

China National Accord Medicines Corporation Ltd.

The Third Quarterly Report for 2018

October 2018

Section I. Important Notice

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

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

Lin Zhaoxiong, person in charge of the Company, head of the accounting works Wei Pingxiao and Wang Ying, accounting body principals (accountant in charge) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets (RMB)	28,244,710,026.77	22,343,643,527.77	26.41%	
Net assets attributable to shareholders of listed company (RMB)	11,016,212,543.22	9,396,572,345.88	17.24%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to period-end of last year
Operating revenue (RMB)	10,987,540,368.77	2.17%	31,766,707,068.44	1.56%
Net profit attributable to shareholders of the listed company (RMB)	285,244,535.54	15.49%	926,971,570.47	15.42%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	282,319,350.57	15.27%	905,615,689.91	14.46%
Net cash flow arising from operating activities (RMB)	--	--	563,991,295.36	10.35%
Basic earnings per share (RMB/Share)	0.666	15.42%	2.165	15.41%
Diluted earnings per share (RMB/Share)	0.666	15.42%	2.165	15.41%
Weighted average ROE	2.62%	0.13 percent down	9.21%	0.06 percent up

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	4,361,450.64	Account of property expropriation received in the

		period from government
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)	14,437,530.16	Received vary specific subsidy and financial discount in the period
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment	729.29	Income from subsidiary-Sinopharm Holding Guangzhou Huadu Co., Ltd. acquisition in the period
Reversal of impairment reserve for account receivable with separate impairment testing	4,292,235.76	Net gain/loss of impairment provision switch-back for receivables
Gains/losses on entrusted loans	2,398,288.34	Income for providing entrust loans to China National Zhijun (Suzhou)
Other non-operating income and expenditure except for the aforementioned items	2,843,762.60	
Less: impact on income tax	6,376,396.25	
Impact on minority shareholders' equity (post-tax)	601,719.98	
Total	21,355,880.56	--

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

Applicable Not applicable

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

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

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

In Share

Total common shareholders at the end of report period	18,993	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders					
Shareholders	Nature of	Proportion of	Amount of shares	Amount of	Number of share pledged/frozen

	shareholder	shares held	held	restricted shares held	State of share	Amount
Sinopharm Group Co., Ltd.	State-owned corporate	56.06%	239,999,991	55,057,700		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Overseas corporate	2.37%	10,141,182			
China Life Insurance Co., Ltd. – tradition – general insurance products -005L-CT001 Shen	Domestic non state-owned corporate	1.97%	8,415,792			
China Insurance – traditional insurance products	Domestic non state-owned corporate	1.42%	6,092,905			
China National Pharmaceutical Foreign Trade Corp.	State-owned corporate	1.24%	5,323,043	5,323,043		
National Social Security Fund - 103	Domestic non state-owned corporate	1.17%	4,999,987			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	1.03%	4,396,898			
New China Life Insurance Company Ltd. – Dividend – individual bonuses -018L-FH002 Shen	Domestic non state-owned corporate	0.98%	4,199,772			
#Beijing Hao Qing Wealth Investment Management Co.,	Domestic non state-owned corporate	0.96%	4,118,716			

Ltd. –Hao Qing Value Stable No.8 Investment Fund						
UBS AG LONDON BRANCH	Overseas corporate	0.90%	3,833,984			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict 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	10,141,182	Domestically listed foreign shares	10,141,182			
China Life Insurance Co., Ltd. – tradition –general insurance products -005L-CT001 Shen	8,415,792	RMB ordinary shares	8,415,792			
China Insurance – traditional insurance products	6,092,905	RMB ordinary shares	6,092,905			
National Social Security Fund -103	4,999,987	RMB ordinary shares	4,999,987			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,396,898	Domestically listed foreign shares	4,396,898			
New China Life Insurance Company Ltd. – Dividend – individual bonuses -018L-FH002 Shen	4,199,772	RMB ordinary shares	4,199,772			
# Beijing Hao Qing Wealth Investment Management Co., Ltd. – Hao Qing Value Stable No.8 Investment Fund	4,118,716	RMB ordinary shares	4,118,716			
UBS AG LONDON BRANCH	3,833,984	Domestically listed foreign shares	3,833,984			
China SAFE Investments Limited	3,804,400	RMB ordinary shares	3,804,400			
Explanation on associated relationship among the aforesaid shareholders	Sinopharm Group Co., Ltd. and China National Pharmaceutical Foreign Trade Corporation have the same actual controller, which is China National Pharmaceutical Group Corporation. It is unknown that there exists no associated relationship or belongs to the consistent actionist among the other tradable shareholders regulated by the Management Measure of Information					

	Disclosure on Change of Shareholding for Listed Companies.
Explanation on top ten common shareholders involving margin business (if applicable)	Beijing Hao Qing Wealth Investment Management Co., Ltd. –Hao Qing Value Stable No.8 Investment Fund holds 4,048,216 shares of the Company through margin trading and refinancing secured security account

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

Yes No

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

2. Total of shareholders with preferred stock held and the top ten shareholdings

Applicable Not applicable

Section III. Important events

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

√Applicable □Not applicable

1. Cash and bank balances: increased 2,792 million Yuan over that of year -begin with growth rate of 66.60%, mainly because the subsidiary Guoda Drugstore received strategic capital injection from strategic investor;
2. Note receivable: decreased 629 million Yuan over that of year -begin with growth rate of -41.85%, mainly because note return declined in the period;
3. Account receivable: increased 2,861 million Yuan over that of year -begin with growth rate of 37.70%, mainly because the business development and more business increased as well as the repayment period increased;
4. Other current assets: decreased 28.7738 million Yuan over that of year-begin with growth rate of -36.45%, mainly because more non-deductible input tax occurred for large quantity of purchase at end of the year;
5. Total current assets: increased 5,684 million Yuan over that of year-begin with growth rate of 31.03%, mainly because the subsidiary Guoda Drugstore received strategic capital injection from strategic investor;
6. Other equity instrument investment: increased 1,400 million Yuan over that of year-begin with growth rate of 1,022.96%, mainly because invested medical industry fund in the period;
7. Construction in progress: increased 16.6964 million Yuan over that of year-begin with growth rate of 72.76%, mainly due to the construction charge of ERP system;
8. Other non-current assets: decreased 68.7461 million Yuan over that of year-begin with growth rate of -48.41%, mainly due to the application of new financial instruments standards, the medical industry fund was re-classified as other equity instrument investment;
9. Short-term loans: increased 626 million Yuan over that of year-begin with growth rate of 40.08%, mainly because the supply chain finance increased;
10. Other current liability: increased 46,800 Yuan over that of year-begin with growth rate of 41.48%, mainly because the amount of sales tax to be sold increased over that of year-begin;
11. Long-term account payable: decreased 3.9437 million Yuan over that of year-begin with growth rate of -42.26%, mainly because the finance lease rent is paid in the period;
12. Non-controlling equity: increased 2,005 million Yuan over that of year-begin with growth rate of 377.68%, mainly because subsidiary Guoda Drugstore received a capital-increase from strategy investor in the period;
13. Total owner's equity: increased 3,625 million Yuan over that of year-begin with growth rate of 36.51%, mainly because subsidiary Guoda Drugstore received a capital-increase from strategy investor in the period;
14. Assets impairment loss: decreased 1.8963 million Yuan over that of year-begin with growth rate of -123.65%, mainly because the previous year's receivables with special accrual for bad debts has collected in the period;
15. Income from assets disposal: increased 4.3521 million Yuan on a y-o-y basis with growth rate of 78,509.59%, mainly because received an account of property expropriation from government in the period;
16. Non-operation expenditure: decreased 6.1545 million Yuan on a y-o-y basis with growth rate of -73.92%, mainly because the penalty and reimbursement occurred in the period declined from a year earlier;
17. Gains/loss of minority shareholders: increased 20.1132 million Yuan on a y-o-y basis with growth rate of 31.74%, mainly because subsidiary Guoda Drugstore introduced strategic investor in the period, thus the gains/loss of minority shareholders increased correspondingly;
18. Total comprehensive income attributable to minority shareholders: increased 20.1132 million Yuan on a y-o-y basis with growth

rate of 31.74%, mainly because subsidiary Guoda Drugstore introduced strategic investor in the period, thus the total comprehensive income attributable to minority shareholders increased correspondingly;

19. Write-back of tax received: decreased 5.8595 million Yuan on a y-o-y basis with growth rate of -77.36%, mainly because the received write-back of tax has decreased in the period;

20. Cash received with other operation activities concerned: increased 281 million Yuan on a y-o-y basis with growth rate of 126.76%, mainly because the quality and performance bond received in the period increased on a y-o-y basis;

21. Cash received from investment income: increased 70.7961 million Yuan on a y-o-y basis with growth rate of 117.67%, mainly because the interest received on entrusted loans from associated enterprise increased on a y-o-y basis in the period;

22. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: increased 5.1661 million Yuan on a y-o-y basis with growth rate of 882.31%, mainly because the revenue from intangible assets disposal increased on a y-o-y basis;

23. Subtotal of cash in-flow from investment activity: increased 77.9619 million Yuan on a y-o-y basis with growth rate of 48.72%, mainly because the interest received on entrusted loans from associated enterprise increased on a y-o-y basis in the period;

24. Net cash paid for acquiring subsidiary and other operation units: decreased 18.525 million Yuan on a y-o-y basis with growth rate of -100.00%, mainly because the equity amount are paid for subsidiary acquisition last period while no such amount occurred in the period;

25. Other cash paid concerning investing activities: decreased 58.0525 million Yuan on a y-o-y basis with growth rate of -42.07%, mainly because the bill deposits have decreased in the period;

26. Net cash flow from investment activity: increased 136 million Yuan on a y-o-y basis with growth rate of 62.28%, mainly because the interest received on entrusted loans from associated enterprise increased on a y-o-y basis in the period;

27. Cash received from absorption of investment: increased 2,778 million Yuan on a y-o-y basis with growth rate of 25,385.25%, mainly because subsidiary Guoda Drugstore received strategic capital injection from strategy investor in the period;

28. Cash received from borrowing: decreased 247 million Yuan on a y-o-y basis with growth rate of -83.24%, mainly because the mobile loans received from the bank declined on a y-o-y basis;

29. Subtotal of cash in-flow from financing activity: increased 2,537 million Yuan on a y-o-y basis with growth rate of 618.25%, mainly because subsidiary Guoda Drugstore received strategic capital injection from strategy investor in the period;

30. Cash paid for debts: decreased 210 million Yuan on a y-o-y basis with growth rate of -72.54%, mainly because the cash paid for debts declined on a y-o-y basis for change of the bank deposit in the period;

31. Cash paid with other financing activity concerned: decreased 127 million Yuan on a y-o-y basis with growth rate of -67.67%, mainly because the factoring commission and interest on financial leasing paid in the period declined on a y-o-y basis;

32. Subtotal of cash out-flow from financing activity: decreased 316 million Yuan on a y-o-y basis with growth rate of -43.11%, mainly because the cash paid for debts declined on a y-o-y basis for change of the bank deposit in the period;

33. Net cash flow from financing activity: increased 2,853 million Yuan on a y-o-y basis with growth rate of 884.55%, mainly because subsidiary Guoda Drugstore received strategic capital injection from strategy investor in the period;

34. Influence on cash and cash equivalent caused by fluctuations in exchange: decreased 314,500 Yuan on a y-o-y basis with growth rate of -100.00%, mainly caused by the exchange rate conversion for dividend payout of B-share in HK dollar;

35. Net increase of cash and cash equivalent: increased 3,042 million Yuan on a y-o-y basis with growth rate of 10,257.11%, mainly because subsidiary Guoda Drugstore received strategic capital injection from strategy investor in the period;

36. Balance of cash and cash equivalent at period-end: increased 3,564 million Yuan on a y-o-y basis with growth rate of 114.19%, mainly because subsidiary Guoda Drugstore received strategic capital injection from strategy investor in the period.

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

Applicable Not applicable

III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Estimation of operation performance for year of 2018

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

Applicable Not applicable

V. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

VI. Trust financing

Applicable Not applicable

The Company had no trust financing in Period.

VII. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

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

Applicable Not applicable

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

IX. Guarantee outside against the regulation

Applicable Not applicable

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

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

Applicable Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by China National Accord Medicines Corporation Ltd.

2018-09-30

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Cash and bank balances	6,983,234,857.70	4,191,655,438.51
Settlement provisions		
Capital lent		
Transactional financial assets		
Derivative financial assets		
Notes receivable and accounts receivable	11,325,059,730.25	9,093,607,443.96
Including: Notes receivable	874,740,558.07	1,504,194,764.08
Accounts receivable	10,450,319,172.18	7,589,412,679.88
Advances to suppliers	463,638,268.60	516,778,117.47
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	543,343,748.58	657,932,499.65
Purchase restituted finance asset		
Inventories	4,639,692,765.59	3,781,858,238.12
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	50,173,873.93	78,947,644.62
Total current assets	24,005,143,244.65	18,320,779,382.33
Non-current assets:		
Loans and payments on behalf		

Investment in creditor's rights		
Other investment in creditor's rights		
Long-term account receivable		
Long-term equity investment	1,782,914,509.18	1,650,619,373.09
Other equity instruments investment	153,685,760.00	13,685,760.00
Other non current financial assets		
Investment property	143,416,634.53	153,678,339.11
Fixed assets	556,542,495.67	551,710,434.02
Construction in progress	39,643,659.20	22,947,258.99
Productive biological asset		
Oil and gas asset		
Intangible assets	310,687,053.16	325,751,430.88
Expense on Research and Development		
Goodwill	830,729,152.75	830,729,152.75
Long-term prepaid expenses	266,030,743.26	252,247,050.79
Deferred income tax asset	82,640,420.15	79,472,883.06
Other non-current asset	73,276,354.22	142,022,462.75
Total non-current asset	4,239,566,782.12	4,022,864,145.44
Total assets	28,244,710,026.77	22,343,643,527.77
Current liabilities:		
Short-term loans	2,187,210,613.46	1,561,354,521.64
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Transactional financial liabilities		
Derivative financial liability		
Notes payable and accounts payable	10,511,611,711.71	8,876,658,828.52
Advances from customers	184,636,672.94	216,938,239.32
Contract liabilities		
Selling financial asset of repurchase		
Commission charge and commission payable		
Payable to employee	192,940,541.14	215,656,526.54
Taxes payable	194,484,692.28	223,752,900.24

Other accounts payable	1,136,010,493.24	1,030,329,660.02
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year	5,755,080.19	5,434,770.70
Other current liabilities	159,609.75	112,817.65
Total current liabilities	14,412,809,414.71	12,130,238,264.63
Non-current liabilities:		
Long-term loans	31,600,000.00	31,600,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	5,388,881.21	9,332,537.14
Long-term Payable to employee	1,636,000.00	1,777,000.00
Projected liabilities		
Deferred income	122,453,251.86	125,082,372.53
Deferred income tax liabilities	72,212,487.72	71,883,253.02
Other non-current liabilities	46,227,343.31	46,227,343.31
Total non-current liabilities	279,517,964.10	285,902,506.00
Total liabilities	14,692,327,378.81	12,416,140,770.63
Owner's equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital surplus	4,002,535,786.76	3,181,429,064.99
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	214,063,491.50	214,063,491.50
Provision of general risk		
Retained earnings	6,371,486,281.96	5,572,952,806.39

Shareholders' equity attributable to shareholders of parent company	11,016,212,543.22	9,396,572,345.88
Non-controlling interests	2,536,170,104.74	530,930,411.26
Total owner's equity	13,552,382,647.96	9,927,502,757.14
Total liabilities and owner's equity	28,244,710,026.77	22,343,643,527.77

Legal representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Wang Ying

2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Cash and bank balances	1,644,584,431.40	1,776,696,342.87
Transactional financial assets		
Derivative financial assets		
Notes receivable and accounts receivable	707,800,384.53	545,267,378.99
Including: Notes receivable	16,596,621.54	64,799,618.07
Accounts receivable	691,203,762.99	480,467,760.92
Advances to suppliers	2,213,378.98	1,138,312.26
Other receivables	1,403,855,929.94	1,517,882,239.81
Inventories	179,871,213.92	172,022,676.96
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	39,482.38	788,964.90
Total current assets	3,938,364,821.15	4,013,795,915.79
Non-current assets:		
Investment in creditor's rights		
Other investment in creditor's rights		
Long-term receivables		
Long-term equity investments	7,329,323,360.05	7,180,306,084.56
Other equity instruments investment	140,000,000.00	
Other non-current financial assets		
Investment property	2,157,848.81	2,763,831.92

Fixed assets	20,156,870.46	13,831,103.54
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	1,497,529.30	1,287,775.78
Research and development costs		
Goodwill		
Long-term prepaid expenses	4,726,014.47	5,543,217.86
Deferred income tax assets	3,248,549.21	2,764,724.75
Other non-current assets	7,000,000.00	71,808,611.00
Total non-current assets	7,508,110,172.30	7,278,305,349.41
Total assets	11,446,474,993.45	11,292,101,265.20
Current liabilities:		
Short-term loans	664,000,000.00	707,000,000.00
Transactional financial liabilities		
Derivative financial liability		
Notes payable and accounts payable	714,750,735.49	674,450,646.65
Advances from customers	984,581.64	1,912,503.90
Contract liabilities		
Payable to employee	28,883,832.34	33,592,851.93
Taxes payable	7,469,386.55	42,386,907.00
Other accounts payable	1,081,738,486.24	1,415,723,188.96
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities	159,609.75	112,817.65
Total current liabilities	2,497,986,632.01	2,875,178,916.09
Non-current liabilities:		
Long-term loans	31,600,000.00	31,600,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	800,000.00	800,000.00
Long-term Payable to employee		

Projected liabilities		
Deferred income	1,756,431.56	2,054,250.00
Deferred income tax liabilities	4,749,282.38	3,773,319.00
Other non-current liabilities		
Total non-current liabilities	38,905,713.94	38,227,569.00
Total liabilities	2,536,892,345.95	2,913,406,485.09
Owners' equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital surplus	4,407,519,808.63	4,407,091,484.13
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	214,063,491.50	214,063,491.50
Retained earnings	3,859,872,364.37	3,329,412,821.48
Total owner's equity	8,909,582,647.50	8,378,694,780.11
Total liabilities and owner's equity	11,446,474,993.45	11,292,101,265.20

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	10,987,540,368.77	10,753,911,112.98
Including: Operating income	10,987,540,368.77	10,753,911,112.98
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	10,672,350,613.96	10,476,330,643.94
Including: Operating cost	9,749,853,630.20	9,652,629,532.14
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		
Taxes and surcharges	30,175,966.21	27,755,633.18
Sales expenses	682,736,449.56	576,266,856.55
Administration expenses	188,693,332.32	183,065,386.00
R&D expenses		
Financial expenses	20,736,052.88	35,176,387.62
Including: Interest expenses	45,676,535.07	40,724,369.96
Interest income	26,253,068.71	8,547,239.22
Losses of devaluation of asset	155,182.79	1,436,848.45
Credit impairment loss		
Add: other income	1,815,373.95	4,885,408.95
Investment income (Loss is listed with “-”)	78,983,284.46	54,961,155.07
Including: Investment income on affiliated company and joint venture	78,933,284.46	54,961,155.07
Net exposure hedging benefits (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	76,479.50	-479,542.26
III. Operating profit (Loss is listed with “-”)	396,064,892.72	336,947,490.80
Add: Non-operating income	1,553,611.12	3,013,969.77
Less: Non-operating expense	374,027.37	4,765,878.32
IV. Total Profit (Loss is listed with “-”)	397,244,476.47	335,195,582.25
Less: Income tax expense	76,038,019.79	68,255,324.72

V. Net profit (Net loss is listed with “-”)	321,206,456.68	266,940,257.53
(i) net profit from continuous operation (Net loss is listed with “-”)	321,206,456.68	266,940,257.53
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	285,244,535.54	246,977,990.75
Minority shareholders’ gains and losses	35,961,921.14	19,962,266.78
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		
3. Change of the fair value of other equity instrument investment		
4. Change of the fair value of enterprise’s own credit risk		
5. Other		
(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. Change of fair value of other debt investment		

3.Amount of financial assets re-classified to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	321,206,456.68	266,940,257.53
Total comprehensive income attributable to owners of parent Company	285,244,535.54	246,977,990.75
Total comprehensive income attributable to minority shareholders	35,961,921.14	19,962,266.78
VIII. Earnings per share:		
(i) Basic earnings per share	0.666	0.577
(ii) Diluted earnings per share	0.666	0.577

As for the business merger under the same control in the Period, 0 Yuan net profit realized before merger by the combined party, the net profit for combined party in last period was 0 Yuan.

Legal representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Wang Ying

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	899,859,002.45	900,080,112.15
Less: Operating cost	856,296,603.88	869,401,788.37
Taxes and surcharges	1,445,734.44	784,481.12
Sales expenses	16,953,141.79	12,874,352.60
Administration expenses	16,785,749.55	16,582,316.33
R&D expenses		

Financial expenses	-10,270,272.65	-6,369,097.36
Including: Interest expenses	10,951,050.33	5,184,109.36
Interest income	21,345,942.02	11,829,749.52
Losses of devaluation of asset	-152,059.06	117,780.84
Credit impairment loss		
Add: other income	121,990.82	
Investment income (Loss is listed with “-”)	84,991,405.06	63,018,807.05
Including: Investment income on affiliated company and joint venture	84,991,405.06	60,919,200.32
Net exposure hedging benefits (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	11,116.50	
II. Operating profit (Loss is listed with “-”)	103,924,616.88	69,707,297.30
Add: Non-operating income	3.98	3,387.55
Less: Non-operating expense		850,000.01
III. Total Profit (Loss is listed with “-”)	103,924,620.86	68,860,684.84
Less: Income tax expense	4,806,491.84	1,455,763.24
IV. Net profit (Net loss is listed with “-”)	99,118,129.02	67,404,921.60
(i) net profit from continuous operation (Net loss is listed with “-”)	99,118,129.02	67,404,921.60
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
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		
3. Change of the fair value of other equity instrument investment		
4. Change of the fair value of enterprise's own credit risk		
5. Other		
(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. Change of fair value of other debt investment		
3. Amount of financial assets re-classified to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	99,118,129.02	67,404,921.60
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	31,766,707,068.44	31,278,718,782.55

Including: Operating income	31,766,707,068.44	31,278,718,782.55
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	30,779,047,376.24	30,399,229,240.83
Including: Operating cost	28,117,497,354.04	28,016,663,982.97
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		
Taxes and surcharges	86,796,493.46	90,941,254.04
Sales expenses	1,956,325,205.63	1,686,713,794.72
Administration expenses	540,513,396.10	523,701,437.11
R&D expenses		
Financial expenses	78,277,597.20	79,675,166.38
Including: Interest expenses	129,032,902.25	100,292,883.44
Interest income	49,335,302.27	26,007,610.64
Losses of devaluation of asset	-362,670.19	1,533,605.61
Credit impairment loss		
Add: other income	12,404,586.52	12,843,902.62
Investment income (Loss is listed with “-”)	241,677,055.81	201,687,194.97
Including: Investment income on affiliated company and joint venture	241,595,555.81	201,637,194.97
Net exposure hedging benefits (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed		

with “-”)		
Income from assets disposal (Loss is listed with “-”)	4,357,644.11	5,543.40
III. Operating profit (Loss is listed with “-”)	1,246,098,978.64	1,094,026,182.71
Add: Non-operating income	7,052,562.23	9,070,112.60
Less: Non-operating expense	2,171,320.17	8,325,866.41
IV. Total Profit (Loss is listed with “-”)	1,250,980,220.70	1,094,770,428.90
Less: Income tax expense	240,524,754.11	228,296,432.35
V. Net profit (Net loss is listed with “-”)	1,010,455,466.59	866,473,996.55
(i) net profit from continuous operation (Net loss is listed with “-”)	1,010,455,466.59	866,473,996.55
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	926,971,570.47	803,103,308.94
Minority shareholders’ gains and losses	83,483,896.12	63,370,687.61
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		
3. Change of the fair value of other equity instrument investment		
4. Change of the fair value of enterprise’s own credit risk		

5. Other		
(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. Change of fair value of other debt investment		
3. Amount of financial assets re-classified to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,010,455,466.59	866,473,996.55
Total comprehensive income attributable to owners of parent Company	926,971,570.47	803,103,308.94
Total comprehensive income attributable to minority shareholders	83,483,896.12	63,370,687.61
VIII. Earnings per share:		
(i) Basic earnings per share	2.165	1.876
(ii) Diluted earnings per share	2.165	1.876

As for the business merger under the same control in the Period, 0 Yuan net profit realized before merger by the combined party, the net profit for combined party in last period was 0 Yuan.

6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	2,587,480,358.28	2,558,680,931.11
Less: Operating cost	2,471,014,077.79	2,470,049,377.83
Taxes and surcharges	3,462,103.37	5,846,798.28
Sales expenses	42,847,937.24	35,718,966.89
Administration expenses	50,464,856.30	41,500,304.54
R&D expenses		
Financial expenses	-29,640,152.73	-43,412,064.91
Including: Interest expenses	31,721,163.76	10,323,519.88
Interest income	62,271,142.76	54,307,313.03
Losses of devaluation of asset	471,483.25	85,176.13
Credit impairment loss		
Add: other income	1,421,335.96	641,300.00
Investment income (Loss is listed with “-”)	619,832,149.52	571,379,548.90
Including: Investment income on affiliated company and joint venture	258,317,695.20	216,757,940.77
Net exposure hedging benefits (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	11,116.50	1,087.38
II. Operating profit (Loss is listed with “-”)	670,124,655.04	620,914,308.63
Add: Non-operating income	37.06	187,919.51
Less: Non-operating expense	127,688.63	1,861,760.16
III. Total Profit (Loss is listed with “-”)	669,997,003.47	619,240,467.98
Less: Income tax expense	11,099,365.68	23,311,778.81
IV. Net profit (Net loss is listed with “-”)	658,897,637.79	595,928,689.17
(i) net profit from continuous operation (Net loss is listed with “-”)	658,897,637.79	595,928,689.17
(ii) net profit from discontinued operation (Net loss is listed with “-”)		

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		
3. Change of the fair value of other equity instrument investment		
4. Change of the fair value of enterprise's own credit risk		
5. Other		
(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. Change of fair value of other debt investment		
3. Amount of financial assets re-classified to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	658,897,637.79	595,928,689.17

VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	33,576,126,717.79	33,680,871,791.23
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	1,714,760.21	7,574,262.64
Other cash received concerning operating activities	503,409,429.80	222,004,857.99
Subtotal of cash inflow arising from operating activities	34,081,250,907.80	33,910,450,911.86

Cash paid for purchasing commodities and receiving labor service	30,058,268,141.08	30,272,872,617.59
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	1,392,220,211.12	1,266,243,435.50
Taxes paid	818,864,295.31	861,250,651.49
Other cash paid concerning operating activities	1,247,906,964.93	999,000,769.40
Subtotal of cash outflow arising from operating activities	33,517,259,612.44	33,399,367,473.98
Net cash flows arising from operating activities	563,991,295.36	511,083,437.88
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	130,963,345.37	60,167,262.76
Net cash received from disposal of fixed, intangible and other long-term assets	5,751,674.16	585,524.78
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	101,261,607.73	99,261,955.41
Subtotal of cash inflow from investing activities	237,976,627.26	160,014,742.95
Cash paid for purchasing fixed, intangible and other long-term assets	150,353,192.93	126,571,984.56
Cash paid for investment	90,000,000.00	95,137,145.33

Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		18,525,000.00
Other cash paid concerning investing activities	79,921,476.82	137,974,010.61
Subtotal of cash outflow from investing activities	320,274,669.75	378,208,140.50
Net cash flows arising from investing activities	-82,298,042.49	-218,193,397.55
III. Cash flows arising from financing activities		
Cash received from absorbing investment	2,788,851,200.00	10,943,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	2,788,851,200.00	10,943,000.00
Cash received from loans	49,670,200.30	296,311,793.77
Cash received from issuing bonds		
Other cash received concerning financing activities	108,949,307.54	103,113,564.29
Subtotal of cash inflow from financing activities	2,947,470,707.84	410,368,358.06
Cash paid for settling debts	79,670,200.30	290,130,072.33
Cash paid for dividend and profit distributing or interest paying	276,628,059.98	255,153,017.01
Including: Dividend and profit of minority shareholder paid by subsidiaries	56,858,945.30	36,992,199.01
Other cash paid concerning financing activities	60,658,096.82	187,628,354.86
Subtotal of cash outflow from financing activities	416,956,357.10	732,911,444.20
Net cash flows arising from financing activities	2,530,514,350.74	-322,543,086.14
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-314,517.97	
V. Net increase of cash and cash	3,011,893,085.64	-29,653,045.81

equivalents		
Add: Balance of cash and cash equivalents at the period -begin	3,673,498,691.48	3,150,909,425.54
VI. Balance of cash and cash equivalents at the period -end	6,685,391,777.12	3,121,256,379.73

8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,681,236,630.70	2,597,564,040.32
Write-back of tax received		
Other cash received concerning operating activities	91,958,196.80	26,424,030.63
Subtotal of cash inflow arising from operating activities	2,773,194,827.50	2,623,988,070.95
Cash paid for purchasing commodities and receiving labor service	2,559,377,589.52	2,572,754,403.03
Cash paid to/for staff and workers	61,913,310.95	56,647,266.92
Taxes paid	29,801,808.96	39,084,840.35
Other cash paid concerning operating activities	45,140,599.54	25,300,370.50
Subtotal of cash outflow arising from operating activities	2,696,233,308.97	2,693,786,880.80
Net cash flows arising from operating activities	76,961,518.53	-69,798,809.85
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	255,904,643.39	216,058,026.83
Net cash received from disposal of fixed, intangible and other long-term	35,200.00	

assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	1,218,035,586.01	2,156,269,200.00
Subtotal of cash inflow from investing activities	1,473,975,429.40	2,372,327,226.83
Cash paid for purchasing fixed, intangible and other long-term assets	8,607,026.77	6,871,001.07
Cash paid for investment	90,000,000.00	1,045,900,000.00
Net cash received from subsidiaries and other units		18,525,000.00
Other cash paid concerning investing activities	1,267,321,606.82	1,691,189,918.90
Subtotal of cash outflow from investing activities	1,365,928,633.59	2,762,485,919.97
Net cash flows arising from investing activities	108,046,795.81	-390,158,693.14
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	10,000,000.00	41,600,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	12,559,913,378.52	11,644,239,507.12
Subtotal of cash inflow from financing activities	12,569,913,378.52	11,685,839,507.12
Cash paid for settling debts	10,000,000.00	41,600,000.00
Cash paid for dividend and profit distributing or interest paying	153,116,428.79	146,079,007.62
Other cash paid concerning financing activities	12,723,602,657.57	11,231,111,506.09
Subtotal of cash outflow from financing activities	12,886,719,086.36	11,418,790,513.71
Net cash flows arising from financing activities	-316,805,707.84	267,048,993.41
IV. Influence on cash and cash	-314,517.97	

equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-132,111,911.47	-192,908,509.58
Add: Balance of cash and cash equivalents at the period -begin	1,776,696,342.87	1,342,041,409.86
VI. Balance of cash and cash equivalents at the period -end	1,644,584,431.40	1,149,132,900.28

II. Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.