	
Notes receivable	Sinopharm Holding Zhejiang Co., Ltd.			82,280.00	
Notes receivable	Sinopharm Holding Changde Co., Ltd.			60,000.00	
Other receivables	Zhijun(Suzhou)	93,949,000.00			
Other receivables	Sinopharm Group Medicine Logistic Co., Ltd.	4,932,000.00		1,215,000.00	
Other receivables	Sinopharm Holding Tianjin Binhai	348,000.00			

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Pharmaceutical Co., Ltd				
Other receivables	Sinopharm Group	250,000.00		250,000.00	
Other receivables	Shenzhen Wanwei Medicine trading Co., Ltd.	143,914.89			
Other receivables	China National Pharmaceutical Foreign Trade Co., Ltd.	125,000.00		250,000.00	
Advances to suppliers	Sinopharm Chongqing Pharmaceutical and Medical Industry Design Institute	2,652,166.67		2,652,166.67	
Advances to suppliers	Chengdu Rongsheng Pharmacy Co., Ltd.	1,486,648.00		424,320.00	
Advances to suppliers	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	126,288.23			
Advances to suppliers	Anhui Jingfang Pharmaceutical Co., Ltd.	33,481.37			
Advances to suppliers	Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	24,401.46			
Advances to suppliers	Sinopharm Group	19,006.40		0.00	
Advances to suppliers	Sinopharm Holding Sub Marketing Center Co., Ltd.	16,658.68		72,829.67	
Advances to suppliers	Foshan Yingtian Medicine Sales Co., Ltd.	5,335.85		4,660.22	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Advances to suppliers	Hunan Dongting Pharmaceutical Co., Ltd.	3,923.08		0.00	
Advances to suppliers	Sinopharm Holding Suzhou Co., Ltd.	3,715.05		0.00	
Advances to suppliers	Sino-Swed Pharmaceutical Co.,Ltd	3,341.88			
Advances to suppliers	Shanghai Shyndec Pharmaceutical Co., Ltd	1,270.33			
Advances to suppliers	China National Pharmaceutical Foreign Trade Co., Ltd.	760.00			
Advances to suppliers	Sichuan Hexin Pharmaceutical Co., Ltd.	216.42		3,465,888.00	
Advances to suppliers	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.			23,012.72	
Advances to suppliers	Wuhan Institute of Biological Products Co., Ltd.			493,200.00	
Advances to suppliers	Sinopharm Group Chemical Reagent Co., Ltd.			15,784.50	
Advances to suppliers	Sinopharm Group Guorui Medicine Co., Ltd.			140,028.00	
Advances to suppliers	Sinopharm Holding Guizhou Co., Ltd.			177,148.47	
Advances to suppliers	China National Medicines Co., Ltd.			36,329.26	
Advances to suppliers	Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.			55.00	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Advances to suppliers	Sinopharm Holding Beijing Co., Ltd.			1,591.90	
Advances to suppliers	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.			11,558.42	

(2)Accounts payables to related parties

Nature	Related parties	30-Jun-16	31-Dec-15
Accounts payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	146,592,331.17	209,228,582.07
Accounts payable	Sinopharm Group	41,702,140.28	67,599,588.19
Accounts payable	China National Medicines Co., Ltd.	28,399,395.36	41,447,627.42
Accounts payable	Sino-Swed Pharmaceutical Co.,Ltd	16,189,749.06	7,795,134.50
Accounts payable	Guang dong South Pharmaceutical Foreign Trade Co., Ltd.	12,385,291.34	23,659,448.86
Accounts payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	10,070,892.35	8,769,888.84
Accounts payable	Foshan Dezhong Pharmaceutical Co., Ltd	8,657,702.07	
Accounts payable	Lanzhou Institute of Biological Products Co., Ltd.	7,680,360.00	5,580,000.00
Accounts payable	Shenzhen Wanle Medical Co., Ltd.	7,581,303.80	7,085,619.15
Accounts payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	6,951,369.53	4,386,429.79
Accounts payable	Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co.,Ltd.	5,085,042.72	
Accounts payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	4,357,446.04	7,128,876.56
Accounts payable	Foshan Nanhai Uptodate &	1,947,219.79	2,463,364.66

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Special Medicines Co., Ltd.		
Accounts payable	Foshan Yingtian Medicine Sales Co., Ltd.	1,545,834.22	1,084,492.48
Accounts payable	Sinopharm Holding Beijing Huahong Co., Ltd.	893,073.46	309,827.31
Accounts payable	Sinopharm Lerentang Hebei Medicine Co., Ltd.	849,168.23	670,755.65
Accounts payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	845,410.02	252,422.92
Accounts payable	Sinopharm Group Medicine Logistic Co., Ltd.	658,864.52	1,020,920.78
Accounts payable	Shanghai Shyndec Pharmaceutical Markteing Co., Ltd	561,415.17	202,620.00
Accounts payable	Foshan Nanhai Medicine Co., Ltd.	505,921.98	2,191,934.74
Accounts payable	Yichang Humanwell Pharmaceutical Co., Ltd.	461,989.80	184,046.67
Accounts payable	Guizhou Tongjitang Pharmaceutical Co., Ltd.	292,047.39	
Accounts payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	234,861.38	229,637.95
Accounts payable	Sinopharm United Zhonglian Pharmaceutical Co.,Ltd	224,358.66	106,931.94
Accounts payable	Foshan Fenglixing Pharmaceutical Co., Ltd.	207,791.03	719,965.09
Accounts payable	Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.	197,701.75	547,420.63
Accounts payable	China Otsuka Pharmaceutical Co., Ltd.	187,734.74	214,530.92
Accounts payable	Sinopharm Holding Zhuhai Co., Ltd.	119,697.58	93,353.55
Accounts payable	Sinopharm Group Chemical Reagent Co., Ltd.	84,532.89	16,563.32
Accounts payable	Shenyang Hongqi Pharmaceutical Co., Ltd.	69,022.49	2,088.09

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Accounts payable	Sinopharm Holding Hunan Co., Ltd.	67,180.67	223,953.63
Accounts payable	Sinopharm United Luya (Shandong) Pharmaceutical Co.,Ltd	52,819.07	52,819.54
Accounts payable	Hunan Dongting Pharmaceutical Co., Ltd.	50,183.77	17,689.07
Accounts payable	Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	44,649.76	8,720.00
Accounts payable	Shanghai Modern Hasen (Shangqiu) Pharmacertical Co., Ltd.	30,918.42	30,667.78
Accounts payable	Guangdong Medi-World Pharmacertical Co., Ltd.	29,802.65	
Accounts payable	Guilin South Pharmaceutical Co., Ltd.	29,039.21	35,113.61
Accounts payable	Sinopharm Holding Hubei Co., Ltd.	23,020.80	
Accounts payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	18,715.50	27,782.18
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 Lerentang Shijiazhuang Medicine Co., Ltd.	16,168.58	
Accounts payable	Sinopharm Holding Guoda Drugstore Co., Ltd	12,067.94	12,070.83
Accounts payable	Shanghai Chaohui Pharmecurical Co., Ltd.	7,494.85	7,494.85
Accounts payable	Sinopharm Holding Jiangsu Co., Ltd.	5,086.63	5,086.63
Accounts payable	Sinopharm Holding Dezhou Co., Ltd.	4,333.65	4,333.65
Accounts payable	Foshan Fengliaoqing	3,914.41	3,914.41

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Pharmaceutical Co., Ltd.		
Accounts payable	Sinopharm United Shantou Jinshi Pharmaceutical Co.,Ltd	2,697.87	
Accounts payable	Sinopharm Holding Sanyi Medicine(Wuhu) Co., Ltd.	2,637.47	2,637.47
Accounts payable	Jiangsu Huanghe Pharmaceutical Co., Ltd	2,382.89	2,382.89
Accounts payable	Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	1,113.85	1,113.85
Accounts payable	China National Pharmaceutical Foreign Trade Co., Ltd.	929.12	929.12
Accounts payable	Chengdu Rongsheng Pharmacy Co., Ltd.	794.87	794.87
Accounts payable	Sinopharm United Wuhan ZhongLian Siyao Pharmaceutical Co.,Ltd	752.14	752.14
Accounts payable	Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	637.01	637.01
Accounts payable	Sinopharm Holding Fujian Co., Ltd.	51.00	51.00
Accounts payable	Sinopharm Holding Guizhou Co., Ltd.	41.02	17,850.00
Accounts payable	Sinopharm Group Weiqida Medicine Co., Ltd.	28.93	28.93
Accounts payable	Sinopharm Holding Beijing Co., Ltd.	21.78	
Accounts payable	Foshan Dezhong Pharmaceutical Co., Ltd.		7,688,165.93
Accounts payable	Shanghai Shyndec Pharmaceutical Co., Ltd		400,000.00
Accounts payable	Handan Pharmaceutical Co., Ltd		230,176.34
Accounts payable	Guizhou Tongjitang		185,772.52

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Pharmaceutical Co., Ltd.		
Accounts payable	Qinghai Pharmaceutical (Group) Co., Ltd.		138,453.45
Accounts payable	Anhui Jingfang Pharmaceutical Co., Ltd.		45,444.09
Accounts payable	Sinopharm Holding Hainan Co., Ltd.		44,376.26
Accounts payable	Sinopharm Holding Suzhou Co., Ltd.		35,391.75
Accounts payable	Sinopharm United Medical Device Co.,Ltd		34,711.84
Accounts payable	Sinopharm Holding Fuzhou Co., Ltd.		34,202.00
Accounts payable	Guangdong Medi-World Pharmacertical Co., Ltd.		29,802.68
Accounts payable	Suzhou Erye Pharmaceutical Limited Company		27,200.00
Accounts payable	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.		5,272.95
Accounts payable	Sichuan Hexin Pharmaceutical Co., Ltd.		2,036,758.97
Other payables	China State Institute of Pharmaceutical Industry	13,540,000.00	13,690,000.00
Other payables	Sinopharm Group Medicine Logistic Co., Ltd.	4,087,627.84	483,403.90
Other payables	Sinopharm Group	3,530,696.87	4,530,696.87
Other payables	Sinopharm Holding Shanghai Co., Ltd.	1,660,431.38	1,660,431.38
Other payables	China National Traditional Chinese Medicine Corporation	1,300,000.00	1,300,000.00
Other payables	Sinopharm Holding Tianjin Binhai Pharmaceutical Co., Ltd	121,268.88	
Other payables	Sinopharm Guoda Drug Store(Shenzhen) Chain Co., Ltd.	72,000.00	72,000.00
Other payables	Sinopharm Guoda Drug Store Guangxi Chain Co.,	55,300.00	55,300.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Ltd.		
Other payables	Sinopharm Guoda Drug Store Guangzhou Chain Co., Ltd.	46,000.00	46,000.00
Other payables	Foshan Nanhai Medicine Group Co., Ltd	45,600.00	
Other payables	China National Scientific Instruments & Materials Imp/Exp Shenzhen CO., Ltd	37,450.00	
Other payables	Foshan Nanhai Medicine Co., Ltd.	22,945.14	4,721.21
Other payables	Sinopharm Holding Hainan Hongyi Co., Ltd.	20,000.00	20,000.00
Other payables	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	14,968.46	
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 Holding Shanxi 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 (Yangzhou) Chinese Western Medicine Branch Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Holding Wuxi Co., Ltd.	5,000.00	5,000.00
Other payables	Sinopharm Lerentang	5,000.00	5,000.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Medicine Co., Ltd.		
Other payables	Sinopharm Holding Zhuhai Co., Ltd.	3,000.00	3,000.00
Other payables	Sinopharm Group Chemical Reagent Co., Ltd.	-6.00	219,994.00
Other payables	Shenzhen Wanle Medical Co., Ltd.		500,000.00
Other payables	Sinopharm Holding Tianjin Binhai Pharmaceutical Co., Ltd		24,915.56
Other payables	Sinopharm Group Chemical Reagent Suzhou Co., Ltd.		300,000.00
Notes payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	292,371,338.86	16,067,525.26
Notes payable	Sinopharm Group	31,115,444.52	86,452,702.77
Notes payable	China National Medicines Co., Ltd.	14,586,812.11	8,308,580.59
Notes payable	Lanzhou Institute of Biological Products Co., Ltd.	3,600,000.00	1,800,000.00
Notes payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	2,981,839.20	2,899,500.00
Notes payable	Shenzhen Wanle Medical Co., Ltd.	1,596,502.80	1,127,937.20
Notes payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	1,323,912.25	2,143,170.40
Notes payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	538,636.50	442,041.50
Notes payable	Anhui Jingfang Pharmaceutical Co., Ltd.	484,742.39	660,215.94
Notes payable	Guizhou Tongjitang Pharmaceutical Co., Ltd.	436,932.00	
Notes payable	Foshan Yingtian Medicine Sales Co., Ltd.	129,821.78	6,180,233.86
Notes payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	72,765.00	101,965.00
Notes payable	Guizhou Tongjitang		363,435.60

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Pharmaceutical Co., Ltd.		
Notes payable	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd		269,766.00
Notes payable	Shenzhen Wanwei Medicine trading Co., Ltd.		761,296.80
Notes payable	Hunan Dongting Pharmaceutical Co., Ltd.		24,000.00
Notes payable	Shenyang Hongqi Pharmaceutical Co., Ltd.		95,696.00
Notes payable	Guilin South pharmaceutical Co., Ltd.		96,307.40
Advances from customers	Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	927,562.42	
Advances from customers	Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	104,753.80	
Advances from customers	Sinopharm Holding Ningde Co., Ltd.	63,984.00	
Advances from customers	Sinopharm Holding Zhuhai Co., Ltd.	10,464.00	16,775.40
Advances from customers	Shanghai Meiluo Medicine Co., Ltd.	8,280.00	
Advances from customers	Sinopharm Group Southwest Medicine Co., Ltd.	2,456.00	2,771.78
Advances from customers	Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	2,121.79	1,450.09
Advances from customers	Sinopharm Holding Gansu Co., Ltd.	2,083.00	2,083.00
Advances from customers	Sinopharm Holding Suzhou Kangmin Pharmaceutical Co. Ltd.	1,048.80	3,229.80
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 Holding Hongkong International Co.	118.35	116.01

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	Ltd		
Advances from customers	Sinopharm Sichuan Pharmaceutical Co., Ltd.	100.00	100.00
Advances from customers	Sinopharm Holding Jingmen Co., Ltd.	1.00	
Advances from customers	Sinopharm Holding Xuzhou Co., Ltd.		5,744.00
Advances from customers	Sinopharm Holding Wenzhou Co., Ltd.		1,280.00
Advances from customers	Sinopharm Holding Jiangsu Co., Ltd.		8,000.00
Advances from customers	Sinopharm Holding Yunnan Co., Ltd.		144,350.85
Advances from customers	Kangxinda Pharmaceutical Co., Ltd.		4,860.00
Advances from customers	Sinopharm Holding Dezhou Co., Ltd.		4,650.00
Advances from customers	Foshan Yingtian Medicine Sales Co., Ltd.		1,161.99

Unit:RMB

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 2016	31 December 2015
Sinopharm Holding (China) finance leasing Co., Ltd	1,285.59	1,275.12
Sinopharm Group Medicine Logistic Co., Ltd.	746.70	-
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	407.70	457.01
Wang Yang	193.20	220.80
Foshan Nanhai Medicine Group Co., Ltd	18.24	4.56
Total	2,651.40	1,957.49

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

As a leaser

Unit:

RMB'0,000

	30 June 2016	31 December 2015
Sinopharm Guoda Drug Store Guangxi Chain Co., Ltd.	566.44	33.18
Sinopharm Guoda Drug Store (Shenzhen) Chain Co., Ltd.	74.36	82.62
Sinopharm Guoda Drug Store Guangzhou Chain Co., Ltd.	14.15	28.30
Sinopharm Holding Sub Marketing Center Co., Ltd.	2.16	-
Total	657.11	144.10

Guarantee (Unused quotas)

Unit: RMB'0,000

Received	30 June 2016	31 December 2015
Sinopharm Group	1,048.5	27,373.53

Guarantee (Unused quotas)

Unit: RMB'0,000

Guranted	30 June 2016	31 December 2015
Zhijun (Suzhou)	1,450.00	0.00

8. Others

Buying constructing in progress

Unit: RMB

	30 June 2016		31 December 2015	
	Amount	% of total balance	Amount	% of total balance
Sinopharm Group Chemical Reagent Co., Ltd.	1,960,256.42	2.33%	0.00	0.00
Sinopharm Holding (China) finance leasing Co., Ltd	3,790,051.28	4.50%	0.00	0.00
Total	5,750,307.70	6.83%	0.00	0.00

Interests Payable

Unit: RMB'0,000

	30 June 2016	31 December 2015
Group Financial Co., Ltd	0.00	10.15
China National Pharmaceutical group	3.44	5.02
Total	3.44	15.17

Entrusted borrowings

Unit: RMB'0,000

	30 June 2016	31 December 2015
China National Pharmaceutical group	3,160.00	3,160.00

Other non-current liabilities

Unit: RMB'0,000

	30 June 2016	31 December 2015
Sinopharm Group	3,506.18	3,506.18

Short term borrowings

Unit: RMB'0,000

	30 June 2016	31 December 2015
Group Financial Co., Ltd	9,506.61	7,000.00

Cash and bank deposits

Unit: RMB'0,000

	30 June 2016	31 December 2015
Group Financial Co., Ltd	20.58	21.53

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 2016	31 December 2015
Buildings, machinery and equipment	1,527.77	4,346.58
Total	1,527.77	4,346.58

(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 2016	31 December 2015
Within one year	4,246.55	3,294.71
Between 1 and 2 years	3,527.55	3,101.17
Between 2 and 3 years	3,495.53	2,977.18
Over 3 years	22,268.21	22,560.29
Total	33,537.84	31,933.35

XII. Segment information

The reportable segments of the Group are the business units that provide different products or service. Different businesses require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The Group identified 3 reportable segments as follows:

- The Group, which is mainly engaged in investing and managing business;
- Pharmaceutical distribution, which is mainly engaged in distribution of medicine and pharmaceutical products to customers;
- Pharmaceutical manufacturing, which is mainly engaged in the manufacture medicine.

Inter-segment transfers are measured by reference to sales to third parties.

Segment information as at and for the year ended 30 June 2016 is as follows:

	The Group	Pharmaceutical distribution	Pharmaceutic al manufacturing	Elimination	Total
Revenue of main operations	0.00	13,277,343,388.91	782,625,431.52	(6,172,566.60)	14,053,796,253.83
Cost of main operations	0.00			5,849,223.84	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

operations		(12,582,643,182.98)	(457,497,815.13		(13,034,291,77
)		4.27)
Share of profit of subsidiaries	531,332,344.99	0.00	0.00	(531,332,344.99)	0.00
Share of profit of associates	24,377,006.76	0.00	0.00	3,414,125.62	27,791,132.38
					554,372,045.5
Net profit	638,566,825.81	247,004,066.71	138,024,808.46	(469,223,655.48)	0
			1,114,096,164.9	(4,645,257,096.0	14,485,586,57
Total assets	5,833,849,529.56	12,182,897,978.65	3	8)	7.06
			(552,366,329.65		(8,480,801,360
Total liabilities	(750,214,639.70)	(9,466,211,062.27))	2,287,990,670.71	.91)

Segment information as at and for the year ended 30 June 2015 is as follows:

	The Group	Pharmaceutical distribution	Pharmaceutical manufacturing	Elimination	Total
Revenue of main operations	0.00	11,928,950,881.0	5	854,033,132.55	(10,115,403.97)
					12,772,868,60
Cost of main	0.00			10,419,468.32	9.63

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

operations		(11,298,686,869.27)	(510,164,931.93)		(11,798,432,332.88)
Share of profit of subsidiaries	514,513,119.54	0.00	0.00	(514,513,119.54)	0.00
Share of profit of associates	28,274,061.44	0.00	0.00	0.00	28,274,061.44
Net profit	563,341,115.06	230,346,153.14	122,233,474.47	(516,278,481.70)	399,642,260.97
Total assets	4,871,012,502.34	11,632,238,315.99	1,537,263,722.65	(4,227,858,050.52)	13,812,656,490.46
Total liabilities	(380,331,502.69)	(9,022,410,179.62)	(950,620,382.83)	1,719,474,883.70	(8,633,887,181.44)

XIII. 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 2016	31 December 2015

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	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	
Receivable accounts within similar credit risk group	478,787,955.99	99.98%	0.00	0.00%	478,787,955.99	381,093,808.53	99.97%	0.00	0.00%	381,093,808.53
Individually not significant but individually evaluated for impairment	117,320.70	0.02%	117,320.70	100.00%	0.00	117,320.70	0.03%	117,320.70	100.00%	0.00
Total	478,905,276.69	100.00%	117,320.70	0.02%	478,787,955.99	381,211,129.23	100.00%	117,320.70	0.03%	381,093,808.53

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

Unit:RMB

Aging	30 June 2016		
	Accounts receivable	Provision for bad debts	rate
Within 1 year	478,787,955.99	0.00	0.00%
Total	478,787,955.99	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	104,455,805.14	0.00	21.81%

2. Other receivables

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

Unit:RMB

Classification	30 June 2016	31 December 2015
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CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

	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	0.56%	8,980,000.00	100.00%	0.00	8,980,000.00	0.55%	8,980,000.00	100.00%	0.00
Receivable accounts within similar credit risk group	1,608,352,543.07	99.37%	40,717.40	0.00%	1,608,311,825.67	1,613,903,373.57	99.38%	40,717.40	0.00%	1,613,862,656.17
Individually not significant but individually evaluated for impairment	1,157,860.00	0.07%	1,157,860.00	100.00%	0.00	1,157,860.00	0.07%	1,157,860.00	100.00%	
Total	1,618,490,403.07	100.00%	10,178,577.40	0.63%	1,608,311,825.67	1,624,041,233.57	100.00%	10,178,577.40	0.63%	1,613,862,656.17

As at 30 June 2016, impairment provision for other receivables individually significant are analysed as below:

Unit:RMB

Other receivables(by company)	30 June 2016			
	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 2016		
	Amount	Bad debt provision	Rate
Within 1 year	1,607,550,095.11	0.00	0.00%
1 to 2 years	790,547.96	39,527.40	5.00%

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

2 to 3 years	11,900.00	1,190.00	10.00%
Total	1,608,352,543.07	40,717.40	0.00%

(2) Other receivables by nature are analysed below

Unit:RMB

Nature	30 June 2016	31 December 2015
Amounts due from related parties	1,603,386,322.94	1,609,726,719.07
Receivable from equity transaction	8,980,000.00	8,980,000.00
Deposit	2,035,729.25	2,024,119.45
Others	4,088,350.88	3,310,395.05
Total	1,618,490,403.07	1,624,041,233.57

(3) As at 30 June of 2016, 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 Guangzhou	Entrusted borrowings	445,004,138.86	Within 1 year	27.50%	0.00
Sinopharm Yuexing	Entrusted borrowings	209,700,000.00	Within 1 year	12.96%	0.00
Sinopharm Zhanjiang	Entrusted borrowings	138,000,000.00	Within 1 year	8.53%	0.00
Sinopharm Donguan	Entrusted borrowings	96,000,000.00	Within 1 year	5.93%	0.00
Suzhou Zhijun	Entrusted borrowings	93,949,000.00	Within 1 year	5.80%	0.00
Total	--	982,653,138.86	--	60.72%	0.00

3. Long-term equity investments

Unit:RMB

	30 June 2016			31 December 2015		
	Carrying Amount	Provision for impairment	Book Value	Carrying Amount	Provision for impairment	Book Value
Investments	2,469,499,494.38	0.00	2,469,499,494.38	2,735,399,494.38	121,000,000.00	2,614,399,494.38

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

in subsidiaries						
Investments in associates	216,347,074.31	39,930,000.00	176,417,074.31	180,831,714.55	0.00	180,831,714.55
Total	2,685,846,568.69	39,930,000.00	2,645,916,568.69	2,916,231,208.93	121,000,000.00	2,795,231,208.93

(1) Investments in subsidiaries

Unit:RMB

Investees	Original investment cost	Increases in investment cost	Decreases in investment cost	30 June 2016	Provision for impairment	Impairment
Zhijun Trade	11,116,866.42	0.00	0.00	11,116,866.42	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 Pharm	204,366,933.09	0.00	0.00	204,366,933.09	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	265,900,000.00	0.00	0.00	0.00

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

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	38,387,182.16	0.00	0.00	38,387,182.16	0.00	0.00
Sinopharm Huizhou	16,644,200.00	0.00	0.00	16,644,200.00	0.00	0.00
Sinopharm Zhaoqing	18,060,000.00	0.00	0.00	18,060,000.00	0.00	0.00
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	265,900,000.00	2,469,499,494.38	0.00	0.00

(2) Investments in associates

Unit:RMB

	31 December 2015	Movement					30 June 2016
		Additional investment	Share of profit or loss	Other Investment movement	Dividend declared	Provision of impairment	
Associates							
Wanle Medical	179,567,519.13	0.00	28,190,606.72		35,190,000.00	0.00	172,568,125.85
Sinopharm Zhuhai	1,264,195.42	0.00	134,206.51		0.00	0.00	1,398,401.93
Suzhou Zhijun	0.00	0.00	(3,947,806.47)	46,328,353.00	0.00	0.00	42,380,546.53
subtotal	180,831,714.55	0.00	24,377,006.76	46,328,353.00	35,190,000.00	0.00	216,347,074.31
Total	180,831,714.55	0.00	24,377,006.76	46,328,353.00	35,190,000.00	0.00	216,347,074.31

4. Sales and cost of sales

Unit:RMB

	For the six months ended 30 June 2016		For the six months ended 30 June 2015	
	Revenue	Cost	Revenue	Cost
Revenue of main operations	1,538,249,329.90	1,482,565,579.59	1,404,606,954.44	1,349,606,896.49
Other operating income	14,092,258.34	11,402,822.51	5,308,781.06	489,205.40
Total	1,552,341,588.24	1,493,968,402.10	1,409,915,735.50	1,350,096,101.89

5. Investment income

Unit:RMB

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Gain on long-term equity investment under cost method	531,332,344.99	514,513,119.54
Gain on long-term equity investment under equity method	24,377,006.76	28,274,061.44
Gain on disposal of long-term equity investment	63,351,000.00	
Total	619,060,351.75	542,787,180.98

XIV. Supplementary information

1. Non-routine items

Unit:RMB

	amount	Notes
Gains on disposal of non-current assets	8,792,371.94	Mainly was from disposal of asset by Guangxi logistics.
Government grants related to income	7,581,599.85	Mainly contained various of special subsidies and financial discount.
Receivables impairment reversal by individual assessment	1,309,568.96	
Entrusted management custody fee income	353,773.59	Mainly comes from hosting service for Sinopharm Group and China National Pharmaceutical Foreign Trade Co., Ltd.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF CHINA NATIONAL ACCORD MEDICINES CO., LTD.
For the six months ended 30 June 2016

Other non-operating income	2,640,765.63	Mainly was overdue payment of equity transfer From Xinyu boda.
Deposit subsidiary and recalculate long-term equity investment	121,754,182.26	Comes from depositing 67% of total shares of Zhijun(Suzhou)
Less:Tax impact of above non-routine items	4,643,039.53	
Share of minority interests of above non-routine items after tax	176,547.25	
Total	137,612,675.45	--

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	9.53%	1.495	1.495
Consolidated net profit attributable to the shareholders of the Company, excluding non-routine items	7.11%	1.115	1.115

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. Original 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