

China National Accord Medicines Corporation Ltd.

First Quarterly Report 2019

April 2019

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.

Other directors attending the Meeting for Quarterly Report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
Li Zhiming	director	Official business	Liu Yong
Jiang Xiuchang	director	Official business	Liu Yong

Lin Zhaoxiong person in charge of the Company, Wei Pingxiao, person in charger of accounting works and Wang Ying, person in charger 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

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	11,879,309,078.82	10,256,566,731.51	15.82%
Net profit attributable to shareholders of the listed company (RMB)	300,149,012.08	292,731,685.33	2.53%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	297,420,355.99	284,982,162.39	4.36%
Net cash flow arising from operating activities (RMB)	-759,367,352.29	-864,716,289.96	12.18%
Basic earnings per share (RMB/Share)	0.70	0.68	2.94%
Diluted earnings per share (RMB/Share)	0.70	0.68	2.94%
Weighted average ROE	2.55%	3.07%	-0.52%
	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)	30,855,284,546.74	28,930,300,519.97	6.65%
Net assets attributable to shareholder of listed company (RMB)	11,918,581,615.36	11,618,432,603.28	2.58%

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)	-24,914.66	Fixed assets disposal from subsidiary Guoda Drugstore and Sinopharm Holding Guangxi Company.
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)	1,897,634.72	Mainly due to the various special grants received in the current period.

Reversal of impairment reserve for account receivable with separate impairment testing	479,568.94	The impairment of account receivable separately accrual in previous years have been taken back in the current period.
Gains and losses on foreign entrusted loans	875,924.93	The gains obtained from offering entrust loans to China National Zhijun (Suzhou).
Other non-operating income and expenditure except for the aforementioned items	770,827.15	
Less: impact on income tax	887,466.28	
Impact on minority shareholders' equity (post-tax)	382,918.71	
Total	2,728,656.09	--

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		17,550	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		
Hong Kong Securities Clearing Company Ltd	Foreign Corporation	3.39%	14,512,583	0		
HTHK/CMG	Foreign	2.68%	11,469,644	0		

FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Corporation					
China United Property Insurance Company Limited Traditional insurance products	Domestic non state-owned legal person	1.73%	7,400,422	0		
China National Pharmaceutical Foreign Trade Corporation	State-owned legal person	1.24%	5,323,043	5,323,043		
# Beijing Haoqing Fortune Investment Management Co., Ltd. – Haoqing Value Stable No.8 Investment Fund	Domestic non state-owned legal person	0.96%	4,118,716			
GUOTAI JUNAN SECURITIES(H ONGKONG) LIMITED	Foreign Corporation	0.90%	3,835,608			
Central Huijin Investment Ltd.	State-owned legal person	0.89%	3,804,400			
Fidelity (Hong Kong) Co., Ltd. - customer capital	Foreign Corporation	0.87%	3,743,017			
Bank of China- Harvest Shanghai-H.K.-S henzhen Selected Securities Investment Fund	Domestic non state-owned legal person	0.83%	3,554,700			
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 shares	ordinary 184,942,291			

Hong Kong Securities Clearing Company Ltd	14,512,583	RMB ordinary shares	14,512,583
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	11,469,644	Domestic listed foreign shares	11,469,644
China United Property Insurance Company Limited - Traditional insurance products	7,400,422	RMB ordinary shares	7,400,422
# Beijing Haoqing Fortune Investment Management Co., Ltd. – Haoqing Value Stable No.8 Investment Fund	4,118,716	RMB ordinary shares	4,118,716
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,835,608	Domestic listed foreign shares	3,835,608
Central Huijin Investment Ltd.	3,804,400	RMB ordinary shares	3,804,400
Fidelity (Hong Kong) Co., Ltd. - customer capital	3,743,017	RMB ordinary shares	3,743,017
Bank of China-Harvest Shanghai-H.K.-Shenzhen Selected Securities Investment Fund	3,554,700	RMB ordinary shares	3,554,700
Basic endowment insurance fund-1003 group	3,359,356	RMB ordinary shares	3,359,356
Explanation on associated relationship among the aforesaid shareholders	It is unknown that there exists no associated relationship or belongs to the consistent person acting in concert among the other tradable shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.		
Explanation on shareholders involving margin business about top ten common stock shareholders (if applicable)	Beijing Haoqing Fortune Investment Management Co., Ltd. – Haoqing Value Stable No.8 Investment Fund holds shares of the Company through margin trading and negotiable securities account that is 4,118,716 shares in total.		

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: an increase of 2.5509 million Yuan compared with the beginning of the period, with a growth rate of 31.02%, mainly because the accrual for deposit interest increased;
2. Construction in progress: a decrease of 13.2163 million Yuan compared with the beginning of the period, with a growth rate of -36.30%, mainly because the ERP project completed for acceptance and transfer out;
3. Wages payable: a decrease of 70.1103 million Yuan compared with the beginning of the period, with a growth rate of -30.24%, mainly because employee's wages accrual last year are provided in the Period;
4. Other current liabilities: an increase of 145,300 Yuan compared with the beginning of the period, with a growth rate of 49.66%, mainly because the output tax ready for transfer increased over that of amount at beginning of the year;
5. Financial expenses : an increase of 8.7817 million Yuan on a year-on-year basis, with a growth rate of 39.43%, mainly because financing cost of the supply chain in this period has increased compared with the same period of last year;
6. Assets impairment loss: an increase of 1.0471 million Yuan on a year-on-year basis, with a growth rate of 197.37%, mainly because inventory falling price reserves reversed in the period declined from a year earlier;
7. Credit impairment loss: an increase of 5.2393 million Yuan on a year-on-year basis, with a growth rate of 624.12%, mainly because account receivable at period-end has increased over same period of last year, thus the impairment for bad debts accrual increased on a y-o-y basis;
8. Income from assets disposal: a decrease of 3.8445 million Yuan on a year-on-year basis, with a growth rate of -100.37%, mainly because in same period of last year, government collected property payments are received while no such amount occurred in the period;
9. Non-operating income: an increase of 480,200 Yuan on a year-on-year basis, with a growth rate of 35.31%, mainly because written off for the account payable that no need to be paid increased from a year earlier in the period;
10. Non-operating expense: a decrease of 264,900 Yuan on a year-on-year basis, with a growth rate of -42.40%, mainly because fine for delaying in the period declined on a y-o-y basis;
11. Minority shareholders' gains and losses: an increase of 24.3643 million Yuan on a year-on-year basis, with a growth rate of 121.17%, mainly because at second half of 2018, subsidiary Guoda Drugstore introduce strategic investors, then the minority's interest declined on a y-o-y basis;
12. Total comprehensive income attributable to minority shareholders: an increase of 24.3643 million Yuan on a year-on-year basis, with a growth rate of 121.17%, mainly because at second half of 2018, subsidiary Guoda Drugstore introduce strategic investors, thus the total comprehensive income attributable to minority shareholders are increased correspondingly;
13. Refunds of taxes: a decrease of 400 Yuan on a year-on-year basis, with a growth rate of -100.00%, mainly because refunds of taxes received in same period of last year while no such amount occurred in the period;
14. Cash received from investment income: an increase of 296,000 Yuan on a year-on-year basis, with a growth rate of 39.10%, mainly because received cash bonus from joint venture in the period while no such amount occurred in same period of last year;
15. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: a decrease of 5.613 million Yuan on a year-on-year basis, with a growth rate of -98.73%, mainly because revenue from intangible assets disposal in the period decline from a year earlier;

16. Other cash received relating to investment activities: a decrease of 44 million Yuan on a year-on-year basis, with a growth rate of -100%, mainly because loan by mandate received from Sinopharm Holding Zhijun (Suzhou) Company at same period last year while no such amount occurred in the period;
17. Sub-total of cash inflows from investment activities: a decrease of 49.3170 million Yuan on a year-on-year basis, with a growth rate of -97.77%, mainly because loan by mandate received from Sinopharm Holding Zhijun (Suzhou) Company at same period last year while no such amount occurred in the period;
18. Cash paid for investment: an increase of 20.1221 million Yuan on a year-on-year basis, with a growth rate of 100%, mainly because stores transfer amount for retail store acquisition from subsidiary Guoda Drugstore are paid in the period while no such amount occurred at same period last year;
19. Other cash paid relating to investment activities: a decrease of 43.9970 million Yuan on a year-on-year basis, with a growth rate of -99.99%, mainly because loan by mandate of Sinopharm Holding Zhijun (Suzhou) Company are paid at same period last year while no such amount occurred in the period;
20. Net cash flow from investment activities: a decrease of 27.0534 million Yuan on a year-on-year basis, with a growth rate of -61.00%, mainly because stores transfer amount for retail store acquisition from subsidiary Guoda Drugstore are paid in the period while no such amount occurred at same period last year;
21. Cash received by absorbing investments: a decrease of 7.1012 million Yuan on a year-on-year basis, with a growth rate of -61.79%, mainly because investment from minority shareholders are declined from a year earlier;
22. Other cash received relating to financing activities: an increase of 69.0575 million Yuan on a year-on-year basis, with a growth rate of 67.82%, mainly because supply chain financing increased from a year earlier;
23. Sub-total of cash inflows from financing activities: an increase of 58.2847 million Yuan on a year-on-year basis, with a growth rate of 45.90%, mainly because supply chain financing increased from a year earlier;
24. Cash paid for distribution of dividend, profit or interest payment: an increase of 53.2311 million Yuan on a year-on-year basis, with a growth rate of 172.70%, mainly because interest of the supply chain financing increased from a year earlier;
25. Sub-total of cash outflows from financing activities: an increase of 60.6417 million Yuan on a year-on-year basis, with a growth rate of 64.55%, mainly because interest of the supply chain financing increased from a year earlier;
26. Balance of cash and cash equivalents at the period -end: an increase of 4044 million Yuan on a year-on-year basis, with a growth rate of 144.57%, mainly because endowment money from strategic investors was received by subsidiary Guoda Drugstore at second half of last year while no such amount occurred at same period last year

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

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

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

Commitments	Promise	Type of commit	Content of commitments	Commitment	Commitment term	Implementation
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		ments		date		
Commitments for share merger reform						
Commitments in report of acquisition or equity change	Sinopharm Holding	Commitment of shareholders	"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 Sinopharm Accord, "1. it will not newly-establish or broaden within Guangdong any business operation that actually compete with that of Sinopharm Accord, or set up any new subsidiaries or subordinate enterprises who engage in such business. 2. It will enter into business delineation with Sinopharm Accord 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 Sinopharm Accord in the production and R&D of pharmaceutical products."	21 June 2005	Long-term effective	Normally implementing
Commitments in assets reorganization	Sinopharm Group Co., Ltd; China National Pharmaceutical Foreign Trade Corporation	Commitment on restricted shares	"Sinopharm Holding and Sinopharm Foreign Trade made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the non-public offering of shares of Sinopharm Accord obtained from this transaction shall not be transferred within 36 months since the finish date of issuance and shall be unlocked after 36 months since the date of listing. Within 6 months after the completion of this transaction, if the closing price of the stock of Sinopharm Accord is less than the issue price in continuous 20 trading days, or the closing price at the end of 6 months after the completion of this transaction is less than the issue price, the lockup period of the stock of Sinopharm Group and Sinopharm Foreign Trade obtained from Sinopharm Accord by this transaction will automatically prolong at least 6 months. The shares derived from stock dividends allocation and capital reserve increase transferring of Sinopharm Accord based on the non-public offering of shares of Sinopharm Accord obtained by this transaction should also abide by the	31 May 2016	36 months	Normally implementing

			above stock restricted arrangements.”			
	Ping'an Assets Management Co., Ltd.	Commitment on restricted shares	"Ping An Asset Management Co., Ltd. made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the non-public offering of shares of Sinopharm Accord obtained from this transaction shall not be transferred within 36 months since the finish date of issuance and shall be unlocked after 36 months since the date of listing. After placement completed, the shares of the listed company increased due to bonus shares and turning to increase capital should pursuit to the restriction arrangement the above mentioned.	31 May 2016	36 months	Normally implementing
	China National Accord Medicines Corporation Ltd.; Sinopharm Group Co., Ltd; SINOPHARM	Other commitments	“The listed company, controlling shareholders, the actual controllers made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the Company shall not violate the relevant regulations of Article 16 in Securities Issuance and Underwriting Management Approach, and directly or indirectly providing financial assistance or compensation for the subscription objects and its shareholders / partners / clients (if any) of this non-public offering does not exist and will not occur in the future.”	31 May 2016	Long-term effective	Normally implementing
	Ping'an Assets Management Co., Ltd.	Other commitments	“Ping An Asset Management Co., Ltd. Promises that the unit intends to utilize Ping An Asset Xinxiang No.3 asset management product and Ping An Asset Xinxiang No.7 asset management product to fund and subscribe some non-public offering of shares of Sinopharm Accord in this major asset restructuring process, and has the ability to subscribe the shares, the relevant capital sources are legitimate, there is no hierarchical income and other structured arrangements, and there is no use of leveraged funds. The unit does not receive financial assistance or compensation from Sinopharm Accord and its controlling shareholders, or the actual controllers. The investors' structure of above - mentioned products do not change from the issue date of the commitment letter to the end date of the lockup period of the stock that the unit subscribes from Sinopharm Accord.”	24 March 2016	Long-term effective	Normally implementing
	SINOPHARM	Increase holding commitment	“Sinopharm made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related	6 Jan. 2017	Three years from the end of	There is no need for actual

		ment	Transactions by Asset Sale, Stock Issuance and Cash Payment that 1. if the stock intraday price of Sinopharm Accord on any trading day of the 30 trading days after the listing of newly increased shares in this transaction is less than the issue price of newly increased shares in this transaction, Sinopharm will accumulatively invest no more than RMB 150 million in these 30 trading days to increase the holding by the stock trading system of the Shenzhen Stock Exchange (this increase of holding) until the earlier one of below two situations occurs: (1) the above-mentioned funds are use up; (2) the intraday price of Sinopharm Accord is no less than the issue price of newly increased shares in this transaction. 2. Sinopharm shall not sell the shares obtained from this increase of holding within 3 years after the end of this increase of holding.”		increase holding (if applicable)	controller s to increase holdings
	Sinopharm Group Co., Ltd	Commitments on horizontal competition, relation transaction and capital occupation	“Sinopharm Holding made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the Company shall be the controlling shareholder of China National Accord Medicines Corporation Ltd. (hereinafter referred to as Sinopharm Accord) up to the issue date of this commitment letter, after the completion of this major assets reorganization (hereinafter referred to as “this reorganization”), Sinopharm Accord shall no longer hold shares or operate relevant businesses of pharmaceutical industry, the main business will become the national pharmaceutical retail and pharmaceutical distribution business in Guangdong and Guangxi. In order to support the business development of Sinopharm Accord and avoid horizontal competition with Sinopharm Accord and its controlling enterprises, the Company made following irrevocable commitments and promises:1, after the completion of this reorganization, as for the social retail drugstore assets except for Sinopharm Holding Guoda Drugstore Co., Ltd. and its subsidiaries and branches owned or controlled by the Company, the Company promised to take appropriate measures to solve the horizontal competition problem in the pharmaceutical retail business between the Company and Sinopharm Accord within 5 years since the completion date of this reorganization. 2. The Company's way of resolving horizontal competition problems includes and is not limited to purchasing the social retail drugstore assets subordinated to the Company by Sinopharm Accord, taking	28 Dec. 2016	Long-term effective	Normally implementing

		<p>the entrusted operation, leasing or contracting operation by Sinopharm Accord and its controlling enterprises in accordance with the methods permitted to national laws to hold or control the social retail drugstore assets, or transferring the controlling stake of the social retail drugstore assets by the Company. 3. If the shareholders of the social retail drugstore assets (hereinafter referred to as "the third party") of the Company or the enterprises controlled by the Company have or are going to perform the preemptive rights under the same conditions in accordance with relevant laws and corresponding Articles of Association, then the above commitment will not be applicable, but in this case, the Company should try its utmost to urge the third party to waive its preemptive rights. If the Company is unable to urge the third party to give up the preemptive rights, the Company will urge the enterprises controlled by the Company to transfer the social retail drugstore assets to the third party to solve the horizontal competition problem. 4. The pharmaceutical distribution assets currently owned or controlled by the Company are distributed outside Guangdong and Guangxi regions, there is no horizontal competition with Sinopharm Accord, the Company will not engage in the same or similar operation businesses to Sinopharm Accord in Guangdong and Guangxi in the future, if the Company and its holding enterprises obtain the new business opportunities constituting substantial horizontal competition (hereinafter referred to as competitive new business) within the pharmaceutical distribution business scope of Sinopharm Accord in Guangdong and Guangxi, the Company will send written notice to Sinopharm Accord and try its utmost to firstly provide the new business opportunities to Sinopharm Accord or its holding enterprises according to the reasonable and fair terms and conditions so as to avoid the horizontal competition with Sinopharm Accord and its holding enterprises. 5. Since the issue date of this commitment letter, the Company promises to indemnify Sinopharm Accord for all actual losses, damages and expenses caused by the Company in violation of any commitments under this commitment letter. 6. This commitment letter terminates when following circumstances occur (subject to the earlier one): (1) the Company is no longer the controlling shareholder of Sinopharm Accord; or (2) the shares of Sinopharm Accord terminate the listing at the stock exchange.”</p>			
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	SINOPHARM	Commitments on horizontal competition, relation transaction and capital occupation	<p>“SINOPHARM made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the Company shall be the actual controller of China National Accord Medicines Corporation Ltd. (hereinafter referred to as Sinopharm Accord) up to the issue date of this commitment letter, after the completion of this major assets reorganization (hereinafter referred to as “this reorganization”), Sinopharm Accord shall no longer hold shares or operate relevant businesses of pharmaceutical industry, the main business will become the national pharmaceutical retail and pharmaceutical distribution business in Guangdong and Guangxi. In order to support the business development of Sinopharm Accord and avoid horizontal competition with Sinopharm Accord and its controlling enterprises, the Company made following irrevocable commitments and promises:1, after the completion of this reorganization, as for the social retail drugstore assets except for Sinopharm Group Guoda Drugstore Co., Ltd. and its subsidiaries and branches owned or controlled by the Company, the Company promised to take appropriate measures to solve the horizontal competition problem in the pharmaceutical retail business between the Company and Sinopharm Accord within 5 years since the completion date of this reorganization. 2. The Company's way of resolving horizontal competition problems includes and is not limited to purchasing the social retail drugstore assets subordinated to the Company by Sinopharm Accord, taking the entrusted operation, leasing or contracting operation by Sinopharm Accord and its controlling enterprises in accordance with the methods permitted to national laws to hold or control the social retail drugstore assets, or transferring the controlling stake of the social retail drugstore assets by the Company. 3. If the shareholders of the social retail drugstore assets (hereinafter referred to as "the third party") of the Company or the enterprises controlled by the Company have or are going to perform the preemptive rights under the same conditions in accordance with relevant laws and corresponding Articles of Association, then the above commitment will not be applicable, but in this case, the Company should try its utmost to urge the third party to waive its preemptive rights. If the Company is unable to urge the third party to give up the preemptive rights, the Company</p>	28 Dec. 2016	Long-term effective	Normally implementing
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			<p>will urge the enterprises controlled by the Company to transfer the social retail drugstore assets to the third party to solve the horizontal competition problem. 4. The pharmaceutical distribution assets currently owned or controlled by the Company are distributed outside Guangdong and Guangxi regions, there is no horizontal competition with Sinopharm Accord, the Company will not engage in the same or similar operation businesses to Sinopharm Accord in Guangdong and Guangxi in the future, if the Company and its holding enterprises obtain the new business opportunities constituting substantial horizontal competition (hereinafter referred to as competitive new business) within the pharmaceutical distribution business scope of Sinopharm Accord in Guangdong and Guangxi, the Company will send written notice to Sinopharm Accord and try its utmost to firstly provide the new business opportunities to Sinopharm Accord or its holding enterprises according to the reasonable and fair terms and conditions so as to avoid the horizontal competition with Sinopharm Accord and its holding enterprises. 5. This commitment letter terminates when following circumstances occur (subject to the earlier one): (1) the Company is no longer the actual controller of Sinopharm Accord; or (2) the shares of Sinopharm Accord terminate the listing at the stock exchange.”</p>			
Commitments make in initial public offering or re-financing	Sinopharm Holding	Commitment of shareholders	<p>Sinopharm Holding made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Avoid Horizontal Competition: “First, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control (in addition to Sinopharm Accord and its controlling enterprises, hereinafter the same) don’t have businesses and operations constituting the substantial horizontal competition to Sinopharm Accord and its controlling enterprises. Second, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control shall not engage, participate in or do businesses and activities in Guangdong and Guangxi which constitute substantial competition to Sinopharm Accord and pharmaceutical business services. Third, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control shall not engage, participate in or do businesses and activities which constitute substantial competition to Sinopharm Accord and pharmaceutical industry businesses. Fourth, the Company shall not take advantage of the control to Sinopharm Accord to damage the legitimate rights and interests of Sinopharm</p>	5 Sept. 2013	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitment

			Accord and other shareholders (especially medium and small shareholders). This commitment letter takes effect from the issue date, and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord. Within the effective period of the commitment, if the Company violates this commitment and causes a loss to Sinopharm Accord, the Company will timely make full compensation for Sinopharm Accord.”			ents
	Sinopharm Holding	Commitment of shareholders	Sinopharm Holding made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Regulate the Related Transactions with China National Accord Medicines Corporation Ltd.: “First, when the Company is controlling Sinopharm Accord, the Company and the companies and enterprises directly and indirectly controlled by the Company (“related party” for short) will strictly regulate the related transactions with Sinopharm Accord and its controlling enterprises. Second, for the related transactions that can not be avoided nor have reasonable reasons to occur, the Company and related party shall sign normative related transaction agreement in accordance with relevant laws with Sinopharm Accord. Sinopharm Accord implements the approval procedures and fulfills the information disclosure obligations of the related transactions according to relevant laws, regulations, rules, other normative documents and the constitutions of Sinopharm Accord. Third, for the related transactions that can not be avoided or have reasonable reasons to occur, the Company and related party shall abide by the open, fair and just market principles and confirm the price of related transactions in accordance with the price that the independent third party without association sets for the same and similar transactions, and ensure the fairness of the price of the related transactions. Fourth, when the board of directors and the general meeting of stockholders of Sinopharm Accord vote on the related transactions involving the Company and other enterprises controlled by the Company, the Company shall fulfill the necessary obligations that the associated directors and associated shareholders abstain from voting in accordance with the relevant provisions, and abide by the legal procedures for approving related transactions and the information disclosure obligations. Fifth, the Company guarantees to participate in the shareholders' general meeting, equally exercise the corresponding rights and take the corresponding obligations in accordance with the constitutions of Sinopharm Accord,	5 Sept. 2013	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

			not to take advantage of controlling shareholder status to seek improper benefits or utilize related transactions to illegally transfer the funds and profits of Sinopharm Accord, and not to damage the legitimate rights and interests of other shareholders (especially the medium and small shareholders) of Sinopharm Accord. Sixth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord. Within the effective period of the commitment, if the Company violates this commitment and causes a loss to Sinopharm Accord, the Company will timely make full compensation for Sinopharm Accord.”			
	SINOPHARM	Commitment of actual controller	"SINOPHARM made commitments in the Commitment Letter About China National Pharmaceutical Group Corporation to Avoid Horizontal Competition with China National Accord Medicines Corporation Ltd.: “First, in the next five years, Sinopharm plans to take appropriate measures (including assets replacement or acquisition, equity reorganization, etc.) to resolve the horizontal competition between Sinopharm Weiqida and Sinopharm Accord. Second, in addition to the past matters and matters disclosed in this commitment letter, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control rights (except for Sinopharm Accord and its controlling enterprises, the same as below) shall not directly engaged in, participate in or do the businesses an activities constituting actual competition to the production and operation of Sinopharm Accord in China. The relevant commitments about avoiding horizontal competition that the Company made in the past still remain in effect. Third, the Company shall not take advantage of the control relationship to Sinopharm Accord to damage the legitimate rights and interests of Sinopharm Accord and its shareholders (especially the medium and small shareholders). Fourth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord.”	16 Oct. 2013	Long-term effective	Actual Controller is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments
	SINOPHARM	Commitment of actual controller	"SINOPHARM made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Regulate the Related Transactions with China National Accord Medicines Corporation Ltd.: “First, when the Company is controlling Sinopharm Accord, the Company and the companies and	22 Sept. 2013	Long-term effective	Actual Controller is implement in real

		r	enterprises directly and indirectly controlled by the Company (“related party” for short) will strictly regulate the related transactions with Sinopharm Accord and its controlling enterprises. Second, for the related transactions that can not be avoided or have reasonable reasons to occur, the Company and related party shall sign normative related transaction agreement in accordance with relevant laws with Sinopharm Accord. Sinopharm Accord implements the approval procedures and fulfills the information disclosure obligations of the related transactions according to relevant laws, regulations, rules, other normative documents and the constitutions of Sinopharm Accord. Third, for the related transactions that can not be avoided or have reasonable reasons to occur, the Company and related party shall abide by the open, fair and just market principles and confirm the price of related transactions in accordance with the price that the independent third party without association sets for the same and similar transactions, and ensure the fairness of the price of the related transactions. Fourth, when the board of directors and the general meeting of stockholders of Sinopharm Accord vote on the related transactions involving the Company and other enterprises controlled by the Company, the Company shall fulfill the necessary obligations that the associated directors and associated shareholders abstain from voting in accordance with the relevant provisions, and abide by the legal procedures for approving related transactions and the information disclosure obligations. Fifth, the Company guarantees not to take advantage of actual controller status to seek improper benefits or utilize related transactions to illegally transfer the funds and profits of Sinopharm Accord, and not to damage the legitimate rights and interests of other shareholders (especially the medium and small shareholders) of Sinopharm Accord. Sixth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the actual controller or its related party of Sinopharm Accord.			earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments
Equity incentive commitment						
Other commitments for medium and small shareholders						

Completed on time (Y/N)	Y
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IV. Predict of the business performance from January to June 2019

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.

In RMB

Item	2019-3-31	2018-12-31
Current assets:		
Monetary funds	7,227,934,452.95	8,089,781,304.56
Settlement provisions		
Capital lent		
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account receivable	12,883,896,343.83	10,694,173,577.55
Including: Note receivable	1,291,769,217.58	1,357,311,929.63
Account receivable	11,592,127,126.25	9,336,861,647.92
Accounts paid in advance	469,305,072.68	583,484,515.95
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	669,828,115.37	643,493,359.32
Including: Interest receivable	10,774,272.10	8,223,327.64
Dividend receivable		
Buying back the sale of financial assets		
Inventories	5,021,180,614.11	4,389,335,942.19
Contractual assets		
Assets held for sale		

Non-current asset due within one year	216,449.81	0.00
Other current assets	78,322,158.95	95,347,629.18
Total current assets	26,350,683,207.70	24,495,616,328.75
Non-current assets:		
Loans and payments on behalf		
Creditor's rights investment		
Finance asset available for sales		
Other creditor's rights investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	1,965,032,173.28	1,880,393,786.10
Other Equity Instrument Investment	13,685,760.00	13,685,760.00
Other non-current financial assets	140,000,000.00	140,000,000.00
Investment Real Estate	142,440,522.94	144,894,495.97
Fixed assets	599,595,334.28	607,933,827.67
Construction in progress	23,196,302.61	36,412,614.61
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	325,672,972.38	319,207,126.15
Expense on Research and Development		
Goodwill	833,547,800.60	833,547,800.60
Long-term expenses to be apportioned	307,485,030.89	311,328,706.46
Deferred income tax asset	79,583,749.57	74,914,209.95
Other non-current asset	74,361,692.49	72,365,863.71
Total non-current asset	4,504,601,339.04	4,434,684,191.22
Total assets	30,855,284,546.74	28,930,300,519.97
Current liabilities:		
Short-term loans	2,966,927,256.65	2,597,652,702.43
Loan from central bank		
Capital borrowed		
Transactional financial liabilities		
Financial liability measured by fair value and with variation reckoned into		

current gains/losses		
Derivative financial liability		
Note payable and account payable	11,051,700,299.25	9,885,291,642.97
Accounts received in advance		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	161,756,066.12	231,866,407.40
Taxes payable	206,747,491.44	241,980,412.72
Other account payable	1,697,350,774.81	1,539,436,971.93
Including: Interest payable	23,450,973.62	21,906,660.63
Dividend payable	6,389,320.96	6,389,320.96
Commission charge and commission payable		
Reinsurance payable		
Contractual liability	237,075,149.10	255,590,612.37
Liability held for sale		
Non-current liabilities due within one year	5,810,749.03	5,861,324.37
Other current liabilities	437,717.78	292,465.75
Total current liabilities	16,327,805,504.18	14,757,972,539.94
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	31,600,000.00	31,600,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term account payable	3,249,184.86	4,563,978.52
Long-term wages payable	2,050,000.00	2,050,000.00
Accrual liability		
Deferred income	93,363,910.59	91,491,170.40
Deferred income tax liabilities	73,707,747.31	67,605,161.88

Other non-current liabilities	68,719,380.11	69,241,176.18
Total non-current liabilities	272,690,222.87	266,551,486.98
Total liabilities	16,600,495,727.05	15,024,524,026.92
Owner's equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	4,320,984,981.51	4,320,984,981.51
Less: Inventory shares		
Other comprehensive income		
Special reserves		
Surplus public reserve	214,063,491.50	214,063,491.50
Provision of general risk		
Retained profit	6,955,406,159.35	6,655,257,147.27
Total owner's equity attributable to parent company	11,918,581,615.36	11,618,432,603.28
Minority interests	2,336,207,204.33	2,287,343,889.77
Total owner's equity	14,254,788,819.69	13,905,776,493.05
Total liabilities and owner's equity	30,855,284,546.74	28,930,300,519.97

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

2. Company Balance Sheet

In RMB

Item	2019-3-31	2018-12-31
Current assets:		
Monetary funds	1,610,546,696.63	1,817,654,598.01
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into		

current gains/losses		
Derivative financial assets		
Note receivable and account receivable	778,182,144.17	695,107,574.33
Including: Note receivable	61,801,525.19	63,870,980.39
Account receivable	716,380,618.98	631,236,593.94
Accounts paid in advance	2,866,786.21	4,760,182.00
Other account receivable	1,738,408,183.81	1,541,980,883.50
Including: Interest receivable	10,239,458.70	7,550,877.07
Dividend receivable		
Inventories	248,756,233.39	158,166,185.65
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	39,482.38	39,482.38
Total current assets	4,378,799,526.59	4,217,708,905.87
Non-current assets:		
Creditor's right investment		
Finance asset available for sales		
Other Creditor's right investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	7,520,772,179.63	7,432,906,692.24
Other Equity Instrument Investment		
Other non-current financial assets	140,000,000.00	140,000,000.00
Investment real estate	1,753,860.08	1,955,854.46
Fixed assets	20,366,256.30	21,362,422.03
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	2,510,842.98	2,452,222.51
Expense on Research and Development		
Goodwill		

Long-term expenses to be apportioned	7,393,587.02	7,481,809.53
Deferred income tax asset		
Other non-current asset	7,000,000.00	7,000,000.00
Total non-current asset	7,699,796,726.01	7,613,159,000.77
Total assets	12,078,596,252.60	11,830,867,906.64
Current liabilities:		
Short-term loans	589,000,000.00	539,000,000.00
Transactional financial liabilities		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Note payable and account payable	869,660,213.37	694,367,042.00
Accounts received in advance		
Contractual liability	5,410,556.58	4,182,083.40
Wage payable	24,216,942.71	36,233,563.12
Taxes payable	9,550,478.10	13,426,601.90
Other account payable	1,414,671,051.06	1,481,817,856.56
Including: Interest payable	3,170,194.80	1,354,592.35
Dividend payable		
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities	286,774.36	226,427.99
Total current liabilities	2,912,796,016.18	2,769,253,574.97
Non-current liabilities:		
Long-term loans	31,600,000.00	31,600,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term account payable	800,000.00	800,000.00
Long-term wages payable	118,000.00	118,000.00
Accrual liability		
Deferred income	1,598,343.17	1,687,899.50

Deferred income tax liabilities	2,264,238.33	2,298,426.39
Other non-current liabilities		
Total non-current liabilities	36,380,581.50	36,504,325.89
Total liabilities	2,949,176,597.68	2,805,757,900.86
Owner's equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	4,426,362,777.26	4,426,362,777.26
Less: Inventory shares		
Other comprehensive income		
Special reserves		
Surplus public reserve	214,063,491.50	214,063,491.50
Retained profit	4,060,866,403.16	3,956,556,754.02
Total owner's equity	9,129,419,654.92	9,025,110,005.78
Total liabilities and owner's equity	12,078,596,252.60	11,830,867,906.64

3. Consolidated Income Statement

In RMB

Item	Current period	Last period
I. Total operating income	11,879,309,078.82	10,256,566,731.51
Including: Operating income	11,879,309,078.82	10,256,566,731.51
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	11,537,438,016.52	9,962,364,535.96
Including: Operating cost	10,577,400,754.11	9,138,308,909.43
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		
Tax and extras	30,332,457.09	26,770,236.12
Sales expense	715,774,974.40	606,866,589.59
Administrative expense	177,959,158.93	169,516,240.49
R&D expense		
Financial expense	31,054,269.89	22,272,552.43
Including: Interest expenses	58,290,745.18	36,406,979.15
Interest income	29,668,524.26	10,935,569.52
Losses of devaluation of asset	516,563.77	-530,515.38
Losses of devaluation of credit	4,399,838.33	-839,476.72
Add: other income	1,089,732.58	1,419,763.88
Investment income (Loss is listed with “-”)	81,891,387.17	82,615,372.00
Including: Investment income on affiliated company and joint venture	81,891,387.17	82,615,372.00
Exchange income (Loss is listed with “-”)		
Net income of exposure hedging (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	-14,209.30	3,830,300.39
III. Operating profit (Loss is listed with “-”)	424,837,972.75	382,067,631.82
Add: Non-operating income	1,840,284.73	1,360,096.85
Less: Non-operating expense	359,824.55	624,679.96
IV. Total Profit (Loss is listed with “-”)	426,318,432.93	382,803,048.71
Less: Income tax expense	81,698,106.29	69,964,333.16
V. Net profit (Net loss is listed with “-”)	344,620,326.64	312,838,715.55
(i) Classify by business continuity		
1. Net profit from continuous operation (Net loss is listed with “-”)	344,620,326.64	312,838,715.55
2. Net profit from discontinued operation (Net loss is listed with “-”)		
(ii) Classify by ownership		

1. Net profit attributable to owners of parent company	300,149,012.08	292,731,685.33
2. Minority shareholders' gains and losses	44,471,314.56	20,107,030.22
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 gain/loss		
1.Re-measurement of the change of defined benefit plan		
2.Other comprehensive income unable transfer to gain/loss under equity method		
3. Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income able to transfer to gain/loss under equity method		
2.Change of fair value of other debt investment		
3.Gains or losses arising from changes in fair value of available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		

VII. Total comprehensive income	344,620,326.64	312,838,715.55
Total comprehensive income attributable to owners of parent Company	300,149,012.08	292,731,685.33
Total comprehensive income attributable to minority shareholders	44,471,314.56	20,107,030.22
VIII. Earnings per share:		
(i) Basic earnings per share	0.70	0.68
(ii) Diluted earnings per share	0.70	0.68

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 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. Company Income Statement

In RMB

Item	Current period	Last period
I. Operation income	980,473,288.29	838,120,017.53
Less: Operating cost	941,804,760.61	799,779,364.60
Tax and extras	1,316,238.98	835,459.34
Sales expense	14,925,549.11	12,616,898.48
Administrative expense	14,279,164.82	17,050,142.14
R&D expense		
Financial expense	-13,902,193.26	-8,050,984.45
Including: Interest expenses	10,213,129.26	10,790,064.92
Interest income	24,381,516.96	19,000,031.39
Losses of devaluation of asset	361,970.94	615,777.60
Losses of devaluation of credit		
Add: other income	193,207.80	326,108.76
Investment income (Loss is listed with “-”)	87,865,487.39	86,415,508.07
Including: Investment income on affiliated company and joint venture	87,865,487.39	86,415,508.07
Net income of exposure hedging (Loss is listed with “-”)		

Income from change of fair value (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	109,746,492.28	102,014,976.65
Add: Non-operating income	45,736.26	1.36
Less: Non-operating expense		127,688.63
III. Total Profit (Loss is listed with “-”)	109,792,228.54	101,887,289.38
Less: Income tax expense	5,482,579.40	3,887,522.50
IV. Net profit (Net loss is listed with “-”)	104,309,649.14	97,999,766.88
(i) net profit from continuous operation (Net loss is listed with “-”)	104,309,649.14	97,999,766.88
(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 gain/loss		
1.Re-measurement of the change of defined benefit plan		
2.Other comprehensive income unable transfer to gain/loss under equity method		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5.Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income able to transfer to gain/loss under equity method		
2.Change of fair value of other debt investment		
3.Gains or losses arising from changes in fair value of available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gains or losses arising from		

reclassification of held-to-maturity investment as available-for-sale financial assets		
6. Credit impairment provision for other debt investment		
7. Cash flow hedging reserve		
8. Translation differences arising on translation of foreign currency financial statements		
9. Other		
VI. Total comprehensive income	104,309,649.14	97,999,766.88
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	11,235,250,201.33	9,559,665,373.83
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		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		389.03
Other cash received concerning operating activities	132,553,315.42	148,125,927.35
Subtotal of cash inflow arising from operating activities	11,367,803,516.75	9,707,791,690.21
Cash paid for purchasing commodities and receiving labor service	10,889,119,533.11	9,484,567,939.67
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of financial assets held for transaction purposes		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	565,281,263.79	506,267,191.33
Taxes paid	319,123,756.29	263,785,194.50
Other cash paid concerning operating activities	353,646,315.85	317,887,654.67
Subtotal of cash outflow arising from operating activities	12,127,170,869.04	10,572,507,980.17
Net cash flows arising from operating activities	-759,367,352.29	-864,716,289.96
II. Cash flows arising from investing activities:		

Cash received from recovering investment		
Cash received from investment income	1,053,000.00	757,007.78
Net cash received from disposal of fixed, intangible and other long-term assets	72,078.73	5,685,052.04
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		44,000,000.00
Subtotal of cash inflow from investing activities	1,125,078.73	50,442,059.82
Cash paid for purchasing fixed, intangible and other long-term assets	52,402,499.52	50,791,078.84
Cash paid for investment	20,122,074.00	
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	2,761.38	43,999,800.00
Subtotal of cash outflow from investing activities	72,527,334.90	94,790,878.84
Net cash flows arising from investing activities	-71,402,256.17	-44,348,819.02
III. Cash flows arising from financing activities		
Cash received from absorbing investment	4,392,000.00	11,493,200.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	4,392,000.00	11,493,200.00
Cash received from loans	10,000,000.00	13,671,657.79
Cash received from issuing bonds		
Other cash received concerning financing activities	170,881,105.78	101,823,564.80
Subtotal of cash inflow from financing activities	185,273,105.78	126,988,422.59

Cash paid for settling debts	66,561,634.53	60,000,000.00
Cash paid for dividend and profit distributing or interest paying	84,053,395.41	30,822,293.85
Including: Dividend and profit of minority shareholder paid by subsidiaries		2,581,864.12
Other cash paid concerning financing activities	3,976,889.98	3,127,895.57
Subtotal of cash outflow from financing activities	154,591,919.92	93,950,189.42
Net cash flows arising from financing activities	30,681,185.86	33,038,233.17
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	605.19	
V. Net increase of cash and cash equivalents	-800,087,817.41	-876,026,875.81
Add: Balance of cash and cash equivalents at the period -begin	7,641,958,558.92	3,673,498,691.48
VI. Balance of cash and cash equivalents at the period -end	6,841,870,741.51	2,797,471,815.67

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	979,117,418.50	762,534,474.46
Write-back of tax received		
Other cash received concerning operating activities	8,959,448.01	35,545,170.43
Subtotal of cash inflow arising from operating activities	988,076,866.51	798,079,644.89
Cash paid for purchasing commodities and receiving labor service	893,485,571.99	809,539,295.55

Cash paid to/for staff and workers	31,401,584.94	28,353,128.47
Taxes paid	16,046,448.54	9,359,247.21
Other cash paid concerning operating activities	9,310,459.60	5,064,967.04
Subtotal of cash outflow arising from operating activities	950,244,065.07	852,316,638.27
Net cash flows arising from operating activities	37,832,801.44	-54,236,993.38
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	16,895,775.01	15,164,809.14
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	442,400,000.00	567,200,000.00
Subtotal of cash inflow from investing activities	459,295,775.01	582,364,809.14
Cash paid for purchasing fixed, intangible and other long-term assets	1,462,422.93	3,475,188.15
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	629,400,000.00	564,900,000.00
Subtotal of cash outflow from investing activities	630,862,422.93	568,375,188.15
Net cash flows arising from investing activities	-171,566,647.92	13,989,620.99
III. Cash flows arising from financing activities		
Cash received from absorbing investment		

Cash received from loans	10,000,000.00	10,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	4,517,196,050.81	3,631,131,894.36
Subtotal of cash inflow from financing activities	4,527,196,050.81	3,641,131,894.36
Cash paid for settling debts	10,000,000.00	10,000,000.00
Cash paid for dividend and profit distributing or interest paying	6,245,437.77	9,054,055.96
Other cash paid concerning financing activities	4,584,325,273.13	4,194,238,186.87
Subtotal of cash outflow from financing activities	4,600,570,710.90	4,213,292,242.83
Net cash flows arising from financing activities	-73,374,660.09	-572,160,348.47
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	605.19	
V. Net increase of cash and cash equivalents	-207,107,901.38	-612,407,720.86
Add: Balance of cash and cash equivalents at the period -begin	1,817,654,598.01	1,776,696,342.87
VI. Balance of cash and cash equivalents at the period -end	1,610,546,696.63	1,164,288,622.01

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new financial instrument rules, new revenue rules and new leasing rules

Applicable Not applicable

2. Retrospective adjustment of the comparative data for initial implementation of new financial instrument rules and new leasing rules

Applicable Not applicable

III. 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.

China National Accord Medicines Corporation Ltd.

Legal representative: Lin Zhaoxiong

25 April 2019