

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

## **First Quarterly Report 2017**

**April 2017**

## **Section I. Important Notes**

**Board of Directors and the Supervisory Committee of China National Accord Medicines Corporation Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.**

**All Directors are attended the Board Meeting for Quarterly Report deliberation.**

**Lin Zhaoxiong, person in charge of the Company, Wei Pingxiao, person in charge of accounting works and Wang Ying, person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

## Section II. Company profile

### 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	Changes of this period over same period of last year
Operating income (RMB)	10,222,459,812.55	10,312,188,572.41	-0.87%
Net profit attributable to shareholders of the listed company(RMB)	272,564,318.71	253,633,838.82	7.46%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	271,249,398.43	192,733,022.25	40.74%
Net cash flow arising from operating activities(RMB)	-502,263,276.11	10,756,298.46	-4,769.48%
Basic earnings per share (RMB/Share)	0.64	0.60	6.67%
Diluted earnings per share (RMB/Share)	0.64	0.60	6.67%
Weighted average ROE	3.17%	3.39%	-0.22%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	21,519,365,688.68	21,316,548,247.95	0.95%
Net assets attributable to shareholder of listed company (RMB)	8,722,715,598.24	8,452,426,863.52	3.20%

Note: operating revenue a decrease of 0.87% on a year-on-year basis, mainly due to the data for same period of last year including the first quarter of 2016 under the recombination of the subsidiary reset out; the Group has a material assets restructuring in 2016, the data of profit statement and cash flow statement for same period of last year including the first quarter of 2016 under the recombination of the subsidiary reset out; data of non-recurring profit and loss in the same period of last year including the current gains/losses of subsidiary from period-begin to combination date, which arising from combination under the same control.

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	26,130.26	Revenue from fixed assets disposal from subsidiary Guoda Pharmacy

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	2,177,604.94	Mainly due to the various special grants received in the current period;
Current net gains/losses of the subsidiary from enterprise combination under the same control (from period-begin to combination date)	-1,096.00	Current net gains/losses of the subsidiary from period-begin to combination dated which included by combination under the same control
Reversal of impairment reserve for account receivable with separate impairment testing	1,025,550.60	Mainly because the bad debts of receivables withdrawn alone in the previous years have been taken back in the current period
Other non-operating income and expenditure except for the aforementioned items	-1,333,342.37	
Less: impact on income tax	79,035.33	
Impact on minority shareholders' equity (post-tax)	500,891.82	
Total	1,314,920.28	--

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

Applicable     Not applicable

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

## II. Total number of shareholders at the end of this report period and top ten shareholders

### 1. Total number of common shareholders at the end of this report period and top ten common shareholders

In shares

Total common shareholders at the end of report period		17,789	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned legal person	56.06%	239,999,991	55,057,700		
HTHK/CMG	Foreign	2.04%	8,732,491			

FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Corporation					
China Life Insurance Co., Ltd. – tradition – general insurance products - 005L- CT001 Shen	Domestic non state-owned legal person	1.50%	6,404,002			
China National Pharmaceutical Foreign Trade Corporation	State-owned legal person	1.24%	5,323,043			
TARGET VALUE FUND	Foreign Corporation	1.19%	5,087,517			
GUOTAI JUNAN SECURITIES(H ONGKONG) LIMITED	Foreign Corporation	1.02%	4,379,257			
China Life Insurance Co., Ltd. – tradition – general insurance products -018L- FH002 Shen	Domestic non state-owned legal person	0.98%	4,199,772			
China Merchants Bank Co., Ltd. – Huitianfu Medical Service Flexi Mix Stock Fund	Domestic non state-owned legal person	0.95%	4,074,656			
Central Huijin Investment Ltd.	State-owned legal person	0.89%	3,804,400			
CITIC Securities Co., Ltd.	Domestic non state-owned legal person	0.86%	3,681,300			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held		Type of shares			

		Type	Amount
Sinopharm Group Co., Ltd.	184,942,291	RMB ordinary shares	184,942,291
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	8,732,491	Domestically listed foreign shares	8,732,491
China Life Insurance Co., Ltd. – tradition – general insurance products - 005L-CT001 Shen	6,404,002	RMB ordinary shares	6,404,002
China National Pharmaceutical Foreign Trade Corporation	5,323,043	RMB ordinary shares	5,323,043
TARGET VALUE FUND	5,087,517	Domestically listed foreign shares	5,087,517
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,379,257	Domestically listed foreign shares	4,379,257
China Life Insurance Co., Ltd. – tradition –general insurance products -018L-FH002 Shen	4,199,772	RMB ordinary shares	4,199,772
China Merchants Bank Co., Ltd. – Huitianfu Medical Service Flexi Mix Stock Fund	4,074,656	RMB ordinary shares	4,074,656
Central Huijin Investment Ltd.	3,804,400	RMB ordinary shares	3,804,400
CITIC Securities Co., Ltd.	3,681,300	RMB ordinary shares	3,681,300
Explanation on associated relationship among the aforesaid shareholders	It is unknown that there exists no associated relationship or belongs to the consistent actionist among the above shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.		

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

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

## 2. Total shareholders with preferred stock held at Period-end and shares held by top ten shareholders with preferred stock held

Applicable  Not applicable

## Section III. Significant Events

### I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

1. Interest receivable: a decrease of 359,000 Yuan compared with the beginning of the period, with a growth rate of -79.66%, mainly because savings in the Bank declined in the Period;
2. Other non-current assets: an increase of 57.086 million Yuan compared with the beginning of the period, with a growth rate of 60.31%, mainly because subscribed Medical Industry Fund in the period;
3. Wages payable: a decrease of 72.8905 million Yuan compared with the beginning of the period, with a growth rate of -37.35%, mainly because employee's wages accrual last year are provided in the period;
4. Other current liability: an increase of 51.0475 million Yuan compared with the beginning of the period, with a growth rate of 41,402.79%, mainly because certified input tax increased;
5. Other equity instruments: a decrease of 65.4950 million Yuan compared with the beginning of the period, with a growth rate of -100.00%, mainly because unlisted shares last year were successfully issued and listed on 5 January 2017. Other equity instruments adjust to share capital in the period;
6. Assets impairment loss: a decrease of 4.0059 million Yuan on a year-on-year basis, with a growth rate of -93.60%, mainly due to the reversal of bad debts and inventory falling price reserves;
7. Investment income: an increase of 61.1573 million Yuan on a year-on-year basis, with a growth rate of 622.15%, mainly because part of the subsidiaries turns to jointly run business for restructuring last year, the investment income increased;
8. Non-operation revenue: a decrease of 4.8295 million Yuan on a year-on-year basis, with a growth rate of -59.00%, mainly because part of subsidiaries reset-out for restructuring last year;
9. Non-operation expenditure: an increase of 2.2076 million Yuan on a year-on-year basis, with a growth rate of 794.20%, mainly due to the fine for delaying payment;
10. Refunds of taxes: a decrease of 3.9955 million Yuan on a year-on-year basis, with a growth rate of -97.59%, mainly because part of subsidiaries reset-out for restructuring last year;
11. Net cash flow from operating activities: a decrease of 513 million Yuan on a year-on-year basis, with a growth rate of -4,769.48%, mainly because the cash payment growth over that of cash received;
12. Cash received from investment income: an increase of 424,500 Yuan on a year-on-year basis, mainly due to the entrusted loan interest received from jointly run business in the Period while no such amount occurred at same period of last year;
13. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: a decrease of 2.0907 million Yuan on a year-on-year basis, with a growth rate of -94.19%, mainly because income from fixed assets disposal in the Period decline from a year earlier;
14. Other cash received relating to investment activities: a decrease of 1391 million Yuan on a year-on-year basis, with a growth rate of -94.19%, mainly because the subsidiary, replace after reorganization, has a decrease of capital pool business with its former parent company on a year-on-year basis;
15. Sub-total of cash inflows from investing activities: a decrease of 1393 million Yuan on a year-on-year basis, with a growth rate of -94.16%, mainly because the subsidiary, replace after reorganization, has a decrease of capital pool business with its former parent company on a year-on-year basis;
16. Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets: a decrease of 24.8648million Yuan on a year-on-year basis, with a growth rate of -39.82%, mainly because there were expenditure from Pingshan

Project at same period of last year while no such expenditure occurred in the period;

17. Cash paid for investment: an increase of 60 million Yuan on a year-on-year basis, mainly because subscribed Medical Industry Fund in the period while no such amount occurred last period;

18. Net cash paid for obtaining subsidiary and other operation units: an increase of 10 million Yuan on a year-on-year basis, mainly because the money for subscribing subsidiary's equity are paid in the period;

19. Other cash paid relating to investment activities: a decrease of 984million Yuan on a year-on-year basis, with a growth rate of -83.18%, mainly because the subsidiary, replace after reorganization, has a decrease of capital pool business with its former parent company on a year-on-year basis;

20. Sub-total of cash outflows from investing activities: a decrease of 939 million Yuan on a year-on-year basis, with a growth rate of -75.38%, mainly because the subsidiary, replace after reorganization, has a decrease of capital pool business with its former parent company on a year-on-year basis;

21. Net cash flow from investment activities: a decrease of 454 million Yuan on a year-on-year basis, with a growth rate of -194.14%, mainly because the subsidiary, replace after reorganization, has a decrease of capital pool business with its former parent company on a year-on-year basis;

22. Cash received by absorbing investments: a decrease of 1.47 million Yuan on a year-on-year basis, with a growth rate of -100%, mainly because there were investment received from minority shareholder at same period of last year while no such amount occurred in the period;

23. Cash received from debts: a decrease of 51.7869 million Yuan on a year-on-year basis, with a growth rate of -36.91%, mainly because bank loans received from bank declined from a year earlier;

24. Other cash received relating to financing activities: a decrease of 89.2832 million Yuan on a year-on-year basis, with a growth rate of -79.70%, mainly because the financing money received in the Period decline from a year earlier;

25. Sub-total of cash inflows from financing activities: a decrease of 143 million Yuan on a year-on-year basis, with a growth rate of -56.16%, mainly because the financing money received in the Period decline from a year earlier;

26. Cash paid for debt-payment: a decrease of 87.775 million Yuan on a year-on-year basis, with a growth rate of -56.93%, mainly because cash paid for debts declined from a year earlier;

27. Cash paid for distribution of dividend, profit or interest payment: a decrease of 16.1005 million Yuan on a year-on-year basis, with a growth rate of -43.88%, mainly because the company combine-in from restructuring have dividend distribution at same period of last year, while no such amount occurred in the Period;

28. Other cash paid relating to financing activities: a decrease of 5.7351million Yuan on a year-on-year basis, with a growth rate of -70.91%, mainly because tail payment for acquiring minority's shares are paid at same period of last year while no such amount occurred in the period;

29. Sub-total of cash outflows from financing activities: a decrease of 110 million Yuan on a year-on-year basis, with a growth rate of -55.09%, mainly because payment for debts declined from a year earlier;

30. Net cash flow from financing activities: a decrease of 32.9294 million Yuan on a year-on-year basis, with a growth rate of -60.04%, mainly because the financing money received in the Period decline from a year earlier;

31. Net increase in cash and cash equivalents: a decrease of 1000 million Yuan on a year-on-year basis, with a growth rate of -333.94%, mainly because net cash flow from operation and investment activities decline from a year earlier.

## II. Analysis and explanation of significant events and their influence and solutions

√Applicable □Not applicable

Sinopharm Accord continues to promoting relevant major restructuring in the Period, follow-up progress can be found in the notices as:

Overview of important matters	Date of disclosure	Interim report disclosure website query index
-------------------------------	--------------------	---



Registration listing for new shares of material assets restructuring	2017-01-04	Asset sales, stock issuance, asset purchase by cash, raised supporting funds and related transactions and listing particulars of new shares released on Juchao website
Material assets restructuring completion-real estate transfer registration procedures for Pingshan Base, relevant real estate registered under the name of Shyndec	2017-02-28	Progress of the material assets restructuring of Sinopharm Accord (Notice: 2017-11) released on Juchao website
The counterpart-Shanghai Shyndec Pharmaceutical Co., Ltd. completed registered procedures for the private placement shares, relevant shares are restricted shares.	2017-03-09	Progress of the material assets restructuring of Sinopharm Accord (Notice: 2017-12) released on Juchao website

### III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

Applicable     Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies.

### IV. Predict of the business performance from January to June 2017

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

Applicable     Not applicable

### V. Securities Investment

Applicable     Not applicable

No security investment in the Period.

### VI. Derivative investment

Applicable     Not applicable

No derivative investment in the Period.

### VII. Registration form for receiving research, communication and interview in the report period

Applicable     Not applicable

The Company had no receiving research, communication or interview in the report period.

### VIII. Guarantee outside against the regulation

Applicable     Not applicable

The Company had no guarantee outside against the regulation in the period.

**IX. Non-operational fund occupation from controlling shareholders and its related party**

Applicable  Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by China National Accord Medicines Corporation Ltd.

2017-03-31

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,796,099,484.57	3,519,961,564.93
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable	1,110,261,545.95	1,504,000,909.21
Accounts receivable	9,298,502,123.27	7,654,225,510.89
Accounts paid in advance	394,303,159.43	424,867,581.80
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	91,676.79	450,722.67
Dividend receivable		
Other receivables	393,082,415.96	478,573,423.62
Purchase restituted finance asset		
Inventories	3,685,717,264.10	4,049,482,529.71
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	48,384,429.30	57,209,263.04
Total current assets	17,726,442,099.37	17,688,771,505.87
Non-current assets:		

Loans and payments on behalf		
Finance asset available for sales	13,685,760.00	13,685,760.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	1,482,700,735.67	1,413,034,165.56
Investment property	164,447,228.21	166,715,848.80
Fixed assets	514,005,852.60	487,009,600.10
Construction in progress	42,694,516.48	47,063,868.49
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	318,541,349.78	320,435,400.89
Expense on Research and Development		
Goodwill	827,955,081.85	823,890,174.21
Long-term expenses to be apportioned	209,134,291.21	188,377,725.64
Deferred income tax asset	68,023,263.30	72,914,722.30
Other non-current asset	151,735,510.21	94,649,476.09
Total non-current asset	3,792,923,589.31	3,627,776,742.08
Total assets	21,519,365,688.68	21,316,548,247.95
Current liabilities:		
Short-term loans	1,538,602,204.92	1,512,713,629.95
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	2,090,361,751.97	2,406,642,582.86
Accounts payable	7,004,411,804.71	6,701,558,514.10
Accounts received in advance	157,548,327.24	163,450,365.92
Selling financial asset of repurchase		
Commission charge and		

commission payable		
Wage payable	122,247,574.42	195,138,079.85
Taxes payable	189,359,892.21	187,043,717.52
Interest payable	5,368,157.41	6,956,463.02
Dividend payable	10,346,753.38	8,483,370.21
Other accounts payable	846,031,951.53	917,193,911.34
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	35,032,221.22	36,411,339.96
Other current liabilities	51,170,775.48	123,294.77
Total current liabilities	12,050,481,414.49	12,135,715,269.50
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	14,863,880.39	14,616,598.34
Long-term wages payable	1,664,599.89	1,722,599.89
Special accounts payable	800,000.00	800,000.00
Accrual liabilities		
Deferred income	122,201,835.27	123,953,462.81
Deferred income tax liabilities	75,437,750.54	76,535,704.01
Other non-current liabilities	45,427,343.31	45,427,343.31
Total non-current liabilities	260,395,409.40	263,055,708.36
Total liabilities	12,310,876,823.89	12,398,770,977.86
Owner's equity:		
Share capital	428,126,983.00	362,631,943.00
Other equity instrument		65,495,040.00
Including: preferred stock		
Perpetual capital securities		

Capital public reserve	3,151,518,024.92	3,152,718,024.92
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	181,315,971.50	181,315,971.50
Provision of general risk		
Retained profit	4,961,754,618.82	4,690,265,884.10
Total owner's equity attributable to parent company	8,722,715,598.24	8,452,426,863.52
Minority interests	485,773,266.55	465,350,406.57
Total owner's equity	9,208,488,864.79	8,917,777,270.09
Total liabilities and owner's equity	21,519,365,688.68	21,316,548,247.95

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

## 2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	761,845,851.83	1,342,041,409.86
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable	12,305,370.91	79,868,867.49
Accounts receivable	620,235,997.19	397,351,577.24
Account paid in advance	484,455.35	2,135,439.82
Interest receivable	2,417,884.05	2,029,125.06
Dividends receivable	207,042.57	
Other receivables	1,989,707,656.30	1,801,567,851.50
Inventories	174,986,104.03	184,708,273.76
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	25,357,594.29	6,937,946.90
Total current assets	3,587,547,956.52	3,816,640,491.63

Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	5,999,850,052.49	5,914,542,602.10
Investment property	3,369,815.00	3,571,809.38
Fixed assets	15,899,862.35	16,555,996.92
Construction in progress		
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	1,382,080.82	1,534,730.15
Research and development costs		
Goodwill		
Long-term deferred expenses	6,448,230.31	6,645,211.13
Deferred income tax assets	2,811,216.63	2,869,931.88
Other non-current assets	69,545,809.37	9,859,840.00
Total non-current assets	6,099,307,066.97	5,955,580,121.56
Total assets	9,686,855,023.49	9,772,220,613.19
Current liabilities:		
Short-term borrowings	110,000,000.00	50,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	227,888,785.81	334,383,191.54
Accounts payable	463,655,551.82	391,726,381.93
Accounts received in advance	5,807,116.26	2,997,964.16
Wage payable	22,511,539.15	30,618,183.84
Taxes payable	11,409,348.01	3,308,582.29
Interest payable	87,520.75	37,801.50
Dividend payable		
Other accounts payable	887,180,750.29	1,100,143,593.55

Divided into liability held for sale		
Non-current liabilities due within 1 year	31,600,000.00	31,600,000.00
Other current liabilities	5,050,140.36	123,294.77
Total current liabilities	1,765,190,752.45	1,944,938,993.58
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	26,000.00	26,000.00
Special accounts payable	800,000.00	800,000.00
Projected liabilities		
Deferred income	1,570,000.00	1,570,000.00
Deferred income tax liabilities	3,773,319.00	3,773,319.00
Other non-current liabilities		
Total non-current liabilities	6,169,319.00	6,169,319.00
Total liabilities	1,771,360,071.45	1,951,108,312.58
Owners' equity:		
Share capita	428,126,983.00	362,631,943.00
Other equity instrument		65,495,040.00
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	4,381,845,619.03	4,381,845,619.03
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	181,315,971.50	181,315,971.50
Retained profit	2,924,206,378.51	2,829,823,727.08
Total owner's equity	7,915,494,952.04	7,821,112,300.61
Total liabilities and owner's equity	9,686,855,023.49	9,772,220,613.19



## 3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	10,222,459,812.55	10,312,188,572.41
Including: Operating income	10,222,459,812.55	10,312,188,572.41
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	9,929,024,160.13	9,974,675,464.87
Including: Operating cost	9,158,010,239.31	9,145,010,801.79
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	29,737,745.69	27,429,980.11
Sales expenses	548,629,093.08	548,457,922.97
Administration expenses	170,428,020.23	219,502,847.09
Financial expenses	21,945,189.25	29,994,098.93
Losses of devaluation of asset	273,872.57	4,279,813.98
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	70,987,332.61	9,830,026.19
Including: Investment income on affiliated company and joint venture	70,987,332.61	9,830,026.19
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	364,422,985.03	347,343,133.73

Add: Non-operating income	3,356,001.50	8,185,484.31
Including: Disposal gains of non-current asset	44,428.66	1,489,651.94
Less: Non-operating expense	2,485,608.67	277,968.89
Including: Disposal loss of non-current asset	18,298.40	56,642.55
IV. Total Profit (Loss is listed with “-”)	365,293,377.86	355,250,649.15
Less: Income tax expense	70,280,239.83	80,232,830.67
V. Net profit (Net loss is listed with “-”)	295,013,138.03	275,017,818.48
Net profit attributable to owner’s of parent company	272,564,318.71	253,633,838.82
Minority shareholders’ gains and losses	22,448,819.32	21,383,979.66
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	295,013,138.03	275,017,818.48
Total comprehensive income attributable to owners of parent Company	272,564,318.71	253,633,838.82
Total comprehensive income attributable to minority shareholders	22,448,819.32	21,383,979.66
VIII. Earnings per share:		
(i) Basic earnings per share	0.64	0.60
(ii) Diluted earnings per share	0.64	0.60

Enterprise combine under the same control in the Period, the combined party realized net profit of -1,096.00 Yuan before combination, and realized -91,026.08 Yuan at last period for combined party

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

#### 4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	802,057,016.78	749,904,714.81
Less: Operating cost	769,324,785.10	722,509,130.22
Operating tax and extras	1,519,528.19	1,619,254.47
Sales expenses	12,395,531.55	10,022,247.07
Administration expenses	13,154,355.35	11,851,745.82
Financial expenses	-18,888,226.18	-15,476,187.80
Losses of devaluation of asset	-110,682.96	181,694.80

Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	76,265,472.96	10,060,782.41
Including: Investment income on affiliated company and joint venture	76,265,472.96	10,060,782.41
II. Operating profit (Loss is listed with “-”)	100,927,198.69	29,257,612.64
Add: Non-operating income	648,816.60	125,086.40
Including: Disposal gains of non-current asset	1,087.38	
Less: Non-operating expense	1,011,760.15	
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	100,564,255.14	29,382,699.04
Less: Income tax expense	6,181,603.71	4,830,479.16
IV. Net profit (Net loss is listed with “-”)	94,382,651.43	24,552,219.88
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		

2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	94,382,651.43	24,552,219.88
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	10,328,284,481.94	9,781,000,149.62
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and		

investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	98,628.11	4,094,137.76
Other cash received concerning operating activities	207,536,266.55	170,589,871.87
Subtotal of cash inflow arising from operating activities	10,535,919,376.60	9,955,684,159.25
Cash paid for purchasing commodities and receiving labor service	9,820,844,639.93	8,780,371,963.70
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	479,482,361.89	511,770,579.28
Taxes paid	295,430,548.56	276,644,961.76
Other cash paid concerning operating activities	442,425,102.33	376,140,356.05
Subtotal of cash outflow arising from operating activities	11,038,182,652.71	9,944,927,860.79
Net cash flows arising from operating activities	-502,263,276.11	10,756,298.46
II. Cash flows arising from investing activities:		
Cash received from recovering		

investment		
Cash received from investment income	424,502.22	
Net cash received from disposal of fixed, intangible and other long-term assets	129,038.95	2,219,699.07
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	85,815,179.38	1,476,658,653.38
Subtotal of cash inflow from investing activities	86,368,720.55	1,478,878,352.45
Cash paid for purchasing fixed, intangible and other long-term assets	37,572,554.85	62,437,396.54
Cash paid for investment	60,000,000.00	
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained	10,000,000.00	
Other cash paid concerning investing activities	198,944,422.63	1,182,600,150.11
Subtotal of cash outflow from investing activities	306,516,977.48	1,245,037,546.65
Net cash flows arising from investing activities	-220,148,256.93	233,840,805.80
III. Cash flows arising from financing activities		
Cash received from absorbing investment		1,470,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		1,470,000.00
Cash received from loans	88,522,962.94	140,309,896.11
Cash received from issuing bonds		
Other cash received concerning financing activities	22,743,050.43	112,026,204.05
Subtotal of cash inflow from financing activities	111,266,013.37	253,806,100.16
Cash paid for settling debts	66,403,745.30	154,178,778.20

Cash paid for dividend and profit distributing or interest paying	20,595,737.67	36,696,237.89
Including: Dividend and profit of minority shareholder paid by subsidiaries	508,903.35	12,016,140.85
Other cash paid concerning financing activities	2,353,233.82	8,088,355.36
Subtotal of cash outflow from financing activities	89,352,716.79	198,963,371.45
Net cash flows arising from financing activities	21,913,296.58	54,842,728.71
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-700,498,236.46	299,439,832.97
Add: Balance of cash and cash equivalents at the period -begin	3,150,915,425.49	2,164,444,441.33
VI. Balance of cash and cash equivalents at the period -end	2,450,417,189.03	2,463,884,274.30

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	742,518,400.20	649,815,583.17
Write-back of tax received		
Other cash received concerning operating activities	7,196,336.45	7,378,429.80
Subtotal of cash inflow arising from operating activities	749,714,736.65	657,194,012.97
Cash paid for purchasing commodities and receiving labor service	802,517,675.95	660,517,729.80
Cash paid to/for staff and workers	25,437,740.17	21,139,613.30



Taxes paid	31,457,445.98	12,632,832.46
Other cash paid concerning operating activities	5,269,455.38	3,957,308.12
Subtotal of cash outflow arising from operating activities	864,682,317.48	698,247,483.68
Net cash flows arising from operating activities	-114,967,580.83	-41,053,470.71
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	18,996,884.57	17,461,541.74
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	628,959,200.00	524,540,000.00
Subtotal of cash inflow from investing activities	647,956,084.57	542,001,541.74
Cash paid for purchasing fixed, intangible and other long-term assets	2,112,339.07	16,955,491.97
Cash paid for investment	60,000,000.00	
Net cash received from subsidiaries and other units	10,000,000.00	
Other cash paid concerning investing activities	962,127,450.00	551,283,252.00
Subtotal of cash outflow from investing activities	1,034,239,789.07	568,238,743.97
Net cash flows arising from investing activities	-386,283,704.50	-26,237,202.23
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	10,000,000.00	80,100,000.00

Cash received from issuing bonds		
Other cash received concerning financing activities	2,494,200,152.44	1,356,395,860.16
Subtotal of cash inflow from financing activities	2,504,200,152.44	1,436,495,860.16
Cash paid for settling debts	10,000,000.00	80,100,000.00
Cash paid for dividend and profit distributing or interest paying	1,542,929.92	2,805,513.22
Other cash paid concerning financing activities	2,571,601,495.22	1,280,165,006.05
Subtotal of cash outflow from financing activities	2,583,144,425.14	1,363,070,519.27
Net cash flows arising from financing activities	-78,944,272.70	73,425,340.89
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-580,195,558.03	6,134,667.95
Add: Balance of cash and cash equivalents at the period -begin	1,342,041,409.86	429,437,078.35
VI. Balance of cash and cash equivalents at the period -end	761,845,851.83	435,571,746.30

## II. Audit report

Whether the first quarterly report had been audited or not

Yes  No

The first quarterly report of the Company had not been audited.