

Section IX Financial Reporting

Report of the Auditors

Consolidated financial statements for the six months ended 30 June 2021 haven't been audited.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET

As at 30 June 2021

(Expressed in Renminbi Yuan)

ASSETS	Note V	30 June 2021	31 December 2020
Current assets			
Cash and bank balances	1	5,876,638,427.56	5,998,204,295.87
Notes receivable	2	606,070,192.39	622,115,477.04
Accounts receivable	3	17,761,176,449.25	13,799,971,014.22
Receivable financing	4	345,906,887.55	1,404,987,700.38
Advances to suppliers	5	615,602,916.31	480,313,574.71
Other receivables	6	662,274,841.26	535,228,747.69
Incl: Dividend receivable		-	-
Inventories	7	7,219,658,618.62	6,285,010,674.46
Contract Assets	8	17,066,105.53	15,177,731.64
Other current assets	9	101,585,930.05	121,082,863.45
Total current assets		<u>33,205,980,368.52</u>	<u>29,262,092,079.46</u>
Non-current assets			
Long-term equity investments	10	2,427,605,792.21	2,287,019,627.99
Other equity instrument investment	11	99,488,340.28	99,488,340.28
Other non-current financial assets	12	117,974,908.51	120,972,350.24
Investment properties	13	123,389,130.71	127,444,379.94
Fixed assets	14	840,386,519.64	854,191,083.27
Construction in progress	15	64,636,735.93	46,631,190.23
Right-of-use assets	16	2,523,874,174.71	2,356,952,392.99
Intangible assets	17	751,492,524.18	734,345,179.40
Goodwill	18	2,932,001,316.63	2,747,375,281.11
Long-term prepaid expenses	19	523,192,988.98	457,705,276.09
Deferred tax assets	20	96,595,749.33	92,118,767.81
Other non-current assets	21	484,259,854.32	408,197,522.84
Total non-current assets		<u>10,984,898,035.43</u>	<u>10,332,441,392.19</u>
Total assets		<u><u>44,190,878,403.95</u></u>	<u><u>39,594,533,471.65</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2021

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND EQUITY</u>	Note V	30 June 2021	31 December 2020
Current liabilities			
Short-term borrowings	22	4,632,933,904.39	1,612,187,020.12
Notes payable	23	6,780,425,089.17	7,520,165,274.69
Accounts payable	24	9,642,504,836.50	7,697,451,142.50
Receipts in advance	25	14,868,097.97	12,352,466.64
Contract liabilities	26	316,827,151.78	368,600,357.14
Employee benefits payable	27	242,205,983.09	357,212,047.10
Tax payable	28	298,201,588.13	316,867,149.16
Other payables	29	1,531,899,017.87	1,599,166,881.14
Non-current liabilities due within one year	30	798,170,618.10	748,732,059.89
Other current liabilities	31	22,432,447.97	24,787,078.55
Total current liabilities		24,280,468,734.97	20,257,521,476.93
Non-current liabilities			
Long-term borrowings	32	61,633,794.44	31,637,173.89
Lease liabilities	33	1,361,131,352.80	1,303,054,163.90
Long-term payables	34	6,938,189.00	6,938,189.00
Long-term employee benefits payable	35	1,262,000.00	1,319,000.00
Provisions	36	68,663,166.79	68,808,166.79
Deferred income	37	91,315,333.89	89,843,583.37
Deferred tax liabilities	20	200,498,143.67	205,921,408.66
Other non-current liabilities	38	630,839,755.01	740,862,989.59
Total non-current liabilities		2,422,281,735.60	2,448,384,675.20
Total liabilities		26,702,750,470.57	22,705,906,152.13

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2021

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND EQUITY</u>	Note V	30 June 2021	31 December 2020
Equity			
Share capital	39	428,126,983.00	428,126,983.00
Capital surplus	40	4,372,043,185.43	4,372,504,053.72
Other comprehensive income	41	38,547,872.62	38,483,017.72
Surplus reserve	42	214,063,491.50	214,063,491.50
Retained earnings	43	<u>9,294,088,533.24</u>	<u>8,895,145,106.39</u>
Total equity attributable to owners of the parent		14,346,870,065.79	13,948,322,652.33
Non-controlling interests		<u>3,141,257,867.59</u>	<u>2,940,304,667.19</u>
Total equity		<u>17,488,127,933.38</u>	<u>16,888,627,319.52</u>
Total liabilities and equity		<u><u>44,190,878,403.95</u></u>	<u><u>39,594,533,471.65</u></u>

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Legal representative:

Financial controller:

Head of Accounting Department:

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Operating revenue	44	33,163,091,887.39	27,169,940,188.52
Less: Operating costs	44	29,216,837,201.07	23,971,029,719.44
Taxes and surcharges	45	75,989,854.58	69,505,309.32
Selling expenses	46	2,307,485,529.77	1,728,738,818.60
Administrative expenses	47	492,536,936.71	443,287,144.92
Finance costs	48	107,243,003.15	65,313,829.62
Incling: Interest expense		147,057,897.99	133,350,510.68
Interest income		38,758,729.78	65,512,550.22
Add: Interest expense	49	47,249,616.26	35,855,298.32
Investment income	50	156,587,066.32	105,206,349.26
Incling: Investment income from associates		157,696,397.81	133,604,904.16
Income from the derecognition of financial assets measured at amortised cost		(7,039,046.60)	(33,507,102.64)
Credit impairment losses	51	(28,664,985.44)	(21,580,231.52)
Impairment losses	52	(416,915.26)	(1,743,888.30)
Gain on disposal of assets	53	(588,799.55)	4,305,324.80
Operating profits		1,137,165,344.44	1,014,108,219.18
Add: Non-operating income	54	12,493,320.44	5,219,980.22
Less: Non-operating expenses	55	3,237,951.35	3,008,892.52
Total profit		1,146,420,713.53	1,016,319,306.88
Less: Income tax expenses	56	238,426,259.04	210,106,764.35
Net profit		<u>907,994,454.49</u>	<u>806,212,542.53</u>
Net Profit from continuing operations		<u>907,994,454.49</u>	<u>806,212,542.53</u>
Net profit attributable to owners of the parent		<u>741,445,013.25</u>	<u>643,451,580.59</u>
Profit or loss of non-controlling interests		<u>166,549,441.24</u>	<u>162,760,961.94</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Other comprehensive income, net of tax		64,854.90	122,186.89
Other comprehensive income, net of tax, attributable to owners of the parent		64,854.90	122,186.89
Other comprehensive income that will be reclassified to profit or loss		64,854.90	122,186.89
Other comprehensive income using the equity method that will be reclassified to profit or loss		64,854.90	122,186.89
Total comprehensive income		<u>908,059,309.39</u>	<u>806,334,729.42</u>
Incl: Total comprehensive income attributable to owners of the parent		<u>741,509,868.15</u>	<u>643,573,767.48</u>
Total comprehensive income attributable to non-controlling interests		<u>166,549,441.24</u>	<u>162,760,961.94</u>
Earnings per share			
Basic earnings per share		<u>1.73</u>	<u>1.50</u>
Diluted earnings per share		<u>1.73</u>	<u>1.50</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2021	Attributable to owners of the parent					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserves	Retained earnings			
I. Balance at end of prior year	428,126,983.00	4,372,504,053.72	38,483,017.72	214,063,491.50	8,895,145,106.39	13,948,322,652.33	2,940,304,667.19	16,888,627,319.52
Add: Business combination involving entities under common control	-	-	-	-	-	-	-	-
II. Balance at beginning of year	<u>428,126,983.00</u>	<u>4,372,504,053.72</u>	<u>38,483,017.72</u>	<u>214,063,491.50</u>	<u>8,895,145,106.39</u>	<u>13,948,322,652.33</u>	<u>2,940,304,667.19</u>	<u>16,888,627,319.52</u>
III. Changes for the year	-	(460,868.29)	64,854.90	-	398,943,426.85	398,547,413.46	200,953,200.40	599,500,613.86
(1) Total comprehensive income	-	-	64,854.90	-	741,445,013.25	741,509,868.15	166,549,441.24	908,059,309.39
(2) Owners' contributions and reduction in capital	-	(460,868.29)	-	-	-	(460,868.29)	58,773,146.38	58,312,278.09
1. Capital contributions by owners	-	-	-	-	-	-	15,680,000.00	15,680,000.00
2. Others	-	(460,868.29)	-	-	-	(460,868.29)	43,093,146.38	42,632,278.09
(3) Profit distribution	-	-	-	-	(342,501,586.40)	(342,501,586.40)	(24,369,387.22)	(366,870,973.62)
1. Distribution to equity owners	-	-	-	-	(342,501,586.40)	(342,501,586.40)	(24,369,387.22)	(366,870,973.62)
IV. Balance at end of year	<u>428,126,983.00</u>	<u>4,372,043,185.43</u>	<u>38,547,872.62</u>	<u>214,063,491.50</u>	<u>9,294,088,533.24</u>	<u>14,346,870,065.79</u>	<u>3,141,257,867.59</u>	<u>17,488,127,933.38</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY(Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2020	Attributable to owners of the parent					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserves	Retained earnings			
I. Balance at end of prior year	428,126,983.00	4,363,007,511.57	45,917,342.77	214,063,491.50	7,755,295,537.08	12,806,410,865.92	2,553,426,974.31	15,359,837,840.23
Add: Business combination involving entities under common control	-	107,759,447.87	-	-	(3,029,877.91)	104,729,569.96	109,412,866.52	214,142,436.48
II. Balance at beginning of year	<u>428,126,983.00</u>	<u>4,470,766,959.44</u>	<u>45,917,342.77</u>	<u>214,063,491.50</u>	<u>7,752,265,659.17</u>	<u>12,911,140,435.88</u>	<u>2,662,839,840.83</u>	<u>15,573,980,276.71</u>
III. Changes for the year	-	(97,854,894.55)	122,186.89	-	386,575,390.79	288,842,683.13	154,985,375.48	443,828,058.61
(1) Total comprehensive income	-	-	122,186.89	-	643,451,580.59	643,573,767.48	162,760,961.94	806,334,729.42
(2) Owners' contributions and reduction in capital	-	(97,854,894.55)	-	-	-	(97,854,894.55)	10,931,276.73	(86,923,617.82)
1. Capital contributions by owners	-	-	-	-	-	-	-	-
2. Others	-	(97,854,894.55)	-	-	-	(97,854,894.55)	10,931,276.73	(86,923,617.82)
(3) Profit distribution	-	-	-	-	(256,876,189.80)	(256,876,189.80)	(18,706,863.19)	(275,583,052.99)
1. Distribution to equity owners	-	-	-	-	(256,876,189.80)	(256,876,189.80)	(18,706,863.19)	(275,583,052.99)
IV. Balance at end of year	<u>428,126,983.00</u>	<u>4,372,912,064.89</u>	<u>46,039,529.66</u>	<u>214,063,491.50</u>	<u>8,138,841,049.96</u>	<u>13,199,983,119.01</u>	<u>2,817,825,216.31</u>	<u>16,017,808,335.32</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1.CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales of good and the rendering of services		32,800,434,055.12	27,735,103,033.02
Receipts of taxes and surcharges refunds		9,380,253.27	8,145,306.66
Other cash receipts relating to operating activities	57	<u>368,590,875.46</u>	<u>707,202,110.00</u>
Total cash inflows from operating activities		<u>33,178,405,183.85</u>	<u>28,450,450,449.68</u>
Cash payments for goods and services		28,541,885,459.35	24,305,374,637.56
Cash payments to and on behalf of employees		1,708,255,657.44	1,278,474,969.40
Payments of all types of taxes and surcharges		766,110,586.13	724,722,540.88
Other cash payments relating to operating activities	57	<u>932,780,197.36</u>	<u>703,674,258.49</u>
Total cash outflows from operating activities		<u>31,949,031,900.28</u>	<u>27,012,246,406.33</u>
Net cash flows from operating activities	58	<u>1,229,373,283.57</u>	<u>1,438,204,043.35</u>
2.CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from returns of investments		2,997,441.73	19,027,649.76
Cash receipts from returns on investments		22,643,935.31	84,166,102.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		537,887.38	4,352,536.98
Other cash receipts relating to investing activities	57	<u>54,984.60</u>	<u>22,040,000.00</u>
Total cash inflows from investing activities		<u>26,234,249.02</u>	<u>129,586,288.84</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
2.CASH FLOWS FROM INVESTING ACTIVITIES (Continued)			
Cash payments to acquire fixed assets, intangible assets and other long-term assets		145,820,319.98	116,186,214.91
Cash payments for investments		70,724,113.00	20,545,399.15
Net cash payments for acquisition of subsidiaries and other business units		100,950,637.41	659,201,491.65
Other cash payments relating to investing activities		-	-
Total cash outflows from investing activities		<u>317,495,070.39</u>	<u>795,933,105.71</u>
Net cash flows from investing activities		<u>(291,260,821.37)</u>	<u>(666,346,816.87)</u>
3.CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from investments by others		15,680,000.00	-
Incl: Cash receipts from capital contributions from non-controlling interests of subsidiaries		15,680,000.00	-
Cash receipts from borrowings		915,684,894.52	589,920,037.57
Other cash receipts relating to financing activities	57	<u>104,090,555.62</u>	<u>334,349,840.06</u>
Total cash inflows from financing activities		<u>1,035,455,450.14</u>	<u>924,269,877.63</u>
Cash repayments for debts		511,076,477.58	284,200,000.00
Cash payments for distribution of dividends or profit and interest expenses		492,345,229.08	432,276,651.88
Incl: Dividends or profit paid to non-controlling shareholders of subsidiaries		22,846,959.82	10,890,773.58
Other cash payments relating to financing activities	57	<u>838,045,248.87</u>	<u>1,405,111,664.26</u>
Total cash outflows from financing activities		<u>1,841,466,955.53</u>	<u>2,121,588,316.14</u>
Net cash flows from financing activities		<u>(806,011,505.39)</u>	<u>(1,197,318,438.51)</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
4.EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		<u>392,002.63</u>	<u>(47,935.97)</u>
5.NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	58	132,492,959.44	(425,509,148.00)
Add: Cash and cash equivalents at beginning of the year		<u>5,405,113,257.99</u>	<u>8,426,071,170.16</u>
6.CASH AND CASH EQUIVALENTS AT END OF YEAR	58	<u><u>5,537,606,217.43</u></u>	<u><u>8,000,562,022.16</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET

As at 30 June 2021

(Expressed in Renminbi Yuan)

<u>ASSETS</u>	<u>Note XIV</u>	30 June 2021	31 December 2020
Current assets			
Cash and bank balances		3,365,069,497.52	3,020,909,473.71
Notes receivable		64,759,826.01	30,984,449.44
Accounts receivable	1	701,273,128.58	609,575,301.13
Receivables financing		2,436,398.01	30,248,631.32
Advances to suppliers		4,566,924.77	6,722,204.59
Other receivables	2	3,467,427,719.16	3,562,309,346.07
Inventories		189,783,318.68	172,275,777.63
Current Assets		103,944.56	139,154.54
Other current assets		39,482.38	39,482.38
Total current assets		<u>7,795,460,239.67</u>	<u>7,433,203,820.81</u>
Non-current assets			
Long-term equity investments	3	8,014,254,485.09	7,873,668,245.16
Other non-current financial assets		117,974,908.51	120,972,350.24
Investment properties		1,436,098.78	1,452,132.04
Fixed assets		12,027,831.98	13,279,902.76
Right-of-use assets		4,581,076.34	5,142,755.88
Intangible assets		5,801,168.94	4,622,268.00
Long-term prepaid expenses		4,189,589.43	4,335,802.92
Deferred tax assets		9,245,324.81	9,025,057.52
Other non-current assets		36,250,241.84	12,967,715.50
Total non-current assets		<u>8,205,760,725.72</u>	<u>8,045,466,230.02</u>
Total assets		<u><u>16,001,220,965.39</u></u>	<u><u>15,478,670,050.83</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET (Continued)

As at 30 June 2021

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	30 June 2021	31 December 2020
Current liabilities		
Short-term borrowings	878,608,520.99	157,892,942.24
Notes payable	393,434,370.38	756,364,719.49
Accounts payable	507,406,947.28	407,275,713.49
Contract liabilities	8,566,647.98	1,807,562.61
Employee benefits payable	34,107,984.22	36,672,344.48
Tax payables	16,253,302.56	13,975,905.04
Other payables	2,720,704,209.77	3,167,152,583.28
Non-current liabilities due within one year	1,078,862.94	1,056,120.58
Other current liabilities	<u>1,434,414.00</u>	<u>636,200.63</u>
Total current liabilities	<u>4,561,595,260.12</u>	<u>4,542,834,091.84</u>
Non-current liabilities		
Long-term borrowings	31,633,794.44	31,637,173.89
Lease liabilities	3,909,950.01	4,455,967.97
Long-term payables	800,000.00	800,000.00
Deferred income	603,137.94	827,658.18
Other non-current liabilities	<u>22,866,538.58</u>	<u>11,042.52</u>
Total non-current liabilities	<u>59,813,420.97</u>	<u>37,731,842.56</u>
Total liabilities	<u><u>4,621,408,681.09</u></u>	<u><u>4,580,565,934.40</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET (Continued)

As at 30 June 2021

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	30 June 2021	31 December 2020
Shareholders' equity		
Share capital	428,126,983.00	428,126,983.00
Capital surplus	4,467,530,563.30	4,467,991,431.59
Other comprehensive income	(63,178.42)	(128,033.32)
Surplus reserve	214,063,491.50	214,063,491.50
Retained earnings	<u>6,270,154,424.92</u>	<u>5,788,050,243.66</u>
Total shareholders' equity	<u>11,379,812,284.30</u>	<u>10,898,104,116.43</u>
Total liabilities and shareholders' equity	<u><u>16,001,220,965.39</u></u>	<u><u>15,478,670,050.83</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY INCOME STATEMENT

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	<u>Note XIV</u>	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Operating revenue	4	2,078,370,123.36	1,772,487,363.56
Less: Operating costs	4	1,991,420,311.80	1,689,564,062.24
Taxes and surcharges		2,488,284.74	2,582,640.86
Selling expenses		35,959,501.73	31,376,377.04
Administrative expenses		46,619,035.09	43,060,479.75
Finance costs		(55,486,414.78)	(43,838,117.34)
Incl: Interest expense		27,864,903.28	21,928,061.34
Interest income		83,409,776.86	66,569,319.85
Add: Other incomes		1,931,159.58	629,921.47
Investment income	5	780,364,601.71	749,633,760.78
Incl: Investment income from associates		157,696,473.52	133,549,495.38
Income from the derecognition of financial assets measured at amortised cost		(221,815.32)	(1,526,968.25)
Credit impairment losses		(123,032.41)	(976,022.96)
Impairment losses		(281,770.77)	(242,731.87)
Gain on disposal of assets		80,996.38	-
Operating profits		839,341,359.27	798,786,848.43
Add: Non-operating income		408,885.12	1,596.77
Less: Non-operating expenses		-	52,122.72
Total profit		839,750,244.39	798,736,322.48
Less: Income tax expenses		15,144,476.73	9,645,280.09
Net profit		<u>824,605,767.66</u>	<u>789,091,042.39</u>
Profit or loss from continuing operations		824,605,767.66	789,091,042.39
Other comprehensive income, net of tax		64,854.90	122,186.89
Other comprehensive income that will be reclassified to profit or loss		64,854.90	122,186.89
Other comprehensive income using the equity method that will be reclassified to profit or loss		64,854.90	122,186.89
Total comprehensive income		<u>824,670,622.56</u>	<u>789,213,229.28</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2021	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
I. Balance at end of prior year	428,126,983.00	4,467,991,431.59	(128,033.32)	214,063,491.50	5,788,050,243.66	10,898,104,116.43
II. Changes for the year	-	(460,868.29)	64,854.90	-	482,104,181.26	481,708,167.87
(1) Total comprehensive income	-	-	64,854.90	-	824,605,767.66	824,670,622.56
(2) Owners' contributions and reduction in capital	-	(460,868.29)	-	-	-	(460,868.29)
1. Others	-	(460,868.29)	-	-	-	(460,868.29)
(3) Profit distribution	-	-	-	-	(342,501,586.40)	(342,501,586.40)
1. Distribution to owners	-	-	-	-	(342,501,586.40)	(342,501,586.40)
III. Balance at end of year	<u>428,126,983.00</u>	<u>4,467,530,563.30</u>	<u>(63,178.42)</u>	<u>214,063,491.50</u>	<u>6,270,154,424.92</u>	<u>11,379,812,284.30</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2020	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
I. Balance at end of prior year	428,126,983.00	4,468,385,307.32	(133,366.19)	214,063,491.50	4,996,184,257.34	10,106,626,672.97
II. Changes for the year	-	14,135.44	122,186.89	-	532,214,852.59	532,351,174.92
(1) Total comprehensive income	-	-	122,186.89	-	789,091,042.39	789,213,229.28
(2) Owners' contributions and reduction in capital	-	14,135.44	-	-	-	14,135.44
1.Others	-	14,135.44	-	-	-	14,135.44
(3) Profit distribution	-	-	-	-	(256,876,189.80)	(256,876,189.80)
1. Distribution to owners	-	-	-	-	(256,876,189.80)	(256,876,189.80)
III. Balance at end of year	<u>428,126,983.00</u>	<u>4,468,399,442.76</u>	<u>(11,179.30)</u>	<u>214,063,491.50</u>	<u>5,528,399,109.93</u>	<u>10,638,977,847.89</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY CASH FLOW STATEMENT

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sales of good and the rendering of services	2,051,451,080.04	1,959,922,054.30
Other cash receipts relating to operating activities	31,548,087.03	56,400,693.21
Total cash inflows from operating activities	2,082,999,167.07	2,016,322,747.51
Cash payments for goods and services	1,882,952,590.62	1,808,113,785.36
Cash payments to and on behalf of employees	61,431,053.37	56,731,764.12
Payments of all types of taxes and surcharges	36,319,473.82	34,728,524.87
Other cash payments relating to operating activities	11,443,446.22	36,411,653.42
Total cash outflows from operating activities	1,992,146,564.03	1,935,985,727.77
Net cash flows from operating activities	90,852,603.04	80,337,019.74
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	2,997,441.73	32,664,096.76
Cash receipts from returns on investments	214,065,210.12	252,042,116.93
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	339,163.00	-
Other cash receipts relating to investing activities	2,324,825,373.52	1,575,127,297.73
Total cash inflows from investing activities	2,542,227,188.37	1,859,833,511.42
Cash payments for acquisition of fixed assets, intangible assets and other long-term assets	2,302,398.23	10,386,641.64
Other cash payments relating to investing activities	2,155,040,000.00	1,309,671,874.11
Total cash outflows from investing activities	2,157,342,398.23	1,320,058,515.75
Net cash flows from investing activities	384,884,790.14	539,774,995.67

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from borrowings	280,000,000.00	32,264,821.52
Other cash receipts relating to financing activities	18,653,623,031.33	16,113,679,647.75
	<u>18,933,623,031.33</u>	<u>16,145,944,469.27</u>
Total cash inflows from financing activities	18,933,623,031.33	16,145,944,469.27
Cash repayments for debts	30,164,821.52	43,700,000.00
Cash payments for distribution of dividends or profit and interest expenses	363,151,913.01	272,655,694.83
Other cash receipts relating to financing activities	18,673,121,608.99	15,582,101,156.66
Total cash outflows from financing activities	19,066,438,343.52	15,898,456,851.49
Net cash flows from financing activities	(132,815,312.19)	247,487,617.78
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	392,002.63	(47,935.97)
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		
	343,314,083.62	867,551,697.22
Add: Cash and cash equivalents at beginning of the year	3,020,909,473.71	2,894,333,956.38
	<u>3,364,223,557.33</u>	<u>3,761,885,653.60</u>
6. CASH AND CASH EQUIVALENTS AT END OF YEAR	3,364,223,557.33	3,761,885,653.60

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

I Profile of the Company

(1) Historical development and basic information

As approved by the People’s Government of Shenzhen (SFBF (1993) No.356), China National Accord Medicines Corporation Ltd. (hereinafter referred to as the “the Company”), formerly known as Shenzhen Health Mineral Water Corp., Ltd., was registered as a joint stock liability limited company on 1 February 1993 through stock transformation. In March 1993, with the approval from the Shenzhen Branch of the People’s Bank of China, the Company issued 30 million A shares (including 16.5 million public shares, 3.5 million employee shares and 10 million corporation shares) and 20 million B shares. After this issuance, the Company’s share capital was RMB105 million. Through convert capital surplus into share capital, bonus issues and issuance of shares for years, the share capital of the Company increased to RMB428.13 million as at 30 June 2021

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

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

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

On March 14 2014, the company issued 74,482,543 ordinary shares (A shares) through the non-public offering. Par value per share is RMB1.00. The shares shall not be transferred within 36 months since the issue day. The total number of shares of the Company was 362,631,943 since the date of issue.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

I Profile of the Company (Continued)

(1) Historical development and basic information (Continued)

The Company acquired the companies under common control, including Sinopharm Holding Guoda Drugstore Co., Ltd. (“Guoda Drugstore”), Foshan Nanhai Medicine Group Co., Ltd. (“Foshan Nanhai”), Guangdong South Pharmaceutical Foreign Trade Co., Ltd. (“South Pharma & Trade”) and Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd. (“Guangdong Uptodate & Special Medicines”) by issuing shares and raised supporting funds by issuing shares to Ping An Asset Management Co., Ltd. to acquire the non-controlling interest of South Pharma & Trade. The above transactions were completed on 31 December 2016, and the relevant shares were successfully issued and listed on 5 January 2017. Afterwards, the total number of shares of the Company increased to 428,126,983. As of 30 June 2021, the total share capital was RMB428.13 million.

The Company is registered with Shenzhen Administration for Industry & Commerce. Its Uniform Social Credit Code is 91440300192186267U. The operation period of the Company is from 2 August 1986 to the long term. The registered capital of the Company is RMB428.13 million. The legal representative of the Company is Lin Zhaoxiong.

The approved scope of business of the Company and its subsidiaries (together “the Group”) includes: the wholesale of traditional Chinese medicine preparations, bulk pharmaceutical drugs, chemical preparations, bulk antibiotic drugs, antibiotic preparations, biochemical drugs, biological products (including vaccines and in vitro diagnostic reagents psychotropic drugs and preparations, narcotic drugs, toxic drugs for medical use, protein assimilation preparation and peptide hormones; trading of dietary supplement; research, development and consultation services of pharmaceutical packaging materials and pharmaceutical industry products; industrial investment holding; domestic trade; material supply and marketing industry (other than special licensing); sale of ambulances; trade of second-class and third- class medical equipment; project investment; property management and leasing of self-owned properties; pharmacovigilance and medical information consulting; parking operation; logistics and related services; package agency business; logistic design; import and export services (excluding projects that are prohibited by the country; and limited projects has to be approved before operating).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

I Profile of the Company (Continued)

- (2) The Group’s parent and ultimate parent companies are Sinopharm Group and China National Pharmaceutical Group Corporation (“CNPGC”) , respectively.
- (3) These financial statements were authorized for issue by the board of directors of the Company on 13 August 2021.
- (4) Subsidiaries consolidated in the financial statements for the current period and change in the consolidation scope are shown in Note VI.

II Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of Accounting Standards for Business Enterprises issued by the Ministry of Finance and the specific accounting standards, application guidance, interpretation and other relevant regulations issued or amended thereafter (hereafter collectively referred to as “Accounting Standards for Business Enterprises” or “CAS”).

These financial statements are prepared on a going concern basis. Except for certain financial instruments, the financial statements have been prepared using the historical cost as the principle of measurement. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates

The Group determines the specific accounting policies and estimates based on its features of production and operation, primarily comprising the methods of provision for expected credit losses on receivables, valuation of inventories, depreciation of fixed assets and amortisation of intangible assets, the measurement model of investment properties, recognition and measurement of revenue, etc.

(1) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 30 June 2021 are in compliance with Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Group and the Company as of 30 June 2021 and the operating results, cash flows and other information for the six months ended 30 June 2021 of the Group and the Company.

(2) Accounting year

The Company’s accounting year begins on 1 January and ends on 31 December.

(3) Business cycle

The Company’s operating cycle is 12 months.

(4) Functional currency

The Group’s functional and presentation currency is Renminbi (RMB). The currency unit is RMB Yuan unless otherwise stated.

(5) Business combinations

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

(a) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving enterprises under common control, the enterprise that, at the combination date, obtains control of another combining enterprise is the absorbing enterprise, while that other combining enterprise is the enterprise being absorbed. The combination date is the date on which the absorbing enterprise effectively obtains control on the enterprise being absorbed.

The assets and liabilities (including goodwill arising from the ultimate controlling party’s acquisition of the enterprise being absorbed) that are obtained by the absorbing enterprise in a business combination involving enterprises under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves and the balance transferred from capital reserves under the old accounting system. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(5) Business combinations (Continued)

(b) Business combinations involving enterprises not under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. In a business combination not involving enterprises under common control, the enterprise that, on the acquisition date, obtains control of another combining enterprise is the acquirer, while that other combining enterprise is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree’s identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognised and measured at cost, being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group’s previously held equity interest in the acquiree over the Group’s interest in the fair value of the acquiree’s net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group’s previously held equity interest in the acquiree is lower than the Group’s interest in the fair value of the acquiree’s net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities and the fair value of the consideration transferred (or the fair value of the equity securities issued), together with the fair value of the Group’s previously held equity interest in the acquiree. If after that reassessment, the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and the Group’s previously held equity interest in the acquiree is still lower than the Group’s interest in the fair value of the acquiree’s net identifiable assets, the Group recognises the remaining difference in profit or loss.

Where the business combination not involving enterprises under common control is achieved in stages, the acquirer’s previously held equity interests in the acquiree are remeasured at the fair value on the acquisition date, with the difference between the fair value and carrying amount recognised as investment income for the current period. If the acquirer’s previously held equity interests of the acquiree involve other comprehensive income (“OCI”) under the equity method, the accounting treatment is conducted on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities, and the changes in shareholders’ equity other than net profit or loss, OCI and profit distributions are charged to profit or loss for the current period on the acquisition date. For financial assets at fair value through OCI held before the acquisition date, changes in fair value that were accumulated through OCI will transfer to retained earnings.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(6) Preparation of consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company).

In the preparation of the consolidated financial statements, the financial statements of subsidiaries are prepared for the same accounting year as the Company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicates that there are changes to one or more of the three elements of control.

When the Group loses control of a subsidiary in multiple transactions in which it disposes of its long-term equity investment in the subsidiary in stages, if each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of the equity investment in subsidiaries where control is retained. If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(7) Cash and cash equivalents

Cash comprises the Group’s cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

(8) Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

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

Foreign currency cash flows are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(9) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(9) Financial instruments (Continued)

Recognition and derecognition (Continued)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated balance sheet) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (i) has transferred substantially all the risks and rewards of the financial asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the marketplace. The trade date is the date that the Group committed to purchase or sell a financial asset.

Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(9) Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

The subsequent measurement of financial assets depends on their classification as follows:

Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Debt investments at fair value through other comprehensive income

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss except for the derivatives designated as hedging instruments in an effective hedge.

Only when an accounting mismatch is eliminated or significantly decreased, financial assets are designated as financial assets at fair value through profit or loss at initial recognition.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(9) Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; and other financial assets cannot be re-designated after initial recognition as financial assets measured at fair value through profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, other financial liabilities or derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss except for the derivatives designated as hedging instruments in an effective hedge. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Only if one of the following conditions is met can financial liabilities be designated as financial liabilities at fair value through profit or loss on initial recognition:

- (1) It can eliminate or significantly reduce the accounting mismatch.
- (2) The formal written document of the risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.
- (3) The financial liability is a hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flows of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.
- (4) Mixed instruments contain embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or on subsequent balance sheet days.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(9) Financial instruments (Continued)

Classification and measurement of financial liabilities (Continued)

Other financial liabilities

After initial recognition, such financial liabilities are measured at amortised cost using the effective interest method.

Impairment of financial assets

Based on the expected credit losses (“ECLs”), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, and contract assets.

For trade receivables and contract assets that do not contain a significant financing component, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

For trade receivables and contract assets that contain a significant financing component, the Group chooses to adopt the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above and other financial assets, the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group evaluates the expected credit losses on financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses on accounts receivable based on the aging portfolio.

Refer to Note X (3) for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of assets with impaired credit losses, and the assumption of measuring expected credit losses.

When the Group no longer reasonably expects to be able to recover all or part of the contract cash flows of the financial assets, the Group directly writes down the carrying amount of the financial asset.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(9) Financial instruments (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Transfer of financial assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

(10) Notes receivables

For details of the method for determining the expected credit loss of notes receivable, please refer to Note V (9) “Financial instruments - Impairment of financial instruments”.

(11) Accounts receivables

For details of the method for determining the expected credit loss of accounts receivable, please refer to Note V (9) “Financial instruments - Impairment of financial instruments”.

(12) Receivable financing

It includes notes receivable and accounts receivables designated at fair value through other comprehensive income as at balance sheet date.

For details of the method for determining the expected credit loss of receivables financing, please refer to Note V (9) “Financial instruments - Impairment of financial instruments”.

(13) Other receivables

For details of the method for determining the expected credit losses of other receivables, please refer to Note V (9) “Financial instruments - Impairment of financial instruments”.

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Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(14) Inventories

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

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. Cost is determined on the weighted average basis. Turnover materials include low value consumables and packing materials, which are on the immediate write-off basis.

The Group adopts the perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Finished goods are written down item by item.

(15) Contract assets

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer’s payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Note V (10) “Financial instruments - Impairment of financial instruments”.

(16) Assets relating to contract cost

The Group’s contract cost assets include the costs to obtain and fulfil a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(16) Assets relating to contract cost (Continued)

Other than the costs which are capitalised as inventories, fixed assets and intangible assets, etc., costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;
- (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- (3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

- (1) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less
- (2) the costs that are expected to be incurred to transfer those related goods or services.

The Group recognises in profit or loss a reversal of the impairment loss previously recognised to the extent that the difference between (1) and (2) exceeds the carrying amount of the asset due to the subsequent changes of the factors causing asset impairment in previous periods, but the carrying amount after the reversal does not exceed the carrying amount of the asset at the reversal date if no impairment loss is otherwise recognised.

(17) Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(17) Long-term equity investments (Continued)

A long-term equity investment is initially measured at its initial investment cost on acquisition. For long-term equity investments arising from business combination involving enterprises under common control, the initial investment cost shall be the share of the carrying amount of equity of the acquiree in the consolidated financial statements of the ultimate controlling party as at the combination date. The difference between the initial investment cost and book value of consideration of combination is adjusted to capital reserves, and to retained earnings if capital reserves is insufficient. Other comprehensive income recognised before the combination date is accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the investee’s equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss. Equity which still involves a long-term investment after disposal is reclassified to profit or loss on a pro-rata basis and equity which swiches to a financial instrument after disposal is fully reclassified to profit or loss. For long-term equity investments arising from business combination involving enterprises not under common control, the investment cost shall be the combination cost. (For a business combination achieved in stages, the initial investment cost is determined as the sum of the carrying amount of equity of the acquiree and the additional investment costs on the combination date.) The combination cost involves the assets paid by the acquirer, liabilities incurred and the fair value of equity securities. Other comprehensive incomes recognised using the equity method before the combination date is accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the investee’s equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss. Equity which still involves a long-term investment after disposal is reclassified to profit or loss on a pro-rata basis and equity which swiches to a financial instrument after disposal is fully reclassified to profit or loss. The accumulated changes in the fair value of financial assets at fair value through other comprehensive income is reclassified to retained earnings when adopting the cost method. Depending on the way of acquisition of long-term equity investments, the initial investment cost is determined as follows: For long-term equity investments acquired by way of cash payment, the initial investment cost includes all directly associated expenses, applicable taxes and fees, and other necessary expenses. For long-term equity investments acquired by way of issuing equity securities, the initial investment cost includes the fair value of equity securities. For long-term equity investments acquired by way of the swap of non-monetary assets, the initial investment cost shall be determined in accordance with “ASBE No. 7 — Swap of Non-monetary Assets.” For long-term equity investments acquired by way of debt restructuring, the initial investment cost shall be determined in accordance with “ASBE No. 12 — Debt Restructuring.”

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company’s individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(17) Long-term equity investments (Continued)

The equity method is adopted when the Group has joint control, or exercises significant influence over the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after it has acquired a long-term equity investment, the Group recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's profit or loss after making appropriate adjustments to the investee's profit or loss based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods. Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Group's investments in the associates or joint ventures (except for assets that constitute a business) (However, any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. The Group's owner's equity changes, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is recognised in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss. For a long-term equity investment accounted for using the equity method, when the Group discontinues using the equity method due to disposal, all amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the owner's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss in its entirety. When the Group continues to use the equity method, the amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities and reclassified to profit or loss on a pro-rata basis. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss on a pro-rata basis.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(18) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

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

	Estimated useful lives	Estimated residual value	Annual depreciation (amortization) rates
Buildings and Constructions	5-35 years	0-5%	2.71-19.00%
Land use rights	40-50 years or No fixed useful life	-	2.00-2.50%

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

The investment properties' useful life, net residual value and depreciation (amortization) method applied are reviewed and adjusted as appropriate at the end of each year.

(19) Fixed assets

Recognition criteria

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss as incurred. Fixed assets are initially measured at cost, by taking into account the effect of any asset retirement obligations. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(19) Fixed assets (Continued)

Depreciation method

	Estimated useful lives	Estimated residual value	Annual depreciation rates
Buildings and constructions	10-40 years	3-5%	2.38-9.70%
Machinery and equipment	5-14 years	3-5%	6.79-19.40%
Motor vehicles	3-10 years	5%	9.50-31.67%
Office equipments	3-10 years	5%	9.50-31.67%
Electronic equipments	3-10 years	0-5%	9.50-33.33%

(20) Construction in progress

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalised before the construction is ready for its intended use, and other relevant expenditures.

An item of construction in progress is transferred to fixed assets when the asset is ready for its intended use.

(21) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred. Qualifying assets are assets (fixed assets, investment properties, inventories, etc.) that necessarily take a substantial period of time of acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have been incurred;
- (2) borrowing costs have been incurred; and
- (3) activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(21) Borrowing costs (Continued)

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows:

- (1) where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or
- (2) where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

(22) Right-of-use assets

The right-of-use assets of the Group mainly include buildings, machinery, vehicles, office equipments and other equipments (such as land use right).

At the commencement date of the lease, the Group recognises a right-of-use asset. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The Group remeasures the lease liability at the present value of the changed lease payments and adjusts the carrying amount of the right-of-use assets accordingly, when the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(23) Intangible assets

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognised separately as intangible assets and initially measured at the fair value at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives of the intangible assets are as follows:

<u>Categories</u>	<u>Useful lives</u>
Land use rights	Between the approved useful period and the Company's operating period
Software	3-10 years
Trademarks and Brand use rights	10 years or No fixed life
Distribution network	10-20 years
Franchising rights	10 years
Favorable leases	16-20 years

Land use rights that are purchased by the Group are accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and relevant land use rights are accounted for as fixed assets and intangible assets, respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; they are accounted for as fixed assets if they cannot be reasonably allocated.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

Land use rights allocated by the State are regarded as an intangible asset with an indefinite useful life due to an uncertain useful life. The impairment test should be conducted for the intangible assets with the indefinite service life every year to determine whether the impairment exists. The intangible assets with the indefinite service life shall not be amortized, and the Company shall make the review of the service life of the intangible assets during every accounting period. If evidence prove that useful lives are finite, the Group accounts for the intangible assets in accordance with intangible assets with a finite useful life.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(23) Intangible assets (Continued)

Internal research and development project

The Group classifies the expenses for internal research and development as research costs and development costs. All research costs are charged to the current profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits (including demonstration that the product derived from the intangible asset or the intangible asset itself will be marketable or, in the case of internal use, the usefulness of the intangible asset as such), the availability of technical and financial resources to complete the project and procure the use or sale of the intangible asset, and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalized expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

(24) Impairment of long-term assets

The Group determines the impairment of assets, other than the impairment of inventories, investment properties measured using the fair value model, deferred tax assets, financial assets and assets classified as held for sale, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for their intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(24) Impairment of long-term assets (Continued)

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis, to each of the related asset groups unless it is impossible to allocate to the related asset groups, in which case it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

When testing an asset group (a set of asset groups) to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group (set of asset groups), excluding the amount of goodwill allocated, for impairment, i.e., the Group determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group (set of asset groups), including goodwill, for impairment, the carrying amount of the related asset group (set of asset groups) is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

(25) Long-term prepaid expenses

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

(26) Contract liabilities

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(27) Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee’s spouse, children and dependents.

Short-term employee benefits

The actual occurred short-term employee benefits are recognized as liabilities during the accounting period in which the service has been rendered by the employees and as costs of assets or expenses to whichever the employee service is attributable.

Post-employment benefits (defined contribution plans)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, and an enterprise pension fund, the corresponding expenses shall be included in the cost of related assets or profit or loss.

Post-employment benefits (defined benefit plans)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment and the date that the Group recognises restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under administrative expenses and finance expenses in the income statement: service costs comprising current service costs, past service costs, gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

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Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(27) Employee benefits (Continued)

Termination benefits

The Group provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Group recognise costs involving the payment of termination benefits.

The Group offers termination benefits to the employees who accept internal retirement arrangements. Termination benefits refers to salaries and social securities paid to the employees who voluntarily retire and approved by the management before the legal retirement age. The Group pays termination benefits from the date of the starting of internal retirement arrangements to legal retirement age. When meeting the recognition criteria, termination benefits are recognised as liabilities from the date on which the employees stop offering services to the legal retirement date and recognised in profit or loss as incurred. The change of termination benefits' actuarial assumptions and difference incurred by the adjustment of welfare standards are recognised in profit or loss as incurred.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

Other long term employee benefits

Other long-term employee' benefits provided to employees shall be recognised and measured as net liabilities or net assets where provisions regarding post-employment benefits are applicable, provided that changes shall be included in the current profit and loss or related asset costs.

(28) Lease liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss, except those in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required.

After the commencement date of the lease, the Group remeasures lease liabilities with changed present value of the lease payments when fixed payment, expected unguaranteed residual value payable, the interest rate implicit in the lease as the discount rate, purchase options, options to extend the lease or determination of the lease term change.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(29) Provisions

An obligation related to a contingency shall be recognised by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

A contingent liability recognised in a business combination not involving entities under common control is initially measured at fair value. Subsequently, it is measured at the higher of: (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less cumulative amortisation recognised in accordance with the policy for revenue recognition.

(30) Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest, which is made on the basis of the latest available information such as the changes in the number of covered employees and whether specified performance conditions have been met. The fair value is determined using the binomial model.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(30) Share-based payments (Continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in capital reserves, over the period in which the specified performance or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The cost of cash-settled transactions is measured at the fair value of the liability which is determined on the basis of shares or other equity instruments of the Group. It is initially recognised at the fair value on the grant date using binomial model together with the consideration of terms and conditions on which the equity instruments are granted. If the rights under a cash-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in liability. If the rights under a cash-settled share-based payment could not vest until the completion of services for a vesting period, or until achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. The liability is measured at each balance sheet date up to and including the settlement date, with changes in fair value recognised in profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(31) Revenue recognition

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

Contracts for sale of goods

The contracts for the sale of goods between the Group and its customer usually only contain the performance obligations for the transfer of goods. The Group generally recognizes revenue at the point of transferring the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, and the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

Service Contracts

The service contracts between the Group and its customers usually consist of performance obligations such as storage and logistics and so on. As the Group's performance of contracts is at the same time when the customer obtains and consumes the economic benefits of the performance of the Group, and the Group has the right to collect receivables from the performance of contracts that has been completed to date, the Group regards it as a contract obligation over a period of time, except that the progress of performance cannot be reasonably determined. The Group determines the progress of the performance of contracts in accordance with the input method. If the progress of performance of contracts cannot be reasonably determined and the cost incurred by the Group is expected to be compensated, the revenue is recognised on the basis of the incurred costs until the progress of performance of contracts can be reasonably measured.

Variable consideration

Some of the Group's contracts with customers including arrangements of sales rebates (list items in accordance with the customer's actual conditions, such as early completion awards or others) result in variable consideration. The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Consideration payable to customers

Where consideration is payable by the Group to a customer, such consideration payable shall be deducted against the transaction price, and against current revenue upon the recognition of revenue or the payment of (or the commitment to pay) the consideration to the customer (whichever is later), save for consideration payable to the customer for the purpose of acquiring from the customer other clearly separable products.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

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III Summary of significant accounting policies and accounting estimates (Continued)

(31) Revenue recognition (Continued)

Return clauses

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant products. Amounts expected to be refunded for the return of sales are recognised as liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including an impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassesses the future return of sales and remeasures the above assets and liabilities.

Significant financing component

Where a contract contains a significant financing component, the Group determines transaction prices based on amounts payable assumed to be settled in cash by customers immediately upon the acquisition of control over the products. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products.

The Group shall not give consideration to any significant financing component in a contract if the gap between the customer's acquisition of control over the products and payment of consideration is expected to be less than 1 year.

Warranty clauses

The Group provides quality assurance for products sold and assets built in accordance with contract terms and laws and regulations. The accounting treatment of quality assurance in the form of warranty assuring customers products sold are in compliance with required standards is set out in Note V.36. Where the Group provides a service warranty for a standalone service in addition to the assurance of compliance of products with required standards, such warranty is treated as a stand-alone contractual performance obligation, and a portion of the transaction price shall be allocated to the service warranty based on a percentage of the stand-alone price for the provision of the product and service warranty. When assessing whether a warranty is rendering a stand-alone service in addition to providing guarantee to customers that all sold goods are in compliance with required standards, the Group will consider whether or not such warranty is a statutory requirement, the term of the warranty and the nature of the Group's undertaking to perform its obligations.

Reward points program

The Group grants reward points to customers when selling goods. Customers can use reward points to redeem free or discounted goods provided by the Group. This reward points program provides significant rights to customers, and the Group considers it as an individual performance obligation, and apportions part of the transaction prices to reward points based on pricing of goods or services with warranty clauses. Revenue is recognised when customers obtain goods redeemed or when reward points expire.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(31) Revenue recognition (Continued)

Principal responsible person/proxy

For goods or other assets obtained from a third party which were transferred later to customers, the Group has the right to decide, independently, the pricing of goods. This means that the Group has obtained control over related goods before transferring to customers. Therefore, the Group is the principal responsible person, and revenue is recognised based on the total amount of consideration received or receivable. Otherwise, the Group is proxy, and revenue is recognised based on expected commission. This amount should be the total amount of consideration received or receivable net of the amount payable to other parties, or based on the fixed amount or percentage.

(32) Government grants

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Government grants related to assets refer to government assets which are granted to enterprises for the long-term assets formed by acquisition, construction or in other manners. Government grants related to income refer to government grants other than those related to assets.

A government grant related to income is accounted for as follows: (i) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; or (ii) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

(33) Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense in profit or loss, or recognised directly in equity if it arises from a business combination or relates to a transaction or event which is recognised directly in equity.

Current tax liabilities or assets arising from the current and prior periods at the amount expected to be paid by the Group or returned by the tax authority calculated according to related tax laws.

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

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Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(33) Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit or loss; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(34) Lease

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both:

- (1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and
- (2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group accounts for lease components and non-lease components separately as a lessor or a lessee.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.

As lessee

The accounting treatment of the Group as lease please refer to Note.III.22 and Note III.28.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(34) Leases(Continued)

Lease modifications

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee’s incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss; or
- (2) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contains any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB40,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(34) Leases(Continued)

Rent concessions under COVID-19

For rent reductions, such as rent reductions, deferred payments, etc., directly caused by the COVID-19 epidemic, the Group and the lessor have reached an existing lease contract, and meet the following conditions at the same time, the Group adopts a simplified method for leases:

- (1) The lease consideration after the concession is reduced or basically unchanged from that before the concession;
- (2) The concession is only for the amount of lease payments payable before June 30, 2022;
- (3) After comprehensively considering qualitative and quantitative factors, it is determined that there are no major changes in other terms and conditions of the lease.

The Group does not evaluate whether there is a lease change, and continues to calculate the interest expense of the lease liability based on the same discount rate as before the reduction and included in the current profit and loss, and continues to depreciate the right-of-use asset in the same way as before the reduction. For rent reduction or exemption, the Group regards the reduced rent as a variable lease payment. When a concession agreement is reached to release the original rent payment obligation, the undiscounted cash amount will be used to offset the relevant asset costs or expenses, and the lease liability will be adjusted accordingly ; For the delayed payment of rent, the Group will offset the lease liability confirmed in the previous period when the actual payment is made.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date. The Group, as an intermediate lessor, classifies the sublease by reference to the right-of-use asset arising from the head lease.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(35) Other significant accounting policies and accounting estimates

1) Medical reserve funds and specially approved reserving materials

Medical reserve funds refer to the funds appropriated by the State for the reserve of materials for specified purposes to cope with major disasters, epidemic situations, first aid and other emergencies, etc. Specially approved reserving materials refer to the medical commodities required by the government to deal with emergencies such as epidemic situations, first aid and local common diseases. According to the regulations of CNPGC, the Group, as an enterprise undertaking the task of specially approved reserving materials reserve, obtains the medical reserve funds provided by the PRC government, which appropriated to the local government and CNPGC. The medical reserve funds received via those parties are recognised as other non-current liabilities. In the meantime, the Government of Guangdong Province and Guangxi Province designated Sinopharm Holding Guangzhou Co., Ltd. (“Sinopharm Guangzhou”) and its subsidiaries, Sinopharm Holding Guangxi Co., Ltd. (“Sinopharm Guangxi”) and its subsidiaries to undertake the storage, allocation and supply of pharmaceutical commodities required by major disasters, epidemic situations, first aid and other emergencies as well as local common diseases in Guangdong and Guangxi Zhuang Autonomous Region. According to the reserve plan (variety and quantity) of the local government and CNPGC, the Group reserves the corresponding specially approved reserving materials, implements dynamic management and recognises them as other non-current assets.

2) Dividend distribution

Cash dividend distribution is recognised as a liability in the period in which it is approved by shareholders at the annual shareholders’ meeting.

3) Fair value measurement

At each balance sheet date, the Group measures the fair value of equity instrument investments. Fair value means the price receivable from the disposal of an asset or required to be paid for the transfer of a liability in an orderly transaction incurred by market participants on the measurement date. The Group measures assets or liabilities at fair value with the assumption that the orderly transaction of asset disposal or the transfer of liabilities takes place in the major market for the relevant assets or liabilities. Where there is no major market, the Group assumes that such transaction takes place in the most favourable market for the relevant assets or liabilities. The major market (or most favourable market) is a trading market which the Group has access to on the measurement date. The Group adopts assumptions used by market participants when they price the asset or liability with the aim of maximising its economic benefits.

The measurement of non-financial assets measured at fair value should take into account the ability of market participants to utilise the asset in the best way for generating economic benefits, or the ability to dispose of such asset to other market participants who are able to utilise the asset in the best way for generating economic benefits.

The Group adopts valuation techniques that are appropriate in the current circumstances and supported by sufficient usable data and other information. Observable input will be used first and foremost. Unobservable input will only be used when it is not possible or practicable to obtain observable input.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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III Summary of significant accounting policies and accounting estimates (Continued)

(35) Other significant accounting policies and accounting estimates (Continued)

3) Fair value measurement (Continued)

The fair value hierarchy in which an asset or liability is measured or disclosed in the financial statements at fair value will be determined on the basis of the lowest level of input which is significant for the fair value measurement as a whole. Input at the first level represents unadjusted quoted prices in an active market for the acquisition of the same asset or liability on the measurement date. Input at the second level represents directly or indirectly observable assets or liabilities apart from input at the first level. Input at the third level represents unobservable input for the asset or liability.

At each balance sheet date, the Group reassesses assets and liabilities measured at fair value on an ongoing basis recognised in the financial statements to determine whether the level of fair value measurement should be changed.

4) Segment information

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

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

5) Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Operating leases - the Group as lessor

The Group has entered into lease agreements on its investment property portfolio. The Group has determined these leases to be operating leases, based on an evaluation of the terms and conditions of the agreements, that it retains substantially all the significant risks and rewards of ownership of these properties.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(35) Other significant accounting policies and accounting estimates (Continued)

5) Significant accounting judgements and estimates(Continued)

Judgements (Continued)

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(34) Other significant accounting policies and accounting estimates (Continued)

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Note V.12/13/14/15/16.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future cash flows expected to be derived from the asset groups (sets of asset groups) to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups (sets of asset groups) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Note V.18.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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III Summary of significant accounting policies and accounting estimates (Continued)

(34) Other significant accounting policies and accounting estimates (Continued)

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

Loyalty points

The Group makes reasonable estimate of the stand-alone selling price of the loyalty points by taking into account all relevant information, such as the stand-alone selling prices for the customer to acquire additional free goods or services or the discounts enjoyed by the customer using the loyalty points and the possibility for the customer to exercise the redemption right. The Group considers the likelihood for the customer to exercise the redemption right based on the historical data of point redemption, the current point redemption and the future changes for the customer, the future trend of the market and other factors. The Group re-evaluates the stand-alone selling price of loyalty points at least on each balance sheet date and determines the transaction price to be allocated to the loyalty points based on the stand-alone selling price of the re-evaluated loyalty points.

Sales with a right of return

The Group makes reasonable estimate of a group of contracts with similar characteristics according to the sales return historical data, the current sales return situation, as well as customer changes, market changes and other relevant information. Estimates of the expected return rate may not be representative of the actual returns in the future. The Group re-evaluates the return rate at least on each balance sheet date and updates the measurement of the refund liabilities and the right-of-return assets based on the re-evaluated return rate.

Warranties

The Group makes reasonable estimate of the warranty rate of a group of contracts with similar characteristics based on historical warranty data, current warranty, as well as all relevant information such as product improvements, market changes, etc. Estimates of the expected warranty rate may not be representative of the actual warranty rate in the future. The Group re-evaluates the warranty rate at least on each balance sheet date and updates the measurement of the provisions based on the re-evaluated warranty rate.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

III Summary of significant accounting policies and accounting estimates (Continued)

(34) Other significant accounting policies and accounting estimates (Continued)

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

Assessment of constrains on variable consideration

The Group estimates, within a reasonable quantity, the amount of variable consideration that may occur and the likelihood by taking into account all reasonably available information, including historical information, current information, and predictive information. The Group includes in the transaction price some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In assessing whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once the uncertainty related to the variable consideration is subsequently resolved, the Group considers both the likelihood and the magnitude of the revenue reversal. On each balance sheet date, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to reflect the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Lessee’s incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee’s incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

IV Taxation

1. Main categories and rates of taxes:

Categories	Tax base	Tax rate
Value added tax (“VAT”)	Taxable value added amount (Tax payable is calculated by using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of the current period)	1%, 3%, 5%, 6%, 9%, 13%
City maintenance and construction tax	Amount of VAT	5% or 7%
Corporate income tax (“CIT”)	Taxable income	15%, 20% or 25%
Educational surcharge	Amount of VAT	3%
Local educational surcharge	Amount of VAT	2%

2. Tax preferences

In 2021, according to the "Announcement of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Enterprise Income Tax Policy for the Western Development" (Announcement No. 23, 2020 of the Ministry of Finance and the State Administration of Taxation and the National Development and Reform Commission) and the "Announcement on the Continuation of the Enterprise Income Tax Policy for the Western Development" (Ministry of Finance Announcement No. 23 of 2020), the company's subsidiaries that can enjoy the preferential corporate income tax rate of 15% for the encouraged industries in the western region include: Sinopharm Holding Guangxi Co., Ltd. (Sinopharm Guangxi), Sinopharm Holding Guangxi Logistics Co., Ltd. ("Sinopharm Guangxi Logistics"), Sinopharm Holding Liuzhou Co., Ltd. ("Sinopharm Liuzhou"), Sinopharm Holding Beihai Co., Ltd. ("Sinopharm Beihai"), Sinopharm Holding Guilin Co., Ltd. ("Sinopharm Guilin"), Sinopharm Holding Guigang Co., Ltd. ("Sinopharm Guigang"), Sinopharm Holding Yulin Co., Ltd. ("Sinopharm Yulin"), Sinopharm Holding Baise Co., Ltd. ("Sinopharm Baise"), Sinopharm Holding Wuzhou Co., Ltd. ("Sinopharm Wuzhou"), Sinopharm Holding Qinzhou Co., Ltd. ("Sinopharm Qinzhou"), Sinopharm Holding Hezhou Co., Ltd. ("Sinopharm Hezhou"), Sinopharm Holding Guangxi Medical Supply Chain Service Co., Ltd. ("Sinopharm Guangxi Supply Chain"), Sinopharm Holding Xinjiang New & Special Medicines Chain Store Co., Ltd. ("Xinjiang New & Special Medicines"), Sinopharm Holding Guoda Inner Mongolia Pharmacy Chain Store Co., Ltd. ("Inner Mongolia Guoda"), Sinopharm Holding Guoda Hulun Buir Pharmacy Chain Store Co., Ltd. ("Inner Mongolia Hulun Buir Guoda"), Inner Mongolia Guoda Medicine Co., Ltd. ("Inner Mongolia Guoda Medicine"), Ningxia Guoda Pharmacy Chain Store Co., Ltd. ("Ningxia Guoda"), Sinopharm Holding Guoda Guangxi Pharmacy Chain Store Co., Ltd. ("Guangxi Guoda"), Guoda Pharmacy (Pu'er) Songmao Co., Ltd. ("Guoda Pu'er Songmao") and Sinopharm Holding Guoda Drug Store Manchuria Co., Ltd. ("Manchuria Guoda").

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

IV Taxation (Continued)

2. Tax preferences (Continued)

Tax preferences(Continued)

In 2021, according to the “Notice on the Implementation of Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises” (Cai Shui [2019] No.13) and the “Announcement of the Ministry of Finance and the State Administration of Taxation on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Business” (Announcement No. 12 of 2021 of the Ministry of Finance and the State Administration of Taxation), subsidiaries of the Company listed below qualified for the conditions of small low-profit enterprises, which the monomer taxable income of these subsidiaries does not exceed RMB3 million. Hence, for the portion of annual taxable income not exceeding RMB1 million, it shall be included in the taxable income by 12.5%, and enterprise income tax shall be paid at the rate of 20%; for the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, it shall be included in the taxable income by 50%, and enterprise income tax shall be paid at the rate of 20%. The Company’s subsidiaries which qualified for the conditions of small low-profit enterprises including Shanghai Guoda Dongsheng Pharmacy Co., Ltd.(“Shanghai Dongsheng Guoda”), Shanghai Guoda Haohai Pharmacy Co., Ltd.(“Shanghai Haohai Guoda”), Shanghai Guoda Ruijing Pharmacy Co., Ltd.(Shanghai Ruijing Guoda”), Shanghai Guoda Dongxin Pharmacy Co., Ltd.(“Shanghai Dongxin Guoda”), Sinopharm Guoda Yongsheng Pharmacy (Shanghai) Co., Ltd.(Shanghai Yongsheng Guoda”), Zhejiang Sinopharm Pharmacy Dongshan Pharmacy Co., Ltd.(“Zhejiang Dongshan Guoda”), Sinopharm Holding Guoda Pharmacy Guangzhou Chain Co., Ltd.(“Guoda Guangzhou Chain”), Taishan Sinopharm Holding Guoda Qunkang Pharmacy Chain Store Co., Ltd. (“Taishan Qunkang”), Sinopharm Holding Guoda Pharmacy Yongxingtang Chain Store (Chaoyang) Co., Ltd.(“Guoda Yongxingtang”), Liaoning Guoda Medicine Co., Ltd.(“Liaoning Medicine”), Changzhi Guoda Wanmin Pharmacy Chain Store Co., Ltd.(“Changzhi Wanmin”), Sinopharm Holding Guoda Pharmacy Bayannur Co., Ltd. (“Bayannur”), Sinopharm Holding Guoda Pharmacy Ulanqab Co., Ltd.(“Inner Mongolia Wulan Guoda”), Sinopharm Holding Baiyi Pharmacy Guangxi Co., Ltd.(“Sinopharm Baiyi Pharmacy”), Sinopharm Accord (Guangzhou) Medicine Co., Ltd.(“Guangzhou Medicine”), Shanghai ForMe Xuhui Pharmacy Co., Ltd.(“ForMe Xuhui”), Beijing Golden Elephant Guoxing Pharmaceutical Co., Ltd.(“Golden Elephant Guoxing”), Jilin Yihe Drug Store Co., Ltd.(“Jilin Yihe”), Guangxi Guoda Pharmaceutical Consulting Chain Co., Ltd.(“Guangxi Consulting”), Liaoning Guoda Health Pharmacy Co., Ltd.(“Liaoning Health Pharmacy”), Liaoning Guoda Pharmacy Chain Co., Ltd.(“Liaoning Guoda Pharmacy”), Yanji Xianghe Medicine Co., Ltd.(“Yanji Xianghe”), Inner Mongolia Chengda Fangyuan Medicine Co., Ltd.(“Inner Mongolia Chengda Fangyuan Medicine”) and Jilin Chengda Fangyuan Medicine Co., Ltd.(“Jilin Chengda Fangyuan Medicine”).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements

1. Cash and bank balances

	30 June 2021	31 December 2020
Cash on hand	4,898,795.54	6,707,125.90
Cash at banks	5,533,553,362.08	5,398,406,132.09
Cash and cash equivalent	5,532,707,421.89	5,398,406,132.09
Undue interest receivable(Note 1)	845,940.19	-
Other monetary funds (Note 2)	<u>338,186,269.94</u>	<u>593,091,037.88</u>
	<u>5,876,638,427.56</u>	<u>5,998,204,295.87</u>

Note 1: Current deposits earn interest at the rate based on current deposit interest rates. Maturities of short-term time deposits range from 1 month to 6 months depending on the fund arrangements of the Group, and the deposits earn interest at the respective deposit rates. The maturities of bank notice deposits are 7 days depending on the fund arrangement of the Group, and the deposits earn interest at the respective deposit rates.

Note 2: Other monetary funds at 30 June 2021 include: Deposits for bank acceptance bills RMB236,042,026.02 (31 December 2020: RMB492,734,978.75), freezing of funds RMB67,280,993.60 (December 31, 2020: RMB66,956,993.60), Medical reserve funds RMB27,515,383.35 (December 31, 2020: RMB27,465,331.50), fixed deposit RMB3,193,851.81 (December 31,2020:RMB3,167,718.14), and other deposits RMB4,154,015.16 (December 31,2020: RMB2,766,015.89).

2. Notes receivable

The notes receivable by category

	30 June 2021	31 December 2020
Commercial acceptance bills	<u>606,070,192.39</u>	<u>622,115,477.04</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

2. Notes receivable(Continued)

The carrying amount of notes receivable that affected the changes in provision this year is as follows:

	30 June 2021					31 December 2020				
	Carrying amount		Bad debt provisions		Book Value	Carrying amount		Bad debt provisions		Book Value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Items for which provision for bad debts is recognised individually	10,301,666.47	1.70%	585,955.98	5.69%	9,715,710.49	27,634,855.48	4.43%	1,479,520.32	5.35%	26,155,335.16
Items for which provision for bad debts is recognised by group (credit risk characteristics)	596,354,481.90	98.30%	-	-	596,354,481.90	595,960,141.88	95.57%	-	-	595,960,141.88
	<u>606,656,148.37</u>	<u>100.00%</u>	<u>585,955.98</u>	<u>0.10%</u>	<u>606,070,192.39</u>	<u>623,594,997.36</u>	<u>100.00%</u>	<u>1,479,520.32</u>	<u>0.24%</u>	<u>622,115,477.04</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

2. Notes receivable(Continued)

On 30 June 2021, notes receivable that are individually assessed for provisions are as follows:

	Carrying amount	Bad debt provision	Expected credit loss rate	Assessment for impairment
Client A	723,189.59	2,972.46	0.41%	The drawer has historical credit defaults; the notes receivable are expected to be at risk of collection.
Client B	9,578,476.88	582,983.52	6.09%	The drawer has historical credit defaults; the notes receivable are expected to be at risk of collection.
	<u>10,301,666.47</u>	<u>585,955.98</u>		

Provision for bad debts in the current period as follows:

	Opening balance	Provision	Current change amount			Closing balance
			Reversal in the year	Write-off in the year	Others	
Individual provision for bad debts	1,479,520.32	-	(893,564.34)	-	-	585,955.98
	<u>1,479,520.32</u>	<u>-</u>	<u>(893,564.34)</u>	<u>-</u>	<u>-</u>	<u>585,955.98</u>

Receivables financing endorsed or discounted by the Group to other parties which were not yet due at 30 June 2021 are as follows:

	30 June 2021	
	Derecognised	Not derecognised
Commercial acceptance bills	<u>-</u>	<u>125,089.80</u>

At the end of the period, the company transferred the acceptance notes to accounts receivable due to the drawer's failure to perform the contract:

	Amount transferred to accounts receivable at the end of the period
Commercial acceptance bills	<u>2,090,087.17</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

3. Accounts receivable

(1) The accounts receivable by category

	30 June 2021					31 December 2020				
	Gross carrying amount		Provision for bad debt		Gross carrying value	Gross carrying amount		Provision for bad debt		Gross carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Items for which provision for bad debt is recognized separately	1,017,692,611.96	5.69%	(29,993,339.31)	2.95%	987,699,272.65	674,370,776.75	4.85%	(29,223,931.45)	4.33%	645,146,845.30
Includes: Items for which provision for bad debt is recognized by group	16,864,163,256.21	94.31%	(90,686,079.61)	0.54%	16,773,477,176.60	13,218,113,690.60	95.15%	(63,289,521.68)	0.48%	13,154,824,168.92
Includes:										
	<u>17,881,855,868.17</u>	<u>100.00%</u>	<u>(120,679,418.92)</u>	<u>0.67%</u>	<u>17,761,176,449.25</u>	<u>13,892,484,467.35</u>	<u>100.00%</u>	<u>(92,513,453.13)</u>	<u>0.67%</u>	<u>13,799,971,014.22</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

(1) The accounts receivable by category

Accounts receivable that are individually assessed for provisions

	30 June 2021			Assessment for impairment
	Carrying amount	Bad debt provision	Proportion	
Receivable of medical insurance	514,818,583.40	(6,606,210.91)	1.28%	The receivable of medical insurance has lower-tier default risk.
Client A	11,559,178.29	(11,559,178.29)	100.00%	Debtor had irregular operations of subject to serious financial difficulties and related to multiple lawsuits, is with lower-tier recoverability.
Client B	2,447,976.74	(2,447,976.74)	100.00%	Debtor had irregular operations of subject to serious financial difficulties, and has been placed on a national list of defaulters, with highly risk of going bankruptcy or financial restructuring.
Client C	2,365,253.03	(2,365,253.03)	100.00%	Debtor had irregular operations of subject to serious financial difficulties, and has been placed on a national list of defaulters, with highly risk of going bankruptcy or financial restructuring.
Others	486,501,620.50	(7,014,720.34)	1.44%	Part of the receivable takes longer than usual to recover, and has risk of recoverability.
	<u>1,017,692,611.96</u>	<u>(29,993,339.31)</u>		-

Provision for bad debts by portfolio:

	30 June 2021		
	Carrying amount	Bad debt provision	Accrual proportion
Combination by credit risk characteristics	16,864,163,256.21	90,686,079.61	0.54%

Provision for bad debts of accounts receivable according to the general model of expected credit loss

	30 June 2021		
	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	16,312,880,752.43	(40,974,307.84)	0.25%
1 to 2 years	511,922,099.65	(34,341,536.99)	6.71%
2 to 3 years	27,850,847.18	(7,831,498.28)	28.12%
Over 3 years	11,509,556.95	(7,538,736.50)	65.50%
	<u>16,864,163,256.21</u>	<u>(90,686,079.61)</u>	<u>0.54%</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

(1) The accounts receivable by category (Continued)

The aging analysis of accounts receivables		30 June 2021
=		
=		
Within 1 year		17,299,413,843.64
1 to 2 years		515,740,902.78
2 to 3 years		36,094,871.65
Over 3 years		<u>30,606,250.10</u>
		<u><u>17,881,855,868.17</u></u>

(2) Changes in bad debt provision, recovery or reverse

Bad debt provision for the current period						
=		Amount changes in current period				
	Opening balance					Closing balance
		Increases	Reversal	write-off	Increases in merger	
Accounts receivable bad debt provision	<u>92,513,453.13</u>	<u>38,699,564.83</u>	<u>(10,675,833.06)</u>	<u>(35,935.36)</u>	<u>178,169.38</u>	<u>120,679,418.92</u>

Important recovered or reversed items of provision for individually assessed bad debts from January to June 2021 are listed below:

	Recovered or reversed amount	Method of recovery or reversion
Client A	62,252.15	Payment collection
Client B	25,278.00	Payment collection
Client C	19,152.28	Payment collection
	<u>106,682.43</u>	

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

(3) Accounts receivable actually written off in the current period

Project	Write off amount
Client A	35,935.36
	35,935.36

(4) The top five accounts receivable analysed by customer

	Amount	% of the total accounts receivable	Bad debt provision amount
Top 1 Account receivable	250,098,236.84	1.40%	(920,455.72)
Top 2 Account receivable	248,454,363.20	1.39%	(1,958,560.00)
Top 3 Account receivable	209,855,263.24	1.17%	(1,432,489.42)
Top 4 Account receivable	184,205,023.09	1.03%	(1,592,971.29)
Top 5 Account receivable	161,208,692.82	0.90%	(426,533.84)
	1,053,821,579.19	5.89%	(6,331,010.27)

(5) Accounts receivable derecognized due to the financial assets transferred

From January to June 2021, the Group factored a small portion of accounts receivable at amortised cost to financial institutions. The amount of accounts receivable derecognised was RMB 1,045,150,904.52 (January to June 2020: RMB2,756,648,565.22), and the amount of loss recognised through Investment income was RMB 7,039,046.60 (January to June 2020: RMB 33,507,102.64).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

4. Receivable financing

	30 June 2021	31 December 2020
Bank acceptance bills	<u>345,906,887.55</u>	<u>1,404,987,700.38</u>

Receivable financing endorsed or discounted by the Group to other parties which were not yet due at 30 June 2021

	30 June 2021	
	Derecognised	Not Derecognised
Bank acceptance bills	<u>1,841,760,515.56</u>	<u>20,070,999.69</u>

5. Advances to suppliers

(1) The aging of advances to suppliers

	30 June 2021		31 December 2020	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	611,349,475.09	99.31%	480,215,111.42	99.98%
1 to 2 years	4,253,441.22	0.69%	42,225.29	0.01%
2 to 3 years	-	-	56,238.00	0.01%
	<u>615,602,916.31</u>	<u>100.00%</u>	<u>480,313,574.71</u>	<u>100.00%</u>

The illustration of the reasons why advance payments with a more than one-year aging while the amounts are significant not settled in time:

Nil.

(2) The top five advances to suppliers by customer on 30 June 2021

	Amount	Proportion of total balance
Total amount of top five advances to suppliers	<u>217,538,246.13</u>	<u>35.34%</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

6. Other receivables

	30 June 2021	31 December 2020
Other receivables	<u>662,274,841.26</u>	<u>535,228,747.69</u>

(1) Other receivables

(a) Category of other receivables by nature

	30 June 2021	31 December 2020
Deposits	294,986,764.47	287,130,364.44
Receivable of price reduction compensation and purchasing rebates	141,495,787.02	85,263,225.16
Receivable of the pharmaceutical electronic trading platform	49,995,673.20	60,267,511.03
Entrusted borrowings	46,334,222.24	46,334,222.24
Petty cash advance to employees	52,673,098.70	22,994,684.93
Receivable of equity transactions	8,980,000.00	8,980,000.00
Receivable due from related parties	23,094,951.86	2,867,594.20
Others	<u>115,368,379.05</u>	<u>90,580,362.96</u>
	<u>732,928,876.54</u>	<u>604,417,964.96</u>

(b) Changes in bad debt provision

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Entire lifetime expected credit losses(No credit impairment occurred)	Entire lifetime expected credit losses(Credit impairment occurred)	
Balance at 1 January 2021	-	7,305,149.90	61,884,067.37	69,189,217.27
Balance at 1 January 2021 during the period				
Provisions during the period	-	2,441,341.87	171,144.99	2,612,486.86
Reversal during the period	-	(1,146,204.24)	(1,464.61)	(1,147,668.85)
Balance at 30 June 2021	<u>-</u>	<u>8,600,287.53</u>	<u>62,053,747.75</u>	<u>70,654,035.28</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

6. Other receivables (Continued)

The aging analysis of other receivables was as follows:

	30 June 2021
Within 1 year	592,791,636.86
1 to 2 years	57,692,718.34
2 to 3 years	11,332,912.33
Over 3 years	71,111,609.01
	732,928,876.54
	732,928,876.54

(c) Changes in bad debt provision, recovery or reverse

Provision for bad debts in the current period as follows:

	Current change amount					
	Opening balance	Provision	Reversal in the year	Write-off in the year	Other	
Provision for impairment of other receivables	69,189,217.27	2,612,486.86	(1,147,668.85)	-	-	70,654,035.28
	69,189,217.27	2,612,486.86	(1,147,668.85)	-	-	70,654,035.28

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

	Nature	Amount	Age	% of total amount	Provision of bad debt
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co., Ltd. (Note 1)	Entrusted borrowings	46,334,222.24	Over 3 years	6.32%	46,334,222.24
Guangdong Pharmaceutical electronic trading platform	Pharmaceutical trading platform repayment not yet cleared	36,837,497.58	Within 1 year	5.03%	-
Shenzhen Administration of social insurance fund	Deposit	20,029,963.00	Within 1 year	2.73%	-
TCM-Integrated Cancer Center of Southern Medical University	Deposit of logistics extension services project	20,000,000.00	Over 3 years	2.73%	-
Bayer Healthcare Co.Ltd.	Purchase rebates receivable and price reduction compensation	16,117,671.62	Within 1 year	2.20%	-
		139,319,354.44		19.01%	46,334,222.24

Note1: Due to the poor management of Zhijun Suzhou, the solvency decreased and the credit risk increased. Based on the principle of prudence, the group fully accrued the bad debt provision for the entrusted loan of RMB 46,334,222.24.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

7. Inventories

(1) Inventories by category

	30 June 2021			31 December 2020		
	Book value	Provision for declines in value of inventories and impairment of contract performance costs	Net book value	Book value	Provision for declines in value of inventories or impairment of contract performance costs	Net book value
Raw materials	890,219.51	-	890,219.51	1,959,948.73	-	1,959,948.73
Work in progress	133,216.20	-	133,216.20	244,341.19	-	244,341.19
Finished goods	7,228,118,772.03	(12,979,519.90)	7,215,139,252.13	6,292,866,195.61	(12,997,334.35)	6,279,868,861.26
Low cost consumables	3,495,930.78	-	3,495,930.78	2,937,523.28	-	2,937,523.28
	<u>7,232,638,138.52</u>	<u>(12,979,519.90)</u>	<u>7,219,658,618.62</u>	<u>6,298,008,008.81</u>	<u>(12,997,334.35)</u>	<u>6,285,010,674.46</u>

(2) Provision for declines in value of inventories and impairment of contract performance costs

	31 December 2020	Increases		Decreases		30 June 2021
		Provision	Addition due to combination	Reversal or write-off	Others	
Finished goods	<u>12,997,334.35</u>	<u>5,022,800.14</u>	<u>314,857.50</u>	<u>(4,704,443.43)</u>	<u>(651,028.66)</u>	<u>12,979,519.90</u>

In 2021, due to the recovery of the value of some inventories, the provision for falling price was RMB 4,704,443.43 (2020: RMB 1,975,512.44), and the provision for falling price of inventories was RMB 651,028.66 (2020: RMB 1,458,197.19).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

8. Contract assets

€	31 December 2021			31 December 2020		
	Book Value	Provision	Net Book Value	Book Value	Provision	Net Book Value
Medical devices and equipment guarantee funds	17,144,247.25	78,141.72	17,066,105.53	15,195,530.95-	17,799.31	15,177,731.64-

The Group sells medical devices and equipment to customers and provides relevant installation services, which constitutes a single performance obligation. After the delivery of medical devices and equipment by the Group and acceptance by customers, the control rights of goods are transferred. The Group recognises the relevant income and transfers part of the contract consideration to receivables, and the other parts are formed as contract assets. After the equipment is installed and the agreed warranty period ends, the contract assets will form an unconditional right of collection and be transferred into receivables.

An aging analysis of contract assets with provision for impairment are as follows:

	30 June 2021		
	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	17,144,247.25	78,141.72	0.46%

Changes in provision for contract assets are presented as follows:

Project	30 June 2021			Reason
	Provision in current period	Reversal in current period	write off	
Provision for impairment of contract assets	60,622.70((280.29)	-	Provision for bad debts of contract assets shall be made according to expected credit losses

9. Other current assets

	30 June 2021	31 December 2020
Input VAT to be credited	95,822,907.79	114,251,111.76
Corporate income tax to be deducted	5,264,487.90	5,981,268.15
Others	498,534.36	850,483.54
	<u>101,585,930.05</u>	<u>121,082,863.45</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments

Investee	31 December 2020	Changes in current period				30 June 2021	Provision for impairment
		Profit of loss under equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend declared by investee		
Associates							
Shenzhen Main Luck Pharmaceutical Inc. (“Main Luck Pharmaceutical”) (a)	322,696,745.87	34,596,706.61	-	-	-	357,293,452.48	-
Shanghai Beiyi Guoda Pharmaceutical Co. Ltd. (“Shanghai Beiyi”)(b)	11,190,188.07	749,788.76	-	-	-	11,939,976.83	-
Shanghai Liyi Pharmacy Co., Ltd. (“Shanghai Liyi”) (c)	1,147,948.30	-	-	-	-	1,147,948.30	-
Shanghai Renbei Pharmacy Co., Ltd. (“Shanghai Renbei”)(d)	2,465,103.92	-	-	-	-	2,465,103.92	-
Dongyuan Accord Pharmaceutical Chain Co., Ltd. (“Dongyuan Accord”)(e)	-	-	-	-	-	-	396,638.32
Sinopharm Jienuo Medical Treatment Service Guangdong Co., Ltd. (“Guangdong Jienuo”)(f)	5,225,570.12	(749,864.47)	-	-	-	4,475,705.65	-
Guangdong Jianhui Construction Investment Management Co., Ltd. (“Guangdong Jianhui”) (g)	8,000,000.00	-	-	-	-	8,000,000.00	-
Zhijun Suzhou(h)	-	-	-	-	-	-	1,857,279.52
Sinopharm Group Zhijun (Shenzhen) Pharmaceutical Co., Ltd. (“Sinopharm Zhijun”)(i)	425,557,825.11	28,056,303.69	-	-	-	453,614,128.80	-
Shenzhen Zhijun Pharmaceutical Trade Co., Ltd. (“Zhijun Trade”) (j)	10,408,675.18	64,801.68	-	-	-	10,473,476.86	-
Sinopharm Group Zhijun (Shenzhen) PingShan Pharmaceutical Co., Ltd. (“Zhijun Pingshan”) (j)	176,566,795.90	25,603,869.60	-	-	-	202,170,665.50	-
Shanghai Shyndec Pharmaceutical Co.,Ltd. (“Sinopharm Shyndec”) (i)	1,323,760,775.52	69,374,791.94	64,854.90	(460,868.29)	(16,714,220.20)	1,376,025,333.87	-
	<u>2,287,019,627.99</u>	<u>157,696,397.81</u>	<u>64,854.90</u>	<u>(460,868.29)</u>	<u>(16,714,220.20)</u>	<u>2,427,605,792.21</u>	<u>2,253,917.84</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(a) On 4 July 1990, the Group jointly established Main Luck Pharmaceutical with Mercian Kabushiki Kaisha and Main Life Co., Ltd., subscribing 35.19%, 34.15% and 30.66% of shareholdings, respectively. According to the Articles of Association, the board of directors of Main Luck Pharmaceutical consisted of six directors, of which two were appointed by the Group, accounting for 33.33% of voting rights. Therefore, the Group had significant influence over Main Luck Pharmaceutical, and thus, it was considered as an associate of the Group.

(b) On 26 July 1994, the Group jointly established Shanghai Beiyi with Shanghai Beiyi (Group) Co., Ltd. and eight natural persons including Fuchun Zhu, with the share percentages being 26%, 26% and 48%, respectively. According to the Articles of Association, the board of directors of Shanghai Beiyi consisted of seven directors, of which two were appointed by the Group, accounting for 28.57% of voting rights. Therefore, the Group had significant influence over Shanghai Beiyi, and thus, it was considered as an associate of the Group.

(c) On 25 November 2003, the Group jointly established Shanghai Liyi with Shanghai Pudong District Central Hospital and Shanghai Liyi, with the share percentages being 35%, 35% and 30%, respectively. According to the Articles of Association, the board of directors of Shanghai Liyi consisted of five directors, of which two were appointed by the Group, accounting for 40.00% of voting rights. Therefore, the Group had significant influence over Shanghai Liyi, and thus, it was considered as an associate of the Group.

(d) On 5 March 2019, the Group acquired 30% shares of Shanghai Renbei. According to the Articles of Association, the board of directors of Shanghai Renbei was composed of three directors, one of whom was appointed by the Group, accounting for 33.33% of voting rights. Therefore, the Group has significant influence over Shanghai Renbei, and thus, it is considered as an associate of the Group.

(e) In 2007, Dongyuan Accord, an associate of the Group, operated in poor conditions and its future operation would be significantly uncertain, so the Group made a full provision for impairment of the long-term equity investment on it.

(f) On 23 February 2016, the Group jointly established Guangdong Jienuo with Sinopharm Jienuo Medical Treatment Service Co., Ltd. and Guangzhou Jinluo Investment Development Co., Ltd., with the share percentages being 29%, 51% and 20%, respectively. According to the Articles of Association, the board of directors of Guangdong Jienuo was composed of five directors, one of whom was appointed by the Group, accounting for 20% of voting rights. Therefore, the Group has significant influence over Guangdong Jienuo, and thus, it is considered as an associate of the Group. On 25 July 2019, the Group, together with the current shareholders, Sinopharm Jienuo Medical Treatment Service Co., Ltd. and Foshan Jiejianchengfeng Medical Equipment Co., Ltd., increased the capital of Guangdong Jienuo by 29%, 51% and 20% according to the shareholding ratio respectively, and the total amount of the increased capital was RMB6 million.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

(g) On 23 November 2018, the Group jointly established Guangdong Jianhui with Guangdong Construction Engineering Group Co., Ltd., Suixi People's Hospital and Guangdong Jianke Architectural Design Institute Co., Ltd., with the share percentages being 10%, 79.90%, 10% and 0.10%, respectively. The registered capital of the company was RMB20,000 thousand. On 22 March 2019, the Group completed the investment of RMB2,000 thousand. According to the Articles of Association, the board of directors of Guangdong Jianhui was composed of five directors, one of whom was appointed by the Group, accounting for 20% of voting rights. Therefore, the Group has significant influence over Guangdong Jianhui, and thus, it is considered as an associate of the Group. On 30 March 2020, the Group made an additional investment of RMB6 million in Guangdong Jianhui according to the shareholding ratio.

(h) The Group disposed of its 67% equity interest of Zhijun Suzhou in April 2016. After the disposal, the Group held a 33% equity interest of Zhijun Suzhou. According to the Articles of Association, the board of directors of Zhijun Suzhou was composed of five directors, one of whom was appointed by the Group, accounting for 20% of voting rights. As a result, the Group has significant influence over Zhijun Suzhou, and thus, it is considered as an associate of the Group. In 2019, on account of mismanagement, there was significant uncertainty in the future operation of the Group's affiliated enterprise, Zhijun Suzhou. Thus, the Group made full provision for impairment of the long-term equity investment in Zhijun Suzhou.

(i) The Group subscribed 15.56% of new issued shares of Sinopharm Shyndec, a related party, by transferring the productive assets in Pingshan base and its 51% equity interest of three pharmaceutical companies (Sinopharm Zhijun, Zhijun Trade, Zhijun Pingshan) of the Group in 2016, respectively. After the completion of the reorganization, Shyndec Pharma holds a 51% equity interest of each of the three pharmaceutical companies, and the Group holds a 49% equity interest of each of the three pharmaceutical companies, and they have significant influence over the three pharmaceutical companies.

At the same time, after the completion of the reorganization, the Group holds a 15.56% equity interest of Sinopharm Shyndec. Since Sinopharm Shyndec acquired the shares of subsidiaries with share-based payment in previous years, as at 30 June 2021, the Group held a 16.28% equity interest of Sinopharm Shyndec. Sinopharm Shyndec set up a board of directors that was responsible for the shareholders' meeting, with a total of nine members, among which, one was appointed by the Group. Each director shall represent one vote for resolutions of the board, accounting for 11.11% of the voting rights. The Group has significant influence over Sinopharm Shyndec. The above three pharmaceutical companies and Sinopharm Shyndec are considered as associates of the Group.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

11. Other equity instrument investment

	30 June 2021	31 December 2020
Sinopharm Health Online Co., Ltd.	67,056,227.40	67,056,227.40
Sinopharm Guoda Hubei Co., Ltd.	18,279,788.59	18,279,788.59
Shanghai Guoda Shuguang Pharmacy Co., Ltd.	8,242,076.02	8,242,076.02
Shanghai Guoren Pharmacy Co., Ltd.	5,493,260.45	5,493,260.45
Hunan Zhongbai Pharmaceutical Investment Co., Ltd.	416,987.82	416,987.82
	<u>99,488,340.28</u>	<u>99,488,340.28</u>

单位：元

	Recognized dividend income	Accumulated profits	Accumulated Loss	Amount transferred from other comprehensive income to retained earnings	Reasons designated to be measured at fair value with changes included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Sinopharm Health Online Co., Ltd.	-	55,056,227.40	-	-	Non tradable equity instruments	
Sinopharm Guoda Hubei Co., Ltd.	2,280,159.50	17,279,788.59	-	-	Non tradable equity instruments	
Shanghai Guoda Shuguang Pharmacy Co., Ltd.	50,000.00	7,971,316.02	-	-	Non tradable equity instruments	
Shanghai Guoren Pharmacy Co., Ltd.	-	5,393,260.45	-	-	Non tradable equity instruments	
Hunan Zhongbai Pharmaceutical Investment Co., Ltd.	-	101,987.82	-	-	Non tradable equity instruments	
	2,330,159.50	85,802,580.28	-	-		

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

12. Other non-current financial assets

	30 June 2021	31 December 2020
Financial asset measured at fair value through current profit or loss	117,974,908.51	120,972,350.24

On June 30, 2021, the balance of other non-current financial assets was the fair value of the share of Sinopharm CICC Medical Industry Fund (referred to as “the Industry Fund”) subscribed by the Company. The Group's 21st meeting of the 7th Board of Directors held on January 6, 2017 reviewed and approved the proposal of the Company to subscribe for the industry fund and related party transactions. As a limited partner of the Industry Fund, the Company plans to invest RMB200 million to subscribe for the share of the Industrial Fund, which will be paid in three phases. The Industrial Fund obtained the relevant licenses as well as approvals and started operating in 2018. As of December 31, 2019, the Company had paid a total of RMB 140 million. In June 2020, The Company received the withdraw fund of this project's principal of RMB19,027,649.76 from Qirui Port Investment Center LP of Ningbo Meishan Bonded Port. In January 2021, The Company received the withdraw fund of this project's principal of RMB2,997,441.73 from Qirui Port Investment Center LP of Ningbo Meishan Bonded Port. Since the cash flow obtained by the Company from the investment of the Industry Fund includes both the contractual cash flow generated by the underlying assets during the investment period and the cash flow of the disposal of the underlying assets, the contractual cash flow that does not satisfy the financial assets generated on a specific date is only the payment of interest on the basis of the outstanding principal amount, therefore, the Company classifies the investment of the Industry Fund into financial assets measured at fair value through profit or loss and presented as other non-current financial assets.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

13. Investment properties

Subsequent measurement under the cost model:

	Buildings and constructions	Land use right	Total
Original cost			
Opening balance	225,645,845.78	20,988,818.44	246,634,664.22
Increase amount in current period	1,137,337.42	-	1,137,337.42
Purchase	-	-	-
Transfer from inventories\fixed assets\construction in progress	1,137,337.42	-	1,137,337.42
Decrease amount in current period	(3,881,175.93)	(841,319.61)	(4,722,495.54)
Transfer to intangible assets	-	(841,319.61)	(841,319.61)
Transfer to fixed assets	(3,881,175.93)	-	(3,881,175.93)
Closing balance	<u>222,902,007.27</u>	<u>20,147,498.83</u>	<u>243,049,506.10</u>
Accumulated depreciation and amortization			
Opening balance	(109,976,379.20)	7,913,905.08	(117,890,284.28)
Increase amount in current period	(3,206,808.84)	(88,519.70)	(3,295,328.54)
Provision	(2,810,737.39)	(88,519.70)	(2,899,257.09)
Transfer from fixed assets	(396,071.45)	-	(396,071.45)
Decrease amount in current period	2,589,746.83	235,490.60	2,825,237.43
Transfer to intangible assets	-	235,490.60	235,490.60
Transfer to fixed assets	2,589,746.83	-	2,589,746.83
Closing balance	<u>(110,593,441.21)</u>	<u>7,766,934.18</u>	<u>(118,360,375.39)</u>
Provision for impairment			
Opening balance and Closing balance	<u>(1,300,000.00)</u>	-	<u>(1,300,000.00)</u>
Carrying amount			
At end of the period	<u>111,008,566.06</u>	<u>12,380,564.65</u>	<u>123,389,130.71</u>
At beginning of the period	<u>114,369,466.58</u>	<u>13,074,913.36</u>	<u>127,444,379.94</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

14. Fixed assets

	30 June 2021	31 December 2020
Fixed assets	<u>840,386,519.64</u>	<u>854,191,083.27</u>

(1) Condition of fixed assets

	Buildings and constructions	Machinery and equipment	Motor vehicles	Office equipments	Electronic equipments	Total
Original cost						
Opening balance	704,639,396.43	305,450,662.64	96,751,717.47	365,642,213.00	121,068,984.00	1,593,552,973.54
Increase amount in current period	4,138,624.70	14,781,603.50	10,636,685.33	16,626,307.17	25,827,199.04	72,010,419.74
Purchase	257,448.77	12,411,677.50	9,041,665.55	14,689,654.35	23,670,703.55	60,071,149.72
Transfer from construction in progress	-	2,194,159.00	-	-	-	2,194,159.00
Transfer from Investment properties	3,881,175.93	-	-	-	-	3,881,175.93
Business combinations	-	175,767.00	1,595,019.78	1,936,652.82	2,156,495.49	5,863,935.09
Decrease amount in current period	(1,371,000.42)	(568,600.21)	(2,932,878.73)	(2,953,830.43)	(4,389,640.59)	(12,215,950.38)
Transfer to investment properties	(1,137,337.42)	-	-	-	-	(1,137,337.42)
Disposal or retirement	(233,663.00)	(568,600.21)	(2,932,878.73)	(2,953,830.43)	(4,389,640.59)	(11,078,612.96)
Closing balance	<u>707,407,020.71</u>	<u>319,663,665.93</u>	<u>104,455,524.07</u>	<u>379,314,689.74</u>	<u>142,506,542.45</u>	<u>1,653,347,442.90</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

14. Fixed assets (Continued)

(1) Condition of fixed assets (Continued)

	Buildings	Machinery and equipment	Motor vehicles	Office equipments	Electronic equipments	Total
Accumulated depreciation						
Opening balance	(238,423,991.05)	(148,242,155.24)	(58,335,271.31)	(216,568,139.60)	(77,792,333.07)	(739,361,890.27)
Increase amount in current period	(16,424,080.50)	(26,413,396.62)	(4,758,056.66)	(16,722,112.14)	(16,673,703.93)	(80,991,349.85)
Provision	(13,834,333.67)	(26,413,396.62)	(4,758,056.66)	(16,722,112.14)	(16,673,703.93)	(78,401,603.02)
Transfer from Investment properties	(2,589,746.83)	-	-	-	-	(2,589,746.83)
Decrease amount in current period	418,887.13	427,677.74	2,364,303.93	1,555,286.72	2,626,161.34	7,392,316.86
Disposal or retirement	22,815.68	427,677.74	2,364,303.93	1,555,286.72	2,626,161.34	6,996,245.41
Transfer to investment properties	396,071.45	-	-	-	-	396,071.45
Closing balance	(254,429,184.42)	(174,227,874.12)	(60,729,024.04)	(231,734,965.02)	(91,839,875.66)	(812,960,923.26)
Carrying amount						
At end of period	452,977,836.29	145,435,791.81	43,726,500.03	147,579,724.72	50,666,666.79	840,386,519.64
At beginning of the period	466,215,405.38	157,208,507.40	38,416,446.16	149,074,073.40	43,276,650.93	854,191,083.27

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Notes to financial statements (Continued)

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(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

14. Fixed assets (Continued)

(2) Condition of Fixed assets falling to accomplish certification of title

	Book value	Reason for not obtaining certification of title
Buildings and constructions	25,199,513.22	As at 30 June 2021, the Company has not yet obtained the certification of title for No.13 Jingxing North Street, Tiexi District, Shenyang. The transferor, the State-owned Assets Supervision and Administration Commission, was still processing the case and had provided a relevant notification.
Buildings and constructions	40,072,822.06	As at 30 June 2021, the Company has not yet obtained the certification of title for No.53 Nanshizhong Street, Tiexi District, Shenyang. The transferor, the State-owned Assets Supervision and Administration Commission, was still processing the case and had provided a relevant notification.
Buildings and constructions	536,550.04	As at 30 June 2021, the construction area is greater than the approved area, the Group can not handle the housing property right certificate located at 31 Yihe Street, Kaiyuan in Tieling City, Kaiyuan City Planning Bureau had provided a construction project completion planning acceptance certificate.
Buildings and constructions	119,844.81	On 30 June 2021, due to the need for self-use storage, the Group has built its own simple warehouse located at 2 Baiyu Road, Sujiatun District, Shenyang. The Group is unable to obtain a home title certificate for the property there.

15. Construction in progress

	30 June 2021	31 December 2020
Construction in progress	<u>64,636,735.93</u>	<u>46,631,190.23</u>

(1) Condition of construction in progress

	30 June 2021			31 December 2020		
	Carrying balance	Impairment	Carrying amount	Carrying balance	Impairment	Carrying amount
Warehouse improvement project	6,015,123.20	-	6,015,123.20	2,357,739.84	-	2,357,739.84
New office building project	2,449,885.09	-	2,449,885.09	2,654,403.71	-	2,654,403.71
Supply chain extension project	14,289,469.53	-	14,289,469.53	12,248,729.81	-	12,248,729.81
Software project	28,344,537.25	-	28,344,537.25	19,443,779.83	-	19,443,779.83
Other construction projects	13,537,720.86	-	13,537,720.86	9,926,537.04	-	9,926,537.04
	<u>64,636,735.93</u>	<u>-</u>	<u>64,636,735.93</u>	<u>46,631,190.23</u>	<u>-</u>	<u>46,631,190.23</u>

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For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

15. Construction in progress (Continued)

(2) Changes of significant construction in progress in current period

Project name	Budget	Opening balance	Increase	Decrease		Closing balance	Proportion of investment to budget	Source of funds
				Transferred to fixed assets	Transferred to Long-term prepaid expenses			
Warehouse improvement project	13,241,063.70	2,357,739.84	9,311,593.33	2,194,159.00	3,460,050.97	6,015,123.20	93.08%	Own capital
New office building Project	3,600,282.07	2,654,403.71	-	-	204,518.62	2,449,885.09	10.54%	Own capital
Supply chain extension project	24,311,152.00	12,248,729.81	2,040,739.72	-	-	14,289,469.53	58.22%	Own capital
Software project	113,000,000.00	19,443,779.83	8,900,757.42	-	-	28,344,537.25	25.08%	Own capital
Other construction projects	225,408,891.74	9,926,537.04	20,559,244.54	-	16,948,060.72	13,537,720.86	13.17%	Own capital
	<u>379,561,389.51</u>	<u>46,631,190.23</u>	<u>40,812,335.01</u>	<u>2,194,159.00</u>	<u>20,612,630.31</u>	<u>64,636,735.93</u>		

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Notes to financial statements (Continued)
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V Notes to the consolidated financial statements (Continued)

16. Right-of-use assets

	Buildings and constructions	Machinery, transport and office equipment	Others	Total
Original cost				
Opening balance	3,642,726,568.57	6,617,052.55	2,418,809.35	3,651,762,430.47
Increase amount in current period	722,812,718.72	255,241.57	-	723,067,960.29
Incl: Business combinations not under common control	41,709,665.65	-	-	41,709,665.65
Decrease amount in current period	(269,712,235.31)	(1,389,315.12)	-	(271,101,550.43)
Disposal	(269,712,235.31)	(1,389,315.12)	-	(271,101,550.43)
Closing balance	4,095,827,051.98	5,482,979.00	2,418,809.35	4,103,728,840.33
Accumulated depreciation				
Opening balance	1,289,526,014.83	5,092,290.96	191,731.69	1,294,810,037.48
Increase amount in current period	493,418,631.21	166,716.16	47,473.92	493,632,821.29
Provision	493,418,631.21	166,716.16	47,473.92	493,632,821.29
Decrease amount in current period	(207,845,002.04)	(743,191.11)	-	(208,588,193.15)
Disposal	(207,845,002.04)	(743,191.11)	-	(208,588,193.15)
Closing balance	1,575,099,644.00	4,515,816.01	239,205.61	1,579,854,665.62
Carrying amount				
At end of the period	2,520,727,407.98	967,162.99	2,179,603.74	2,523,874,174.71
At beginning of the period	2,353,200,553.74	1,524,761.59	2,227,077.66	2,356,952,392.99

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

17. Intangible assets

	Land use rights	Software	Trademarks and brands use rights	Favorable leases	Distribution network	Franchise	Total
Original cost							
Opening balance	88,694,377.76	198,298,230.20	282,036,925.12	127,486,000.00	283,573,678.24	710,000.00	980,799,211.32
Increase amount in current period	841,319.61	6,604,973.46	40,440,000.00	-	-	-	47,886,293.07
Purchases	-	6,383,557.95	-	-	-	-	6,383,557.95
Business combinations not under common control	-	221,415.51	40,440,000.00	-	-	-	40,661,415.51
Transfer from investment properties	841,319.61	-	-	-	-	-	841,319.61
Closing balance	<u>89,535,697.37</u>	<u>204,903,203.66</u>	<u>322,476,925.12</u>	<u>127,486,000.00</u>	<u>283,573,678.24</u>	<u>710,000.00</u>	<u>1,028,685,504.39</u>
Accumulated amortization							
Opening balance	(30,664,860.97)	(111,160,831.01)	(5,060,783.81)	(37,878,526.79)	(60,979,029.34)	(710,000.00)	(246,454,031.92)
Increase amount in current period	(1,129,159.45)	(11,528,055.72)	(6,550,848.51)	(3,542,977.94)	(7,987,906.67)	-	(30,738,948.29)
Provision	(893,668.85)	(11,528,055.72)	(6,550,848.51)	(3,542,977.94)	(7,987,906.67)	-	(30,503,457.69)
Transfer from investment properties	(235,490.60)	-	-	-	-	-	(235,490.60)
Closing balance	<u>(31,794,020.42)</u>	<u>(122,688,886.73)</u>	<u>(11,611,632.32)</u>	<u>(41,421,504.73)</u>	<u>(68,966,936.01)</u>	<u>(710,000.00)</u>	<u>(277,192,980.21)</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

17. Intangible assets (Continued)

	Land use rights	Software	Trademarks and brands use rights	Favorable leases	Distribution network	Franchise	Total
Provision for impairment							
Opening balance	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-
Carrying amount							
At end of the year	57,741,676.95	82,214,316.93	310,865,292.80	86,064,495.27	214,606,742.23	-	751,492,524.18
At beginning of the year	58,029,516.79	87,137,399.19	276,976,141.31	89,607,473.21	222,594,648.90	-	734,345,179.40

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

18. Goodwill

(1) Original Book Value of goodwill

Names of the investee or matters of forming goodwill	Opening balance	Increase during this period		Decrease during this period	Closing balance
		Merger of holdings not under common control	Business combinations not under common control		
Sinopharm Holding (Jiangmen) Medical Co., Ltd. (“Sinopharm Jiangmen”)	27,392,317.73	-	-	-	27,392,317.73
Sinopharm Holding Shenzhen Yanfeng Co., Ltd. (“Sinopharm Yanfeng”)	16,868,644.87	-	-	-	16,868,644.87
Sinopharm Holding Zhaoqing Co., Ltd. (“Sinopharm Zhaoqing”)	2,594,341.53	-	-	-	2,594,341.53
Sinopharm Holding Shaoguan Co., Ltd. (“Sinopharm Shaoguan”)	1,686,496.80	-	-	-	1,686,496.80
Sinopharm Holding Meizhou Co., Ltd. (“Sinopharm Meizhou”)	1,610,819.66	-	-	-	1,610,819.66
Sinopharm Holding Huizhou Co., Ltd. (“Sinopharm Huizhou”)	923,184.67	-	-	-	923,184.67
Sinopharm Holding Zhanjiang Co., Ltd. (“Sinopharm Zhanjiang”)	282,135.55	-	-	-	282,135.55
Sinopharm Holding Dongguan Co., Ltd. (“Sinopharm Dongguan”)	1,499.02	-	-	-	1,499.02
South Pharma & Trade	2,755,680.62	-	-	-	2,755,680.62
Foshan Nanhai	88,877,850.51	-	-	-	88,877,850.51
Sinopharm Holding Zhuhai Co., Ltd. (“Sinopharm Zhuhai”)	6,772,561.47	-	-	-	6,772,561.47
Sinopharm Holding Maoming Co., Ltd. (“Sinopharm Maoming”)	66,417.07	-	-	-	66,417.07
Sinopharm Holding Guoda ForMe Medicines (Shanghai) Co., Ltd. (“ForMe Medicines”)	3,033,547.53	-	-	-	3,033,547.53
Sinopharm Hebei Lerentang Pharmacy Chain Store Co., Ltd. (“Hebei Lerentang”)	29,482,149.57	-	-	-	29,482,149.57
Xiaoyi Guoda Wanmin Baicao Tang Pharmacy Chain Store Co., Ltd. (“Xiaoyi Wanmin”)	15,866,680.00	-	-	-	15,866,680.00
Shanxi Guoda Wanmin Pharmacy Chain Store Co., Ltd. (“Shanxi Guoda Wanmin”)	65,025,000.00	-	-	-	65,025,000.00
Sinopharm Holding Guoda ForMe Pharmacy Chain Store Co., Ltd. (“ForMe Pharmacy Chain Store”)	19,405,450.23	-	-	-	19,405,450.23
Sinopharm Holding Guoda Pharmacy Chain Store Shanghai Co., Ltd. (“Shanghai Guoda”)	5,028,638.00	-	-	-	5,028,638.00
Sinopharm Holding Guoda Yangzhou Dadesheng Pharmacy Chain Store Co., Ltd. (“Yangzhou Guoda”)	7,979,000.00	-	-	-	7,979,000.00
Zhejiang Guoda Pharmacy Co., Ltd. (“Zhejiang Guoda”)	3,045,183.85	-	-	-	3,045,183.85
Sinopharm Holding Guoda Nanjing Pharmacy Chain Store Co., Ltd. (“Nanjing Guoda”)	11,598,341.12	-	-	-	11,598,341.12
Fujian Guoda Pharmacy Chain Store Co., Ltd. (“Fujian Chain”)	1,567,250.76	-	-	-	1,567,250.76
Sinopharm Holding Guoda Shandong Pharmacy Chain Store Co., Ltd. (“Shandong Guoda”)	29,110,409.46	-	-	-	29,110,409.46
Sinopharm Holding Guoda Shenyang Pharmacy Chain Store Co., Ltd. (“Shenyang Guoda”)	41,047,958.08	-	-	-	41,047,958.08
Liyang Guoda People Pharmacy Chain Store Co., Ltd. (“Liyang Guoda”)	107,275,095.74	-	-	-	107,275,095.74

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

(1) Original Book Value of goodwill (Continued)

Names of the investee or matters of forming goodwill	Opening balance	Increase during this period		Decrease during this period	Closing balance
		Merger of holdings not under common control	Business combinations not under common control		
Sinopharm Holding Hunan Guoda Minshengtang Pharmacy Chain Co., Ltd. (“Hunan Guoda”)	41,165,574.64	-	-	-	41,165,574.64
Quanzhou Guoda Pharmacy Chain Store Co., Ltd. (“Quanzhou Guoda”)	41,298,622.59	-	-	-	41,298,622.59
Sinopharm Holding Guoda Henan Pharmacy Chain Store Co., Ltd. (“Henan Guoda”)	22,666,179.77	-	-	-	22,666,179.77
Guoda Neimenggu	70,485,777.00	-	-	-	70,485,777.00
Sinopharm Guoda Pharmacy Jiangmen Chain Co., Ltd. (“Jiangmen Guoda”)	77,350,000.00	-	-	-	77,350,000.00
Sinopharm Holding Guoda Shanxi Yiyuan Pharmacy Chain Store Co., Ltd. (“Shanxi Guoda Yiyuan”)	9,080,100.00	-	-	-	9,080,100.00
Shenzhen Guanganli Pharmacy Chain Store Co., Ltd. 's Store Acquisition	13,420,000.00	-	-	-	13,420,000.00
Beijing Golden Elephant Pharmacy Medicine Chain Company Limited (“Beijing Golden Elephant”)	64,140,124.36	-	-	-	64,140,124.36
Guoda Taishan	26,826,120.55	-	-	-	26,826,120.55
Taiyuan Tongxinli Pharmacy Co., Ltd. (“Taiyuan Tongxinli”)	2,818,647.85	-	-	-	2,818,647.85
Sinopharm Holding Guoda Yongxingtang Pharmacy Chain Store (Chaoyang) Co., Ltd. (“Chaoyang Yongxingtang”)	25,973,399.17	-	-	-	25,973,399.17
Neimenggu Tongren Big Pharmacy Chain Co., Ltd. store acquisition.	13,494,000.00	-	-	-	13,494,000.00
Guoda Pu'er	71,064,684.79	-	-	-	71,064,684.79
Shanghai Pudong New Area Pharmaceuticals Co., Ltd. (“Pudong Pharmaceuticals”)	65,978,042.61	-	-	-	65,978,042.61
Shanghai Dingqun Enterprise Management Consulting Co., Ltd.	520,836,246.17	-	-	-	520,836,246.17
Cheng Dafang Pharmaceutical Group Co., Ltd	1,182,443,676.11	-	-	-	1,182,443,676.11
Liaoning Xianzhen Phamaceutical Chain Co., Ltd.	34,037,431.66	-	-	-	34,037,431.66
Yunnan Guoda Disheng pharmacy chain Co., Ltd (“Disheng Chain”)(Note 1)	-	152,157,935.52	-	-	152,157,935.52
China Pharmaceutical Holdings Nantong Puji Pharmacy Chain Co., Ltd. store acquisition (Note 2)	-	-	11,498,100.00	-	11,498,100.00
Shanxi Huimin Kangwei Big Pharmacy Chain Co., Ltd. store acquisition (Note 3)	-	-	20,970,000.00	-	20,970,000.00
	<u>2,772,375,281.11</u>	<u>152,157,935.52</u>	<u>32,468,100.00</u>		<u>2,957,001,316.63</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

(2) Provision of impairment loss

Names of the investee or matters of forming goodwill	Opening balance	Increase	Decrease	Closing balance
Guoda Quanzhou	25,000,000.00	-	-	25,000,000.00

Relevant information of asset group or combination of asset groups in which goodwill is located

Explain the process of goodwill impairment test, key parameters (such as the growth rate in the forecast period, the growth rate in the stable period, the profit rate, the discount rate, the forecast period, etc.) and the recognition method of goodwill impairment loss:

The carrying value of goodwill is apportioned according to the proportion of each asset group or combination of asset groups at fair value of the total amount of goodwill at fair value. It is shown as follows:

	30 June 2021	31 December 2020
Pharmaceutical distribution	152,865,497.03	152,865,497.03
Pharmaceutical retail	2,779,135,819.60	2,594,509,784.08
	<u>2,932,001,316.63</u>	<u>2,747,375,281.11</u>

The recoverable amount of asset group and combination of asset groups is calculated based on the five-year period budget approved by the management while using the cash flow forecast method. The cash flows beyond the five-year period are extrapolated using the inflation rate.

Key assumptions were used for the calculation of the present values of future cash flow projections of asset group and combination of asset groups consisting of pharmaceutical distribution and pharmaceutical retail as of 30 June 2021. Key assumptions made by management on projections of cash flows used in impairment testing are described as follows:

	Pharmaceutical distribution	Pharmaceutical retail
Revenue growth rate in the budget period	1.79%-16.00%	2.67%-16.43%
Sustainable growth rate	3.00%	3.00%
Gross margin	3.56%-6.40%	12.40%-50.58%
Discount rate	12.40%-15.00%	13.00%-15.00%

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

The budgeted gross margin and the revenue growth rate in the budget period are determined based on the past performance and expectation for market development. The discount rates used are pre-tax discount rates after reflecting specific risks of the relevant asset groups. The recoverable amount of the asset group consisting of pharmaceutical distribution and pharmaceutical retail was determined according to the key assumptions.

Impact of goodwill impairment test

Other declarations

Note 1: The Group acquired a 70% stake in Yunnan Guoda Disheng Pharmaceutical Chain Co., Ltd. in March 2021, and after the acquisition, it formed goodwill of RMB152,157,935.52, the calculation process of which is detailed in Notes VI-1.

Note 2: The Group acquired 15 direct stores of Nantong Puji Pharmacy Chain Co., Ltd. in March 2021, and after the acquisition, it formed goodwill of RMB11,498,100.00, the calculation process of which is detailed in Notes VI-1.

Note 3: The Group acquired 32 direct stores of Shanxi Huimin Kangwei Pharmaceutical Chain Co., Ltd. in February 2021, and after the acquisition was completed, it formed goodwill of RMB20,970,000.00, the calculation process of which is detailed in Notes VI-1

19. Long-term prepaid expenses

	Opening balance	Additions	Amortization	Other decrease	Closing balance
Fixed asset improvement expenditure	336,895,157.13	73,939,831.45	63,049,121.27	1,789,848.54	345,996,018.77
Acquisition expenditure to obtain the right to operate	95,802,321.95	70,780,659.86	10,579,442.60	-	156,003,539.21
Others	25,007,797.01	1,655,150.46	5,469,516.47	-	21,193,431.00
	<u>457,705,276.09</u>	<u>146,375,641.77</u>	<u>79,098,080.34</u>	<u>1,789,848.54</u>	<u>523,192,988.98</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

20. Deferred tax assets/liabilities

(1) Deferred tax assets before offsetting

	30 June 2021		31 December 2020	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	196,487,679.43	46,536,628.81	170,577,875.56	40,697,280.41
Deductible tax loss	32,245,677.79	8,061,419.46	30,798,485.93	7,699,621.49
Impact of lease criteria	109,849,225.12	27,234,338.93	93,685,083.09	22,420,179.23
Accrued expenses	108,024,144.57	25,409,713.77	113,445,282.36	26,095,709.73
Member bonus points	61,049,011.99	14,722,901.75	59,179,220.98	14,575,814.61
Accrued payroll	45,855,424.22	10,861,893.44	47,280,390.08	11,210,512.95
Others	20,119,732.62	4,832,303.97	21,096,550.78	4,641,850.41
	<u>573,630,895.74</u>	<u>137,659,200.13</u>	<u>536,062,888.78</u>	<u>127,340,968.83</u>

(2) Deferred tax liabilities before offsetting

	30 June 2021		31 December 2020	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value adjustment for business combination not involving enterprises under common control	716,667,762.07	179,197,391.85	713,703,864.68	178,425,966.17
Changes in fair value of financial assets through other comprehensive income	85,802,580.28	21,450,645.07	85,802,580.28	21,450,645.07
One-time deduction for fixed assets under five million yuan	123,264,042.43	30,816,010.64	126,722,799.31	31,679,099.86
Division restructuring assets to assess value-added differences	16,029,854.96	4,007,463.74	17,160,546.40	4,290,136.60
Others	28,333,035.97	6,090,083.17	25,205,927.86	5,297,761.98
	<u>970,097,275.71</u>	<u>241,561,594.47</u>	<u>968,595,718.53</u>	<u>241,143,609.68</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

20. Deferred tax assets/liabilities (Continued)

(3) Deferred tax assets and liabilities are presented after being offset against each other:

	30 June 2021		31 December 2020-	
	Deferred tax assets/liabilities - Net	Temporary differences after set-off	Deferred tax assets/liabilities - Net	Temporary differences after set-off
Deferred tax assets	41,063,450.80	96,595,749.33	35,222,201.02	92,118,767.81
Deferred tax liabilities	<u>41,063,450.80</u>	<u>200,498,143.67</u>	<u>35,222,201.02</u>	<u>205,921,408.66</u>

(4) The deductible temporary differences and deductible losses that were not recognized as deferred tax assets are presented as follows:

	30 June 2021	31 December 2020
Deductible temporary differences	11,920,797.79	9,435,555.39
Deductible loss	<u>61,373,403.25</u>	<u>61,373,403.25</u>
	<u>73,294,201.04</u>	<u>70,808,958.64</u>

(5) The aforesaid unrecognized deductible losses will due:

	30 June 2021	31 December 2020
2021	2,563,056.08	2,563,056.08
2022	7,261,117.97	7,261,117.97
2023	11,977,477.56	11,977,477.56
2024	22,579,176.44	22,579,176.44
2025	<u>16,992,575.20</u>	<u>16,992,575.20</u>
	<u>61,373,403.25</u>	<u>61,373,403.25</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

21. Other non-current assets

	30 June 2021			31 December 2020		
	Carrying balance	Impairment	Carrying amount	Carrying balance	Impairment	Carrying amount
Physical assets reserve specifically authorized	331,870,456.97	-	331,870,456.97	260,590,932.98	-	260,590,932.98
Security deposit	100,326,250.00	(70,000.00)	100,256,250.00	114,186,431.57	-	114,186,431.57
Prepayment for project and equipment	40,757,628.00	-	40,757,628.00	24,809,091.30	-	24,809,091.30
Contract assets	8,238,308.92	(120,404.87)	8,117,904.05	7,081,263.45	(82,188.73)	6,999,074.72
Other	3,257,615.30	-	3,257,615.30	1,611,992.27	-	1,611,992.27
	<u>484,450,259.19</u>	<u>(190,404.87)</u>	<u>484,259,854.32</u>	<u>408,279,711.57</u>	<u>(82,188.73)</u>	<u>408,197,522.84</u>

22. Short-term borrowings

	30 June 2021	31 December 2020
Credit borrowings	<u>4,632,933,904.39</u>	<u>1,612,187,020.12</u>

At 30 June 2021, the annual interest rate for the above borrowings was 2.28% (31 December 2020: 3.49%).

At 30 June 2021 and 31 December 2020, there were no short-term borrowings of the Group that were overdue but not yet paid.

23. Notes payable

	30 June 2021	31 December 2020
Commercial acceptance bills	93,061,594.94	56,360,197.69
Bank acceptance bills	<u>6,687,363,494.23</u>	<u>7,463,805,077.00</u>
	<u>6,780,425,089.17</u>	<u>7,520,165,274.69</u>

At 30 June 2021, the total amount of notes payable that were due but not yet paid was nil (31 December 2020: nil).

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

24. Accounts payable

	30 June 2021	31 December 2020
Payment for goods	<u>9,642,504,836.50</u>	<u>7,697,451,142.50</u>

At 30 June 2021, significant accounts payable aged over one year was analyzed below:

	Amount	Reason
Payment for goods	<u>429,971,551.39</u>	Has not been settled

At 30 June 2021, accounts payable aged over one year, mainly the unsettled payment for goods, was RMB429,971,551.39 (31 December 2020: RMB398,772,102.49).

25. Receipts in advance

	30 June 2021	31 December 2020
Advanced lease payment	<u>14,868,097.97</u>	<u>12,352,466.64</u>

26. Contract liabilities

	30 June 2021	31 December 2020
Contract liabilities	<u>316,827,151.78</u>	<u>368,600,357.14</u>

The ending balance of contract liabilities is the advance payments received by the Group. After the Group receives the advance payments by the customer for the sales of goods, it will generally perform the performance obligation and recognise the revenue within about 6 months.

27. Employee benefits payable

	31 December 2020	Increase	Decrease	30 June 2021
Short-term employee benefits (1)	347,602,975.86	1,442,005,710.81	1,554,869,193.60	234,739,493.07
Post-employment benefits (defined contribution plan) (2)	9,216,204.49	135,235,733.49	137,243,137.06	7,208,800.92
Termination benefits	<u>392,866.75</u>	<u>560,719.50</u>	<u>695,897.15</u>	<u>257,689.10</u>
	<u>357,212,047.10</u>	<u>1,577,802,163.80</u>	<u>1,692,808,227.81</u>	<u>242,205,983.09</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

27. Employee benefits payable(Continued)

(1) Short-term employee benefits

	31 December 2020	Increase	Decrease	30 June 2021
Salaries, bonuses, allowances and grants	330,233,181.61	1,259,235,407.05	1,376,555,529.89	212,913,058.77
Staff welfare	1,469,381.07	32,807,596.67	33,096,433.74	1,180,544.00
Social security contribution	2,194,328.52	74,031,911.08	74,006,336.50	2,219,903.10
Incl: Medical insurance	1,531,693.95	68,900,758.25	68,513,264.14	1,919,188.06
Work injury insurance	84,285.35	2,846,079.32	2,857,214.97	73,149.70
Maternity insurance	578,349.22	2,285,073.51	2,635,857.39	227,565.34
Housing funds	1,650,393.19	52,281,928.06	52,197,609.56	1,734,711.69
Labor union funds and employee education funds	11,183,869.70	22,386,728.92	20,702,330.34	12,868,268.28
Other short-term benefits	871,821.77	1,262,139.03	(1,689,046.43)	3,823,007.23
	<u>347,602,975.86</u>	<u>1,442,005,710.81</u>	<u>1,554,869,193.60</u>	<u>234,739,493.07</u>

(2) Defined contribution plan

	31 December 2020	Increase	Decrease	30 June 2021
Basic pension insurance	3,593,380.27	128,854,477.21	127,826,836.98	4,621,020.50
Unemployment insurance	106,718.12	3,965,369.33	3,905,028.02	167,059.43
Contribution to pension fund	<u>5,516,106.10</u>	<u>2,415,886.95</u>	<u>5,511,272.06</u>	<u>2,420,720.99</u>
	<u>9,216,204.49</u>	<u>135,235,733.49</u>	<u>137,243,137.06</u>	<u>7,208,800.92</u>

Note: For the half year of 2021, the Group provided other termination benefits for severing labor relations of RMB406,814.34. For the half year of 2020, the Group provided other termination benefits for severing labor relations of RMB155,676.56. Other termination benefits that were reversed for there was no need to pay for severing labor relations were nil.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

28. Tax payable

	30 June 2021	31 December 2020
Value-added tax	75,280,000.02	102,586,862.95
Corporate Income taxes	182,236,074.48	173,016,908.47
Individual income tax	7,083,305.63	6,790,402.61
City maintenance and construction surtax	6,333,456.10	6,993,947.17
Stamp duty	7,697,463.21	8,243,076.57
Water conservancy fund	5,572,222.75	5,586,926.64
Educational surcharge	5,131,997.40	5,254,608.43
Property tax	1,300,695.62	664,697.78
Land use tax	148,696.04	54,028.60
Others	7,417,676.88	7,675,689.94
	<u>298,201,588.13</u>	<u>316,867,149.16</u>

29. Other payables

	30 June 2021	31 December 2020
Interest payable	16,255,309.75	35,572,620.82
Dividend payable	7,911,748.36	6,389,320.96
Other payables	1,507,731,959.76	1,557,204,939.36
	<u>1,531,899,017.87</u>	<u>1,599,166,881.14</u>

(1) Interest payable

	30 June 2021	31 December 2020
Factoring interest on accounts receivable	<u>16,255,309.75</u>	<u>35,572,620.82</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

29. Other payables(Continued)

(2) Dividend payable

	30 June 2021	31 December 2020
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	4,835,511.58	4,835,511.58
Dividend payable to Zhang Zhenfang	1,389,639.31	1,389,639.31
Meiluo Pharmaceutical Co., Ltd.	164,170.07	164,170.07
Longfeng Du	526,506.14	-
Dong Wang	336,202.71	-
Haiming Liu	177,616.53	-
Guozhu Tang	69,777.92	-
Xiancheng Liu	88,808.27	-
Shaojun Yan	44,404.13	-
Haiyu Liu	38,060.69	-
Qinghua Wang	126,868.95	-
Zhancheng Liang	114,182.06	-
	<u>7,911,748.36</u>	<u>6,389,320.96</u>

At 30 June 2021 and 31 December 2020, the Group had no significant dividend aged more than one year and not yet paid.

(3) Other payables

	30 June 2021	31 December 2020
Deposit	484,838,817.90	472,800,624.92
Payables for factoring programs	325,153,045.22	576,523,284.81
Accrued expenses	210,959,892.77	213,950,722.34
Equity payables	207,199,828.25	38,702,372.01
Payables for rentals	95,120,391.91	68,417,303.16
Payables for construction in progress and equipment	44,723,287.89	40,898,589.59
Payables to individuals	26,098,245.60	25,869,320.67
Collection of others	20,055,565.05	19,119,286.19
Payables for land transfer payments	12,597,500.00	12,597,500.00
Temporary loans	11,198,533.00	11,017,981.51
Payables to related parties	5,138,862.34	5,093,263.36
Others	64,647,989.83	72,214,690.80
	<u>1,507,731,959.76</u>	<u>1,557,204,939.36</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

29. Other payables(Continued)

At 30 June 2021, significant other payables over 1 year are:

	Amount payable	Reason for outstanding
Equity payable	36,000,000.00	Payment conditions not met
Deposits	37,744,837.63	Payment conditions not met
Accrued expenses	6,223,452.82	Payment conditions not met
Payables for land transfer payments	12,597,500.00	Payment conditions not met
	<u>92,565,790.45</u>	

30. Non-current liabilities due within 1 year

	30 June 2021	31 December 2020
Lease liabilities due within 1 year	<u>798,170,618.10</u>	<u>748,732,059.89</u>

31. Other current liabilities

	30 June 2021	31 December 2020
Pre-collected VAT	20,997,225.61	24,142,106.09
Output VAT to be recognized	<u>1,435,222.36</u>	<u>644,972.46</u>
	<u>22,432,447.97</u>	<u>24,787,078.55</u>

32. Long-term borrowings

	31 December 2021	31 December 2020
Credit loan	30,000,000.00	-
Entrusted loans	<u>31,633,794.44</u>	<u>31,637,173.89</u>
	<u>61,633,794.44</u>	<u>31,637,173.89</u>

At 30 June 2021, the total amount of remaining entrusted loans was RMB31,633,794.44 (31 December 2020: RMB31,637,173.89)., which was the loan from Sinopharm Group Finance Co., Ltd entrusted by CNPGC to the group, the weighted average annual interest rate of the entrusted loans was 3.34%(31 December 2020: 3.41%).

At 30 June 2021, the balance of credit borrowings was RMB30,000,000.00 (31 December 2020: None). The annual interest rate on this credit loan is 4.05% (31 December 2020 : None).

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

33. Lease liabilities

	30 June 2021	31 December 2020
Lease payment	2,159,301,970.90	2,051,786,223.79
Less: Lease liabilities due within 1 year	<u>798,170,618.10</u>	<u>748,732,059.89</u>
	<u><u>1,361,131,352.80</u></u>	<u><u>1,303,054,163.90</u></u>

34. Long-term payables

	30 June 2021	31 December 2020
Payables for specific projects	<u>6,938,189.00</u>	<u>6,938,189.00</u>

Payables for specific projects:

	31 December 2020	Increase	Decrease	30 June 2021	
Special funds granted by government (1)	800,000.00	-	-	800,000.00	Reasons of derred income Funds granted by government
Medical reserve funds (2)	<u>6,138,189.00</u>	-	-	<u>6,138,189.00</u>	
	<u><u>6,938,189.00</u></u>	-	-	<u><u>6,938,189.00</u></u>	

(1) The specific payables are research funds allocated by government departments and are accounted for the specific payable account at the time of allocation.

(2) The medical reserve funds were allocated by the Liaoning Province Department of Finance to Liaoning Chengda Fangyuan pharmaceutical chain Co., Ltd which was incorporated into the consolidation in 2020.

35. Long-term employee benefits payable

	30 June 2021	31 December 2020
Early retirement benefits payable	<u>1,262,000.00</u>	<u>1,319,000.00</u>

36. Provisions

	30 June 2021	31 December 2020
Pending litigation or arbitration (1)	<u>68,663,166.79</u>	<u>68,808,166.79</u>

(1) Four companies with Zhang Peng as the actual controller signed several contracts with Shenyang Branch of Bank of Dalian Co., Ltd. (“the Bank”) in previous years, which agreed that the above companies would transfer their creditor's rights of accounts receivable of Liaoning Chengda Fangyuan Pharmaceutical Co., Ltd. to the Bank, and the Bank would conduct factoring business for the above companies in accordance with the agreement. As the four companies failed to pay the relevant amount to the Bank, the Bank filed a lawsuit to the People's Court, requesting Liaoning Chengda Fangyuan Pharmaceutical Co., Ltd. and its parent company, CDFY, to assume the corresponding legal responsibilities. Liaoning Chengda Fangyuan Pharmaceutical Co., Ltd. confirmed its estimated liabilities based on the progress of the case before being included in the scope of consolidation of Sinopharm Group Accord Pharmaceutical Co., Ltd.

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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V Notes to the consolidated financial statements (Continued)

37. Deferred income

	Opening balance	Increase	Decrease	Closing balance	Reasons of deferred income
Government grants	89,610,262.61	7,520,212.93	5,962,539.84	91,167,935.70	Government grant
VAT Additional deduction	233,320.76	835,816.61	921,739.18	147,398.19	VAT additional deduction
	<u>89,843,583.37</u>	<u>8,356,029.54</u>	<u>6,884,279.02</u>	<u>91,315,333.89</u>	

As at 30 June 2021, deferred income from government grants are as follows:

Government grants program	Opening balance	Addition	Amount included in non-operating income	Amount included in other income	Offset cost amount in current period	Closing balance	Asset related/income related
Resettlement Compensation (Note)	70,158,624.05	-	1,349,204.28	-	-	68,809,419.77	Asset related
Funds for the construction of a modern supply chain system in the central circulation field in 2018	4,353,019.54	7,450,000.00	-	2,143,819.53	-	9,659,200.01	Asset related
Logistics project Nanning Economic Development Zone construction support fund	4,846,565.87	-	-	93,203.22	-	4,753,362.65	Asset related
Guangzhou logistics standardization pilot project	1,722,518.87	-	-	273,123.42	-	1,449,395.45	Asset related
Shenyang Tiexi Government housing subsidies	1,325,001.32	-	-	40,561.32	-	1,284,440.00	Asset related
Other projects	<u>7,204,532.96</u>	<u>70,212.93</u>	<u>-</u>	<u>2,037,129.45</u>	<u>25,498.62</u>	<u>5,212,117.82</u>	Asset/Income related

Note:

Due to the implementation of urban planning for old town reconstruction in Nanning, the operating center of Guangxi Logistics which was located in Longteng Road District, Nanning City, was to be reconstructed in another place. According to the agreement signed between Guangxi Logistics and the real estate developer in May 2012, Guangxi Logistics would obtain a compensation of RMB120,250,000.00, including cash of RMB50,000,000.00 and a property in construction equal to value of RMB70,250,000.00. Cash compensation of RMB50,000,000.00 was received in May 2012. In 2015, construction properties with a value of RMB70,250,000.00 were built and delivered, and had been recognised as investment properties.

The compensation relating to the capital expenditure in the reconstruction of the new logistic center in another place, amounting to RMB93,320,000.00, was recognised as deferred revenue, and would be amortized and recognised in the income statement within the expected useful lives using the straight-line method, and the other cash compensation, of which the amount approximates to RMB26,930,000.00, was recognised in the income statement in 2012.

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

38. Other non-current liabilities

	30 June 2021	31 December 2020
Governmental medical reserve funds (1)	600,009,111.26	711,029,182.37
Product promotion accumulative points programme (2)	30,824,503.22	29,815,911.17
Other	6,140.53	17,896.05
	<u>630,839,755.01</u>	<u>740,862,989.59</u>

(1) Governmental medical reserve funds are the funds received from the national and local governments for purchasing reserve medical supplies.

(2) The Product promotion accumulative points programme refers to those product-originated accumulative points that remain more than one year surplus before the expiration date.

39. Share capital

	Movement during the current year				
	31 December 2020	Issue of new share	Others	Subtotal	
Shares	<u>428,126,983.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,126,983.00</u>

40. Capital surplus

	31 December 2020	Increase	Decrease	30 June 2021
Share premium	2,118,174,787.27	-	-	2,118,174,787.27
Other capital surplus	<u>2,254,329,266.45</u>	<u>-</u>	<u>(460,868.29)</u>	<u>2,253,868,398.16</u>
	<u>4,372,504,053.72</u>	<u>-</u>	<u>(460,868.29)</u>	<u>4,372,043,185.43</u>

Changes in other equity of Shyndec Pharma, an associate of the group, reduce the book value of long-term equity investment and include it in the capital reserve of RMB -460,868.29.

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

41. Other comprehensive income

	31 December 2020	Amounts changes in current period		30 June 2021
		Occurrence amount before tax	Attributable to shareholders of owners of the parent	
Other comprehensive income items which will not be reclassified subsequently to profit or loss	38,611,051.04	-	-	38,611,051.04
Incl: Change in the fair value of other equity investments	38,611,051.04	-	-	38,611,051.04
Other comprehensive income that may be reclassified to profit or loss	(128,033.32)	64,854.90	64,854.90	(63,178.42)
Incl: Other comprehensive income using the equity method that may be reclassified to profit or loss	(128,033.32)	64,854.90	64,854.90	(63,178.42)
	<u>38,483,017.72</u>	<u>64,854.90</u>	<u>64,854.90</u>	<u>38,547,872.62</u>

42. Surplus reserve

	31 December 2020	Increase	Decrease	30 June 2021
Statutory surplus reserves	<u>214,063,491.50</u>	-	-	<u>214,063,491.50</u>

43. Retained earnings

	30 June 2021	31 December 2020
Retained earnings at beginning of year before retrospective adjustment and restatement	8,895,145,106.39	7,755,295,537.08
The retrospective adjustment and restatement	-	(3,029,877.91)
Retained earnings at beginning of year after retrospective adjustment and restatement	8,895,145,106.39	7,752,265,659.17
Add: Net profit attributable to the parent	741,445,013.25	1,401,892,593.23
Less: Dividend payable on common stock	342,501,586.40	256,876,189.80
Other	-	2,136,956.21
Retained earnings on June 30, 2020	<u>9,294,088,533.24</u>	<u>8,895,145,106.39</u>

Adjust the details of undistributed profits at the beginning of the period:

- 1) . due to the retroactive adjustment of the accounting standards for business enterprises and its relevant new provisions, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 2) . due to the change of accounting policy, the undistributed profit at the beginning of the period is 0.00 yuan.
- 3) . due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by 0.00 yuan.
- 4) . the change of consolidation scope caused by the same control affects the undistributed profit at the beginning of the period by 0.00 yuan.
- 5) . the total of other adjustments affects the undistributed profit at the beginning of the period by 0.0

V Notes to the consolidated financial statements (Continued)

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44. Operating revenue and cost

	For the six months ended 30 June 2021		For the six months ended 30 June 2020		
	Revenue	Cost	Revenue	Cost	
Principal operations	32,841,264,479.56	29,156,249,513.96	26,944,450,698.03	23,953,267,481.54	
Other operations	321,827,407.83	60,587,687.11	225,489,490.49	17,762,237.90	
	<u>33,163,091,887.39</u>	<u>29,216,837,201.07</u>	<u>27,169,940,188.52</u>	<u>23,971,029,719.44</u>	
Classification	Head Office	Pharmaceutical distribution	Pharmaceutical retail	Elimination between segments	Total
By product					
Incl:					
Pharmaceuticals	-	19,828,394,853.85	10,676,855,504.22	(499,204,175.96)	30,006,046,182.11
Medical devices and disposables	-	2,076,206,193.67	134,724,521.61	-	2,210,930,715.28
Diagnostic reagents	-	515,191,908.40	-	-	515,191,908.40
Medical equipments	-	278,181,437.86	-	-	278,181,437.86
Others	4,532,508.37	111,779,259.15	-	(5,938,298.55)	110,373,468.97
By area					
Incl:					
China	4,532,508.37	22,809,753,652.93	10,811,580,025.83	(505,142,474.51)	33,120,723,712.62
By types of activity					
Incl:					
Pharmaceutical distribution	-	21,697,696,043.60	1,958,602,731.53	(499,204,175.96)	23,157,094,599.17
Retail pharmacy	-	1,000,278,350.18	8,852,977,294.30	-	9,853,255,644.48
Others	4,532,508.37	111,779,259.15	-	(5,938,298.55)	110,373,468.97
By contract duration					
Incl:					
At a point in time	-	22,697,974,393.78	10,811,580,025.83	(499,204,175.96)	33,010,350,243.65
Over time	4,532,508.37	111,779,259.15	-	(5,938,298.55)	110,373,468.97
	<u>4,532,508.37</u>	<u>22,809,753,652.93</u>	<u>10,811,580,025.83</u>	<u>(505,142,474.51)</u>	<u>33,120,723,712.62</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

44. Operating revenue and cost (Continued)

Information about the Group's performance obligations is summarised below:

- (1) Revenue is recognised when control of the goods has transferred and payment is generally due within 30 to 210 days from delivery;
- (2) Revenue is recognised in the service duration and the payment is generally due within 30 to 210 days since the service is completed.

Information related to the sales price allocated to the remaining obligations:

The amount of income corresponding to the obligation that has been signed but has not been fulfilled or has not yet fulfilled is RMB316,827,151.78, which is expected to be recognized within 1 year.

Revenue is as follows:

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Revenue from contracts with customers	33,120,723,712.62	27,139,718,273.17
Rentals	42,368,174.77	30,221,915.35
	<u>33,163,091,887.39</u>	<u>27,169,940,188.52</u>

45. Tax and surcharges

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
City maintenance and construction tax	27,877,507.46	28,121,494.67
Educational surcharge	20,257,170.15	20,311,577.25
Property tax	4,224,163.72	2,492,284.79
Land tax	768,836.09	317,162.91
Vehicle and vessel use tax	85,991.96	72,575.73
Stamp duty	21,497,447.37	17,140,178.76
Others	1,278,737.83	1,050,035.21
	<u>75,989,854.58</u>	<u>69,505,309.32</u>

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V Notes to the consolidated financial statements (Continued)

46. Selling expenses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Employees payroll and welfare benefits	1,197,067,119.97	904,925,594.87
Depreciation expenses of right-of-use assets	479,540,503.22	387,380,924.52
Rental expenses	117,046,188.52	60,573,717.68
Technical service fee	84,303,596.21	45,620,729.98
Amortization of long-term deferred expenses	69,802,526.37	52,138,560.36
Depreciation expenses	56,762,708.30	43,808,801.59
Transportation charges	52,564,735.76	51,095,840.37
Utilities	39,863,463.73	34,081,779.59
Office allowances	35,013,829.00	27,895,774.76
Storage expenses	25,614,256.09	18,300,237.30
Promotion and marketing expenses	18,804,920.99	15,399,693.56
Property management fee	16,975,156.97	15,659,321.63
Entertainment expenses	14,061,877.53	9,358,003.62
Market development fee	8,168,582.42	4,517,975.19
Repairing fees	7,118,061.32	7,147,598.96
Travel allowances	2,939,453.78	1,845,288.42
Conference expenses	525,946.12	292,483.51
Others	81,312,603.47	48,696,492.69
	<u>2,307,485,529.77</u>	<u>1,728,738,818.60</u>

47. Administrative expenses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Employees payroll and welfare benefits	360,049,901.79	325,153,640.16
Depreciation expenses	17,675,510.90	16,351,496.61
Rental expenses	16,196,265.77	5,390,672.79
Office allowances	14,281,405.19	12,677,148.40
Depreciation expenses of right-of-use assets	12,957,819.94	10,925,364.40
Amortization of intangible assets	11,402,009.79	8,991,474.97
Amortization of long-term deferred expenses	8,283,676.96	6,808,445.06
Entertainment expenses	7,342,000.00	4,596,522.19
Technical service fee	6,691,393.49	11,527,561.19
Property management fee	4,749,071.86	3,089,556.70
Vehicle management expenses	3,659,483.25	3,169,051.19
Travel allowances	3,444,399.91	1,822,634.84
Utilities	3,107,684.09	1,919,161.42
Repairing fees	2,852,529.46	2,898,331.91
Agency service fee	2,841,366.73	3,411,279.41
Promotion and marketing expenses	304,402.82	2,180,552.03
Others	16,698,014.76	22,374,251.65
	<u>492,536,936.71</u>	<u>443,287,144.92</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

48. Finance costs

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Interest expenses	147,057,897.99	133,350,510.68
Less: Interest income	38,758,729.78	65,512,550.22
Cash discount	18,968,417.81	20,153,456.44
Exchanges gain/(loss)	(415,927.10)	47,935.97
Others	18,328,179.85	17,581,389.63
	<u>107,243,003.15</u>	<u>65,313,829.62</u>

A breakdown for interest income is as follows:

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Cash	<u>38,758,729.78</u>	<u>65,512,550.22</u>

49. Other incomes

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Government grants related to daily operating activities	33,966,095.01	25,786,877.95
VAT reduction for small-scale taxpayers	11,566,085.35	8,383,678.31
VAT additional deduction	929,058.98	864,634.59
Taxation service charge refund	788,376.92	820,107.47
	<u>47,249,616.26</u>	<u>35,855,298.32</u>

50. Investment income

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Long-term equity investment income under the equity method	157,696,397.81	133,604,904.16
Dividend income from other equity investments that are still held	2,330,159.50	-
Investment income from financial assets at fair value through profit or loss	3,599,555.61	4,109,881.90
Investment income from the derecognition of financial assets measured at amortised cost	(7,039,046.60)	(33,507,102.64)
Others	998,665.84	998,665.84
	<u>156,587,066.32</u>	<u>105,206,349.26</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

51. Credit impairment losses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Impairment loss of other receivables	(1,464,818.01)	(1,401,731.20)
Impairment loss of accounts receivable	(28,023,731.77)	(20,178,500.32)
Impairment loss of notes receivables	893,564.34	-
Impairment loss of other non-current financial assets	(70,000.00)	-
	<u>(28,664,985.44)</u>	<u>(21,580,231.52)</u>

52. Impairment losses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Loss from write-down of inventories	(318,356.71)	(1,743,888.30)
Loss from impairment of contract assets	(60,342.41)	-
Loss from impairment of other non-current assets	(38,216.14)	-
	<u>(416,915.26)</u>	<u>(1,743,888.30)</u>

53. Gain on disposal of assets

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Gain on disposal of right-of-use assets	(505,084.56)	3,971,813.20
Gain on disposal of fixed assets	(83,714.99)	333,511.60
	<u>(588,799.55)</u>	<u>4,305,324.80</u>

54. Non-operating income

	For the six month ended 30 June 2021	For the six month ended 30 June 2020	Amount classified as non-recurring profit or loss
Government grants	1,349,204.28	1,349,204.28	1,349,204.28
Gain on disposal of non-current assets	60,184.80	2,171.01	60,184.80
Gain from writing off the unnecessary payment	7,298,605.35	199,266.47	7,298,605.35
Others	3,785,326.01	3,669,338.46	3,789,726.01
	<u>12,493,320.44</u>	<u>5,219,980.22</u>	<u>12,493,320.44</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

54. Non-operating income(Continued)

Government grants included in current period profit or loss:

Project Name	Government Department	Reasons for Government grants	Type	Affects the profit or loss of this year	Special subsidy	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Related to asset/income
Resettlement Compensation of No. 7 Zhongyao Road	Nanning Economic & Technological Development Area Management Committee	Subsidy	Subsidies from local government for support policies such as attracting investment	Yes	No	1,349,204.28	1,349,204.28	Asset related

55. Non-operating expenses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020	Amount classified as non-recurring profit or loss
Donation expenses	158,990.50	527,677.41	158,990.50
Losses arising from damage and obsolescence of non-current assets	273,414.36	373,790.44	273,414.36
Penalty expenses	1,220,928.37	467,582.50	1,220,928.37
Others	1,584,618.12	1,639,842.17	1,584,618.12
	<u>3,237,951.35</u>	<u>3,008,892.52</u>	<u>3,237,951.35</u>

56. Income tax expenses

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Current income tax	248,326,505.55	213,477,221.94
Deferred income tax	(9,900,246.51)	(3,370,457.59)
	<u>238,426,259.04</u>	<u>210,106,764.35</u>

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

	For the six month ended 30 June 2021
Profit before income tax	<u>1,146,420,713.53</u>
Tax at the applicable tax rate	286,605,178.38
Effect of different tax rates for some subsidiaries	(27,341,828.05)
Adjustments in respect of current tax of previous periods	9,250,796.99
Income not subject to tax	(39,424,099.45)
Expenses not deductible for tax	5,188,447.29
Unrecognised deductible temporary differences and tax losses	4,147,763.88
Income tax	<u>238,426,259.04</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

57. Notes to items in the cashflow statement

(1) Other cash receipts relating to operating activities

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Received the special emergency reserve fund	-	330,000,000.00
Rent income	42,368,174.77	30,221,915.35
Interest income	38,758,729.78	65,499,031.75
Received other government grants except tax refund	35,612,619.03	28,018,379.40
Others	251,851,351.88	253,462,783.50
	<u>368,590,875.46</u>	<u>707,202,110.00</u>

(2) Other cash payments relating to operating activities

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Rental expenses	133,233,956.70	65,964,390.47
Transportation charges	52,564,735.76	51,095,840.37
Office expenses	49,295,234.19	40,572,923.16
Utilities	42,971,147.82	36,000,941.01
Storage expenses	25,614,256.09	18,300,237.30
Entertainment expenses	21,403,877.53	13,954,525.81
Advertising expenses	19,109,323.81	17,580,245.59
Travel expenses	6,383,853.69	3,667,923.26
Others	582,203,811.77	456,537,231.52
	<u>932,780,197.36</u>	<u>703,674,258.49</u>

(3) Other cash receipts relating to investing activities

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Received from capital pool(1)	-	22,000,000.00
Others	54,984.60	40,000.00
	<u>54,984.60</u>	<u>22,040,000.00</u>

(1) Pudong Pharmaceuticals, a subsidiary of the merger of enterprises under the common control of Guoda Pharmacy in 2020, and recovered the funds originally collected to the cash pool in the same period in 2020.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

57. Notes to items in cash flow statement (Continued)

(4) Other cash receipts relating to financing activities

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Received loan provided by minority shareholders	69,150,000.00	149,900,000.00
Financing restricted monetary funds received	34,940,555.62	128,449,840.06
Received loan provided by Sinmopharm	-	56,000,000.00
	104,090,555.62	334,349,840.06
	104,090,555.62	334,349,840.06

(5) Other cash payments relating to financing activities

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Lease payment	536,275,009.28	466,492,796.45
Bank factoring payable	251,370,239.59	281,994,828.44
Repayment of the loan provided by minority shareholders	50,400,000.00	304,000,000.00
Investment fund of Shanghai Pudong Pharmaceuticals	-	163,115,049.98
Repayment of the loan provided by Sinmopharm	-	114,000,000.00
Purchase of equity of minority shareholders	-	52,309,117.11
Others	-	23,199,872.28
	838,045,248.87	1,405,111,664.26
	838,045,248.87	1,405,111,664.26

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

58. Supplementary information of cashflow statement

(1) Reconciliation of net profit to cash flows from operating activities

	For the six month ended 30 June 2021	For the six month ended 30 June 2020
Net profit	907,994,454.49	806,212,542.53
Add: Provisions for asset impairment	29,081,900.70	23,324,119.82
Depreciation of fixed assets	78,401,603.02	61,147,847.16
Depreciation of right-of-use assets	493,632,821.29	388,208,804.99
Amortization of intangible assets	30,503,457.69	22,955,311.98
Amortization of long-term prepaid expenses	79,098,080.34	51,031,038.60
Gains/(losses) on disposal of fixed assets, intangible assets and other long-term assets	588,799.55	(4,658,628.06)
Losses from obsolescence of non-current assets	213,229.56	371,619.43
Finance expenses	126,395,365.24	124,862,298.31
Investment losses	(156,587,066.32)	(105,206,349.26)
(Increase)/decrease in deferred tax assets	(10,036,816.58)	(1,027,041.92)
(Decrease)/increase in deferred tax liabilities	417,984.79	(2,343,415.67)
Decrease in inventories	(868,988,935.78)	(85,043,215.49)
Increase in operating receivables items	(3,060,847,945.57)	(2,023,296,252.84)
(Decrease)/increase in operating payable items	3,561,205,596.30	(133,395,115.40)
Others	18,300,754.85	2,315,060,479.17
	<u>1,229,373,283.57</u>	<u>1,438,204,043.35</u>
Net cash generated from operating activities	<u>1,229,373,283.57</u>	<u>1,438,204,043.35</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

58. Supplementary information of cashflow statement (Continued)

(2)	Movement of cash	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	Cash at the end of the period	5,537,606,217.43	8,000,562,022.16
	Less: Cash at the beginning of the period	5,405,113,257.99	8,426,071,170.16
	Net increase in cash	132,492,959.44	(425,509,148.00)
(3)			For the six months ended 30 June 2021
	Cash and cash equivalents paid for acquisitions of subsidiaries and other operating units		129,668,139.12
	Incl: Yunnan Guoda Disheng Pharmaceutical Co., Ltd. (“Disheng Pharmaceutical”		14,130,000.00
	Disheng Chain.		71,400,000.00
	32 directly-operated stores of Shanxi Huimingkangwei Pharmaceutical Chain Co., Ltd.		30,000,000.00
	15 directly-operated stores of Sinopharm Holding Nantong Puji Pharmacy Chain Co., Ltd.		14,138,139.12
	Less: Cash and cash equivalents held by subsidiaries and other operating units at the acquisition date		28,717,501.71
	Incl: Disheng Pharmaceutical		7,723,702.95
	Disheng Chain Co., Ltd.		20,993,798.76
	Net cash outflow/(inflow) on acquisition of the subsidiaries and other operating units		100,950,637.41
(4)	Cash and cash equivalent	30 June 2021	31 December 2020
	Cash	5,537,606,217.43	5,405,113,257.99
	Inclue: Cash on hand	4,898,795.54	6,707,125.90
	Bank deposits on demand	5,532,707,421.89	5,398,406,132.09
	Ending balance cash and cash equivalent	5,537,606,217.43	5,405,113,257.99

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

59. Assets under restricted ownership or right of use

	Book value	Reasons
Cash and cash equivalents	338,186,269.94	Note 1
Endorsed notes receivable and receivable financing	20,196,089.49	Note 2
	358,382,359.43	

Note 1: As at 30 June 2021, the the Group's cash and cash equivalents with a book value of RMB 338,186,269.94 (December 31, 2020: RMB 593,091,037.88) are mainly deposits for bank acceptance bills, freezing of funds and medical reserve funds, etc.

Note 2: As at 30 June 2021, the Group had receivables financing of RMB 20,070,999.69 and notes receivable of RMB125,089.80, endorsed but not due (31 December 2020: receivables financing of RMB 23,843,867.66 and notes receivable of RMB 4,095,283.92)

60. Government grants

Type	Amount	Items of financial statements	The amount recorded into profit or loss for the current period
Tax return	12,016,071.91	Other income	12,016,071.91
		Other income/	
Stabilitation allowances	11,572,570.54	Deferred income	11,572,570.54
Construction fund of the modern supply chain system in the central circulation field in 2018	2,143,819.51	Other income/	
		Deferred income	2,143,819.51
Subsidies from food and strategic reserves administration of Guangdong province	1,946,573.87	Other income	1,946,573.87
Medical Reserve Subsidies from Shenzhen municipal health commission	1,437,149.37	Other income	1,437,149.37
Government support fund	1,361,117.00	Other income	1,361,117.00
Resettlement Compensation of No. 7 Zhongyu Road	1,349,204.28	Non-operating income	
		/Deferred income	1,349,204.28
		Other income	
Enterprise Economic Reward	733,317.46	/Deferred income	733,317.46
Government grants for COVID-19	422,595.35	Other income	422,595.35
VAT reduction or exemption for self-employment retired soldiers	300,870.00	Other income	300,870.00
Guangzhou logistics standardization pilot project allowance	273,123.42	Other income	
		/Deferred income	273,123.42

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

V Notes to the consolidated financial statements (Continued)

60 Government grants (Continued)

Type	Amount	Items of financial statements	The amount recorded into profit or loss for the current period
Special funds for industrial transformation and upgrading in dualized integration projects	224,520.24	Other income /Deferred income	224,520.24
Rent subsidy from Guangzhou High-tech Industrial Development Zone	216,700.85	Other income	216,700.85
Service Industry Enterprise Market Development Subsidy Project in Nanning	200,000.00	Other income	200,000.00
Subsidy fund for medicine reserve in Foshan	150,000.00	Other income	150,000.00
Comprehensive experimental modern service industry subsidies	150,000.00	Other income /Deferred income	150,000.00
Logistics project construction support fund from Nanning economic development committee	93,203.22	Other income /Deferred income	93,203.22
Funds for the logistics information platform project of the pharmaceutical storage centre	71,428.56	Other income /Deferred income	71,428.56
Guangzhou special subsidy for commerce and trade circulation industry	50,000.04	Other income /Deferred income	50,000.04
Special Fund for the construction of Enterprise Research and development Institutions in Guangzhou	44,705.94	Other income /Deferred income	44,705.94
House purchase subsidy from the government of Tiexi District, Shenyang	40,561.32	Other income /Deferred income	40,561.32
Subsidy for industrialization application project of pharmaceutical cold chain patent incubator from Guangzhou liwan district	12,499.98	Other income /Deferred income	12,499.98
Medical intelligent supply chain e-commerce service platform technology project subsidy from Guangzhou liwan district	9,861.24	Other income /Deferred income	9,861.24
Other government grants	543,447.58	Other income/Finance costs/Administrative /Selling expenses /Deferred income	543,447.58

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VI. Changes in scope of consolidation

1. Business combination not involving enterprises under common control

1.1 Acquiring Disheng Pharmaceutical. And Disheng chain

Acquiree	The date of acquiring the right	Acquisition cost of the right	Proportion of rights owned by the Group	Methods of acquisition	Acquisition date	The basis for determining the date of purchase	Income earned from the acquisition date to 30 June 2021	Net profit earned from the acquisition date to 30 June 2021
Disheng Pharmaceutical (a)	15 March 2021	14,130,000.00	70.00%	Acquisition	15 March 2021	The purchaser actually acquires control over the acquired company	88,507,060.89	964,797.79
Disheng chain Co., Ltd. (b)	15 March 2021	238,000,000.00	70.00%	Acquisition	15 March 2021	The purchaser actually acquires control over the acquired company	116,656,427.71	12,161,419.65

Additional clarification:

(a) Guoda Pharmacy, a subsidiary of the Company, acquired 70% shares of Disheng Pharmaceutical from Xishuangbanna Disheng Pharmaceutical Co., Ltd by RMB14,130,000.00. The acquisition was completed on 15 March 2021.

(b) Guoda Pharmacy, a subsidiary of the Company, acquired 70% shares of Disheng chain from Xishuangbanna Disheng Pharmaceutical Co., Ltd by RMB 238,000,000.00. The acquisition was completed on 15 March 2021.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VI. Changes in scope of consolidation(Continued)

1. Business combinations not involving enterprises under common control (Continued)

1.2 Acquisition costs and goodwill arising from acquisition

Acquisition costs	Disheng Pharmaceutical	Disheng chain
Cash	14,130,000.00	238,000,000.00
Acquisition costs	14,130,000.00	238,000,000.00
Less: the fair values of acquired identifiable net assets	14,708,610.41	85,842,064.48
	<hr/>	<hr/>
Goodwill arising from acquisition/Acquisition costs exceeding the fair values of acquired identifiable net assets	(578,610.41)	152,157,935.52
	<hr/> <hr/>	<hr/> <hr/>

The fair value of the cost of acquisition is recognized according to the price actually paid.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VI. Changes in scope of consolidation (Continued)

1. Business combinations not involving enterprises under common control (Continued)

1.3 The fair values of acquired identifiable assets and liabilities on the acquisition date

	Disheng Pharmaceutical		Disheng chain	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and bank balances	7,723,702.95	7,723,702.95	20,993,798.76	20,993,798.76
Accounts receivable	30,471,781.24	30,471,781.24	23,414,107.18	23,414,107.18
Inventories	19,829,957.32	19,829,957.32	45,829,051.06	45,829,051.06
Fixed assets	1,335,373.90	1,335,373.90	2,000,261.19	2,000,261.19
Intangible assets	-	-	40,661,415.51	221,415.51
Advances to suppliers	2,318,717.10	2,318,717.10	91,212.94	91,212.94
Other receivables	2,129,844.69	2,129,844.69	3,414,254.84	3,414,254.84
Other current assets	5,329,820.93	5,329,820.93	4,627,358.05	4,627,358.05
Long-term prepaid expenses	724,925.12	724,925.12	7,783,811.55	7,783,811.55
Right-of-use assets	-	-	41,047,873.29	41,047,873.29
Deferred tax assets	31,947.59	31,947.59	249,467.13	249,467.13
Accounts payable	47,041,828.70	47,041,828.70	13,321,430.50	13,321,430.50
Deferred tax liabilities	-	-	6,066,000.00	-
Contract liabilities	123,430.92	123,430.92	1,818,156.15	1,818,156.15
Employee benefits payable	490,428.65	490,428.65	5,316,750.15	5,316,750.15
Tax payable	408,921.64	408,921.64	5,707,308.60	5,707,308.60
Other payables	819,160.34	819,160.34	7,477,165.09	7,477,165.09
Non-current liabilities due				
within one year	-	-	15,482,505.32	15,482,505.32
Lease liabilities	-	-	12,291,775.00	12,291,775.00
Net assets	21,012,300.59	21,012,300.59	122,631,520.69	88,257,520.69
Less: equity of minority				
shareholders	6,303,690.18	6,303,690.18	36,789,456.21	26,477,256.21
Net assets acquired	14,708,610.41	14,708,610.41	85,842,064.48	61,780,264.48

Methods for determining the fair value of identifiable assets and liabilities:

It is recognized according to the appraisal.

VI. Changes in scope of consolidation (Continued)

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

2. Others

2.1 Acquisition of the management right of 15 directly-managed stores of Sinopharm holding Nantong Puji pharmacy chain Co., Ltd.(hereafter referd as “Nantong Puji”)

Yangzhou Guoda, a subsidiary of the Company, obtained 15 directly-managed stores of Nantong Puji with cash of RMB 14,138,139.12. The acquisition date is determined as 2 March 2021. After the acquisition, goodwill of RMB 11,498,100.00 was formed.

The fair values and carrying amounts of identifiable assets and liabilities of 15 directly-managed stores of Nantong Puji on the acquisition date are presented as follows:

Nantong Puji	2 March 2021	2 March 2021
	Fair value	Carrying amount
Fixed assets	788,300.00	788,300.00
Inventories	1,751,439.12	1,751,439.12
Long-term prepaid expenses	100,300.00	100,300.00
Total	2,640,039.12	2,640,039.12
Price paid	14,138,139.12	14,138,139.12
Goodwill arising from acquisition	11,498,100.00	11,498,100.00

Operating results and cash flows of 15 directly-managed stores of Nantong Puji for the period from the acquisition date to the end of the June are presented as follows:

	2 March 2021 to 30 June 2021
Operating revenue	7,016,410.53
Net profit	303,795.13
cash flows from operating activities	871,784.36

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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(All amounts in Renminbi “RMB” unless otherwise stated)

VI. Changes in scope of consolidation (Continued)

2. Others (Continued)

2.2 Acquisition of the management right of 32 directly-managed stores of Shanxi Huimin Kangwei pharmacy chain Co., Ltd.(hereafter referd as “Shanxi Huimin Kangwei pharmacy”)

Guoda Wanmin Huimin Kangwei pharmacy Luliang Co., Ltd.(hereafter referd as “Huimin Lvliang”), a subsidiary of the Company, obtained 32 directly-managed stores of Shanxi Huimin Kangwei pharmacy with cash of RMB 30,000,000.00. The acquisition date is determined as 8 February 2021. After the acquisition, goodwill of RMB 20,970,000.00 was formed.

The fair values and carrying amounts of identifiable assets and liabilities of 32 directly-managed stores of Shanxi Huimin Kangwei pharmacy on the acquisition date are presented as follows:

Shanxi Huimin Kangwei pharmacy	8 February 2021 Fair value	8 February 2021 Carrying amount
Fixed assets	1,740,000.00	1,740,000.00
Inventories	7,290,000.00	7,290,000.00
Total	<u>9,030,000.00</u>	<u>9,030,000.00</u>
Price paid	<u>30,000,000.00</u>	<u>30,000,000.00</u>
Goodwill arising from acquisition	20,970,000.00	20,970,000.00

Operating results and cash flows of 32 directly-managed stores of Shanxi Huimin Kangwei pharmacy for the period from the acquisition date to the end of the June are presented as follows:

	8 February 2021 to 30 June 2021
Operating revenue	15,240,595.69
Net profit	292,600.01
cash flows from operating activities	209,519.17

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Notes to financial statements (Continued)

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VII Interests in other entities

1. Interests in in subsidiaries

(1) The composition of the Group:

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopharm Guilin	Guilin	Guilin	Commercial	-	100.00%	Establishment
Sinopharm Baise	Baise	Baise	Commercial	-	100.00%	Establishment
Sinopharm Holding Zhongshan Co., Ltd.	Zhongshan	Zhongshan	Commercial	-	100.00%	Establishment
Sinopharm Guigang	Guigang	Guigang	Commercial	-	100.00%	Establishment
Sinopharm Beihai	Beihai	Beihai	Commercial	-	100.00%	Establishment
Sinopharm Holding Guangzhou Medical Treatment	Guangzhou	Guangzhou	Commercial	-	51.00%	Establishment
Sinopharm Holding Shenzhen Jianmin Co., Ltd. (hereafter referred as "Sinopharm Shenzhen Jianmin")	Shenzhen	Shenzhen	Commercial	100.00%	-	Business combinations involving entities under common control
Sinopharm Holding Shenzhen Traditional & Herbal Medicine Co., Ltd. (hereafter referred as "Sinopharm Traditional & Herbal Medicine")	Shenzhen	Shenzhen	Commercial	100.00%	-	Business combinations involving entities under common control
Sinopharm Holding Shenzhen Logistics Co., Ltd. (hereafter referred as "Sinopharm Shenzhen Logistics")	Shenzhen	Shenzhen	Services	100.00%	-	Business combinations involving entities under common control
Sinopharm Guangzhou	Guangzhou	Guangzhou	Commercial	100.00%	-	Business combinations involving entities under common control
Sinopharm Holding Guangdong Hengxing Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Yulin	Yulin	Yulin	Commercial	-	100.00%	Business combinations involving entities under common control

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopham Liuzhou	Liuzhou	Liuzhou	Commercial	-	51.00%	Business combinations involving entities under common control
Guangdong Huixin Investment Co., Ltd.	Guangzhou	Guangzhou	Service		100.00%	Business combinations involving entities under common control
Sinopham Holding Foshan Co., Ltd.	Foshan	Foshan	Commercial		100.00%	Business combinations involving entities under common control
Sinopham Holding Guangdong Yuexing Co., Ltd. (hereafter referred as “Sinopham Guangdong Yuexing”)	Guangzhou	Guangzhou	Commercial		100.00%	Business combinations involving entities under common control
Sinopham Holding Guangdong Logistics Co., Ltd.	Guangzhou	Guangzhou	Service		100.00%	Business combinations involving entities under common control
Sinopham Guangxi	Nanning	Nanning	Commercial	100.00%		Business combinations involving entities under common control
Guangxi Logistic	Nanning	Nanning	Service		100.00%	Business combinations involving entities under common control
Sinopham Wuzhou	Wuzhou	Wuzhou	Commercial		99.90%	Business combinations involving entities under common control
Sinopham Dongguan	Dongguan	Dongguan	Commercial		100.00%	Business combinations involving entities not under common control
Sinopham Zhanjiang	Zhanjiang	Zhanjiang	Commercial		100.00%	Business combinations involving entities not under common control
Sinopham Yanfeng	Shenzhen	Shenzhen	Commercial	51.00%		Business combinations involving entities not under common control
Sinopham Meizhou	Meizhou	Meizhou	Commercial		100.00%	Business combinations involving entities not under common control
Sinopham Huizhou	Huizhou	Huizhou	Commercial		100.00%	Business combinations involving entities not under common control
Sinopham Zhaoqing	Zhaoqing	Zhaoqing	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopham Jiangmen	Jiangmen	Jiangmen	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopham Shaoguan	Shaoguan	Shaoguan	Commercial	-	70.00%	Business combinations involving entities not under common control
Sinopham Holding Shantou Co., Ltd	Shantou	Shantou	Commercial	-	100.00%	Business combinations involving entities not under common control
Foshan Nanhai	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
Foshan Nanhai Uptodate & Special Medicines Co., Ltd.	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
Foshan Nanhai Medicine Co., Ltd.	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopham Holding Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd. (a)	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
South Phama & Trade	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopham Zhuhai	Zhuhai	Zhuhai	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopham Maoming	Maoming	Maoming	Commercial	-	100.00%	Business combinations involving entities not under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopham Holding GZ Medical Technology Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	51.00%	Establishment
Sinopham Holding GZ Medical Supply Chain Service Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	51.00%	Establishment
Sinopham Holding Heyuan Co., Ltd.	Heyuan	Heyuan	Commercial	-	70.00%	Business combinations involving entities under common control
Guoda Pharmacy	Shanghai	Shanghai	Commercial	60.00%	-	Business combinations involving entities under common control
Shanghai Guoda.	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Beijing Guoda Pharmacy Chain Store Co., Ltd.	Beijing	Beijing	Commercial	-	100.00%	Business combinations involving entities under common control
Tianjin Guoda Pharmacy Chain Store Co., Ltd.	Tianjin	Tianjin	Commercial	-	80.00%	Business combinations involving entities under common control
Guangxi Consulting Sinopham Holding Guoda Pharmacy Guangdong Co., Ltd.	Nanning	Nanning	Commercial	-	100.00%	Business combinations involving entities under common control
	Shenzhen	Shenzhen	Commercial	-	100.00%	Business combinations involving entities under common control
Guangxi Guoda	Liuzhou	Liuzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Zhejiang Guoda	Hangzhou	Hangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Yangzhou Guoda	Yangzhou	Yangzhou	Commercial	-	93.68%	Business combinations involving entities under common control
Ningxia Guoda	Yinchuan	Yinchuan	Commercial	-	70.00%	Business combinations involving entities under common control
Nanjing Guoda	Nanjing	Nanjing	Commercial	-	60.00%	Business combinations involving entities under common control
Shandong Guoda	Linyi	Linyi	Commercial	-	55.00%	Business combinations involving entities under common control
Shenyang Guoda	Shenyang	Shenyang	Commercial	-	51.00%	Business combinations involving entities under common control
Fujian Chain	Xiamen	Xiamen	Commercial	-	100.00%	Business combinations involving entities under common control
Anhui Guoda Pharmacy Chain Store Co., Ltd.	Hefei	Hefei	Commercial	-	60.00%	Business combinations involving entities under common control
Quanzhou Guoda	Quanzhou	Quanzhou	Commercial	-	51.00%	Business combinations involving entities under common control
Shanxi Guoda Wanmin	Taiyuan	Taiyuan	Commercial	-	85.00%	Business combinations involving entities under common control
Hunan Guoda	Hengyang	Hengyang	Commercial	-	51.00%	Business combinations involving entities under common control
Liyang Guoda	Liyang	Liyang	Commercial	-	80.00%	Business combinations involving entities under common control
Henan Guoda	Pingdingshan	Pingdingshan	Commercial	-	60.00%	Business combinations involving entities under common control
Inner Mongolia Guoda	Hohhot	Hohhot	Commercial	-	96.70%	Business combinations involving entities under common control
Hebei Lerentang	Shijiazhuang	Shijiazhuang	Commercial	-	60.00%	Business combinations involving entities under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Jiangmen Guoda	Jiangmen	Jiangmen	Commercial	-	65.00%	Business combinations involving entities under common control
Shanxi Guoda Yiyuan	Taiyuan	Taiyuan	Commercial	-	80.00%	Business combinations involving entities under common control
Xinjiang Guoda	Urumqi	Urumqi	Commercial	-	51.00%	Business combinations involving entities under common control
ForMe Medicines	Shanghai	Shanghai	Commercial	-	97.00%	Business combinations involving entities under common control
Shanghai ForMe YiXing Pharmacy Chain Store Co., Ltd.	Shanghai	Shanghai	Commercial	-	99.76%	Business combinations involving entities under common control
Beijing Golden Elephant	Beijing	Beijing	Commercial	-	53.13%	Business combinations involving entities under common control
Shanxi Tongfeng Pharmacy Logistics Co., Ltd.	Taiyuan	Taiyuan	Commercial	-	100.00%	Business combinations involving entities under common control
Changzhi Wanmin	Changzhi	Changzhi	Commercial	-	51.00%	Business combinations involving entities under common control
Shanxi Guoda Wanmin Clinic Management Chain Co., Ltd.	Taiyuan	Taiyuan	Medical services	-	100.00%	Business combinations involving entities under common control
Shanghai Guoda Shanghong Qibao Pharmacy Co., Ltd.	Shanghai	Shanghai	Commercial	-	51.00%	Business combinations involving entities under common control
Zhejiang Intlmedicine Pharmacy Dongshan Co., Ltd.	Hangzhou	Hangzhou	Commercial	-	51.00%	Business combinations involving entities under common control
Shanghai Dongsheng Guoda	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopham Guoda Drug Store (Shenzhen) Chain Co., Ltd.	Shenzhen	Shenzhen	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Guangzhou Chain Shanghai Guodong Chinese Traditional Medicine Clinic Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Shanghai Guoda Dongxin Pharmacy Chain Store Co., Ltd.	Shanghai	Shanghai	Medical clinic	-	100.00%	Business combinations involving entities under common control
Shanghai Yutaitang Chinese Traditional Medicine Clinic Co., Ltd.	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Sanhe Liyang Golden Elephant Pharmacy Co., Ltd.	Langfang	Langfang	Commercial	-	100.00%	Business combinations involving entities under common control
Xiaoyi Wanmin	Xiaoyi	Xiaoyi	Commercial	-	70.00%	Business combinations involving entities under common control
Inner Mongolia Hulun Buir Guoda	Hulun Buir	Hulun Buir	Commercial	-	51.00%	Business combinations involving entities under common control
ForMe Xuhui	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Inner Mongolia Ulanqab Guoda.	Ulanqab	Ulanqab	Commercial	-	60.00%	Establishment
Taishan Guoda	Taishan	Taishan	Commercial	-	70.00%	Business combinations involving entities under common control
Sinopham Lerentang Shijiazhuang Pharmaceutical	Shijiazhuang	Shijiazhuang	Commercial	-	100.00%	Business combinations involving entities under common control
Manchuria Guoda	Manchuria	Manchuria	Commercial	-	51.00%	Establishment
Sinopham Guoda Drug Store Anshan Chain Co., Ltd.	Anshan	Anshan	Commercial	-	51.00%	Establishment

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For the six months ended 30 June 2021

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopham Holding Guoda Yongsheng Drug Store (Shanghai) Co., Ltd.	Shanghai	Shanghai	Commercial	-	55.00%	Establishment
Sinopham Holding Foshan Medical Consumables Supply Chain Co., Ltd.	Foshan	Foshan	Commercial	-	70.00%	Establishment
Sinopham Guangxi Supply Chain	Nanning	Nanning	Commercial	-	30.60%	Establishment
Shanghai Haohai Guoda	Shanghai	Shanghai	Commercial	-	51.00%	Establishment
Sinopham Baiyi Pharmacy	Nanning	Nanning	Commercial	-	51.00%	Establishment
Sinopham Hezhou	Hezhou	Hezhou	Commercial	-	100.00%	Establishment
Sinopham Holding National Pharmacy Zhengzhou Chain Co., Ltd.	Zhengzhou	Zhengzhou	Commercial	-	60.00%	Establishment
Shanghai Ruijing Guoda Fujian Guoda Pharmaceutical Co., Ltd.	Shanghai	Shanghai	Commercial	-	55.00%	Establishment
	Xiamen	Xiamen	Commercial	-	100.00%	Establishment
Sinopham Qinzhou	Qinzhou	Qinzhou	Commercial	-	100.00%	Establishment
Sinopham Hechi	Hechi	Hechi	Commercial	-	100.00%	Establishment
Sinopham Holding Guangzhou Huadu Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	70.00%	Business combinations involving entities not under common control
Sinopham Holding Guoda Shanxi Pharmaceutical Co., Ltd.	Taiyuan	Taiyuan	Commercial	-	100.00%	Business combinations involving entities not under common control
Taiyuan Tongxinli Guoda Pharmacy Co., Ltd.	Taiyuan	Taiyuan	Commercial	-	100.00%	Business combinations involving entities not under common control
Bayannaer Guoda Inner Mongolia Pharmaceutical	Bayannaer	Bayannaer	Commercial	-	80.00%	Establishment
Sinopham Holding Guoda Yongxingtang Chain (Chaoyang) Co., Ltd.	Hohhot	Hohhot	Commercial	-	100.00%	Establishment
Sinopham Accord Medical Devices (Shenzhen) Co., Ltd.(“Accord Devices”)	Chaoyang	Chaoyang	Commercial	-	51.00%	Establishment
Sinopham Holding Guozhi Pharmacy (Heyuan) Co., Ltd.	Shenzhen	Shenzhen	Commercial	60.00%		Establishment
Liaoning Guoda Pharmaceutical Co., Ltd.	Heyuan	Heyuan	Commercial		70.00%	Establishment
Sinopham Holding Guangyi Health Management (Zhanjiang) Co., Ltd.	Shenyang	Shenyang	Commercial		100.00%	Establishment
	Zhanjiang	Zhanjiang	Commercial		60.00%	Establishment
Guangzhou Medicine	Guangzhou	Guangzhou	Commercial		70.00%	Business combinations involving entities not under common control
Guoda pharmacy(Chaoyang) Renai Co., Ltd.	Chaoyang	Chaoyang	Commercial		51.00%	Business combinations involving entities not under common control
Guoda Pu'er Songmao	Puer	Puer	Commercial		60.00%	Business combinations involving entities not under common control
Shanghai Dingqun	Shanghai	Shanghai	Medical services		100.00%	Business combinations involving entities not under common control
Sinopham Holding Tianhe Jilin Pharmaceutical Co., Ltd.	Changchun	Changchun	Commercial		85.00%	Business combinations involving entities not under common control
Jilin Yihe	Changchun	Changchun	Commercial		100.00%	Business combinations involving entities not under common control
Jilin Donglong Medical Logistics distribution Co., Ltd.	Changchun	Changchun	Commercial		100.00%	Business combinations involving entities not under common control
Yushu Dinghe Medical Technology Co., Ltd.	Changchun	Changchun	Commercial		51.00%	Business combinations involving entities not under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Guoda pharmacy Jilin Co., Ltd. (c)	Changchun	Changchun	Commercial		100.00%	Business combinations involving entities not under common control
Yanji Xianghe Medical Co., Ltd.	Yanji	Yanji	Commercial		51.00%	Business combinations involving entities not under common control
Pudong Pharmaceuticals	Shanghai	Shanghai	Commercial		75.00%	Business combinations involving entities under common control
Shanghai Yanghetang Pharmaceutical Chain Management Co., Ltd.	Shanghai	Shanghai	Commercial		100.00%	Business combinations involving entities under common control
Shanghai Pudong Yanghetang TCM Clinic Co., Ltd.	Shanghai	Shanghai	Commercial		100.00%	Business combinations involving entities under common control
Guoda Pharmacy (Rizhao) Co., Ltd.	Rizhao	Rizhao	Commercial		100.00%	Establishment
Liaoning Health Pharmacy	Shenyang	Shenyang	Commercial		100.00%	Establishment
Beijing Jinxiang Guoxing pharmaceutical chain Co., Ltd.	Beijing	Beijing	Commercial		100.00%	Business combinations involving entities not under common control
Sinopham Accord (Yangjiang) Medicine Co., Ltd.	Yangjiang	Yangjiang	Commercial		70.00%	Business combinations involving entities not under common control
Liaoning Guoda pharmacy	Dalian	Dalian	Commercial		100.00%	Establishment
Liaoning Huludao Guoda pharmacy Co., Ltd(d)	Huludao	Huludao	Commercial		100.00%	Establishment
Jinzhong Yudi Guoda Wanmin clinic Co., Ltd	Jinzhong	Jinzhong	Commercial		100.00%	Establishment
Guoda Jianfeng (Jiangmen) pharmaceutical chain Co., Ltd	Jiangmen	Jiangmen	Commercial		51.00%	Establishment
Chengda Fangyuan Pharmaceutical Group Co., Ltd	Shenyang	Shenyang	Commercial		100.00%	Business combinations involving entities not under common control
Shandong Chengda Fangyuan pharmaceutical chain Co., Ltd	Qingdao	Qingdao	Commercial		100.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan pharmaceutical chain Co., Ltd	Shenyang	Shenyang	Commercial		100.00%	Business combinations involving entities not under common control
Liaoning Zhicheng Xingda advertising media Co., Ltd	Benxi	Benxi	Medical services		100.00%	Business combinations involving entities not under common control
Chengda Fangyuan (Liaoning) new drug special drug chain Co., Ltd	Shenyang	Shenyang	Commercial		80.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan vocational and technical training school	Shenyang	Shenyang	Medical services		100.00%	Business combinations involving entities not under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Liaoning Chengda Fangyuan Pharmaceutical Co., Ltd	Shenyang	Shenyang	Commercial		100.00%	Business combinations involving entities not under common control
Dalian Zhengda Pharmaceutical Co., Ltd	Dalian	Dalian	Commercial		100.00%	Business combinations involving entities not under common control
Hebei Chengda Fangyuan pharmaceutical chain Co., Ltd	Qinghuangdao	Qinghuangdao	Commercial		100.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan Pharmaceutical Logistics Co., Ltd	Shenyang	Shenyang	Medical services		100.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan Logistics Co., Ltd	Shenyang	Shenyang	Medical services		100.00%	Business combinations involving entities not under common control
Jilin Chengda Fangyuan Pharmaceutical Co., Ltd	Changchun	Changchun	Commercial		80.00%	Business combinations involving entities not under common control
Jilin Chengda Fangyuan pharmaceutical chain Co., Ltd	Changchun	Changchun	Commercial		99.00%	Business combinations involving entities not under common control
Inner Mongolia Chengda Fangyuan Medicine	Chifeng	Chifeng	Commercial		70.00%	Business combinations involving entities not under common control
Inner Mongolia Chengda Fangyuan pharmaceutical chain Co., Ltd	Chifeng	Chifeng	Commercial		99.00%	Business combinations involving entities not under common control
Huimin Luliang (e)	Lvliang	Lvliang	Commercial		51.00%	Establishment
Disheng Pharmaceutical (f)	Xishuangbanna	Xishuangbanna	Commercial		70.00%	Business combinations involving entities not under common control
Disheng chain (g)	Xishuangbanna	Xishuangbanna	Commercial		70.00%	Business combinations involving entities not under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(1) The composition of the Group (Continued):

Description of shareholding ratio in subsidiaries different from voting ratio:

On January 4, 2018, the group, Guorun medical supply chain service (Shanghai) Co., Ltd. (hereafter referred to as "Guorun medical") and Guangxi deiyuan Medical Investment Center (limited partnership) jointly funded the establishment of Sinopharm holding medical supply chain service (Guangxi) Co., Ltd., with contributions of RMB 6.12 million, RMB 5.88 million and RMB 8 million respectively. Guorun medical entrusts its voting right to the company, and the company holds 60% of the voting right of Sinopharm holding medical supply chain services (Guangxi) Co., Ltd.

- a. On 20 April 2021, Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd. was renamed as Sinopharm Holding Guangdong Dong Fang Uptodate & Special Medicines Co., Ltd.
- b. On 12 July 2021, Sinopharm Accord Medical Supply Chain (Shenzhen) Co., Ltd. was renamed as Sinopharm Accord Medical Devices (Shenzhen) Co., Ltd.
- c. On 5 July 2021, Guoda pharmacy Jilin Co., Ltd. has completed the industrial and commercial cancellation, and the cancellation announcement period is from June 10, 2021 to June 30, 2021.
- d. On 14 December 2020, the Group invested RMB1,000.00 thousand to set up Liaoning Huludao Guoda pharmacy Co., Ltd. As at 30 June 2021, RMB500.00 thousand was paid.
- e. On 28 December 2020, the Group and Wenshui Weikang Trading Co., Ltd. invested RMB16,320.00 thousand and RMB15,680.00 thousand to set up Guoda Wanmin Huimin Kangwei pharmacy Luliang Co., Ltd, the group holds 51% of its equity. As at 30 June 2021, payment has been completed.
- f. On 15 March 2021, the Group acquired 70% equity in Disheng Pharmaceutica from Xishuangbanna Disheng Pharmaceutical Co., Ltd. for RMB14,130.00 thousand, which formed a business combination not involving enterprises under common control. The acquisition was completed on 15 March 2021 and was included in the scope of consolidation.
- g. On 15 March 2021, the Group acquired 70% equity in Disheng chain from Xishuangbanna Disheng Pharmaceutical Co.,Ltd. for RMB238,000.00 thousand, which formed a business combination not involving enterprises under common control. The acquisition was completed on 15 March 2021 and was included in the scope of consolidation.

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For the six months ended 30 June 2021

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(2) Important non-wholly owned subsidiary

Subsidiaries	Minority shareholding ratio	Profit or loss attributable to minority shareholders in the current period	Dispatch of dividends to minority shareholders in the current period	Minority shareholders' equity
Guoda Pharmacy	40.00%	79,549,416.99	-	2,028,470,458.01

(3) Key financial information of important non-wholly owned subsidiaries

Subsidiaries	30 June 2021						31 December 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guoda Pharmacy	9,335,400,322.92	7,008,855,001.21	16,344,255,324.13	9,037,608,731.16	1,459,822,617.08	10,497,431,348.24	8,886,545,970.79	6,570,327,751.04	15,456,873,721.83	8,541,421,518.15	1,375,989,559.14	9,917,411,077.29

Subsidiaries	For the six months ended 30 June 2021					For the six months ended 30 June 2020				
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities		
Guoda Pharmacy	10,841,326,194.08	263,262,365.37	263,262,365.37	786,526,215.87	8,613,020,309.15	248,037,573.90	248,037,573.90	470,794,143.55		

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VII. Interests in other entities (Continued)

2. Interests in associates

	Principal place of business	Place of incorporation	Nature of business	Shareholding(%)		Accounting
				Direct	Indirect	
Associates						
Main Luck Pharmaceutical	Shenzhen	Shenzhen	Manufacturing	35.19%	-	Equity
Zhijun Suzhou	Suzhou	Suzhou	Manufacturing	33.00%	-	Equity
Sinopharm Zhijun	Shenzhen	Shenzhen	Manufacturing	49.00%	-	Equity
Zhijun Trade	Shenzhen	Shenzhen	Commercial	49.00%	-	Equity
Zhijun Pingshan	Shenzhen	Shenzhen	Manufacturing	49.00%	-	Equity
Sinopharm Shyndec	Shanghai	Shanghai	Business service industry	16.28%	-	Equity
Shanghai Beiyi	Shanghai	Shanghai	Commercial	-	26.00%	Equity
Shanghai Liyi	Shanghai	Shanghai	Commercial	-	35.00%	Equity
Guangdong Jienuo	Guangzhou	Guangzhou	Commercial	-	29.00%	Equity
Dongyuan accord	Heyuan	Heyuan	Commercial	-	45.00%	Equity
Shanghai Renbei	Shanghai	Shanghai	Commercial	-	30.00%	Equity
Guangdong Jianhui	Zhanjiang	Zhanjiang	Public-Private-Partnership	-	10.00%	Equity

Explication of the shareholding ratio of a joint venture differs from the proportion of voting rights:

According to the articles of association of Guangdong Jianhui company, the board of directors is composed of five directors, one of whom is appointed by the company, accounting for 20% of the voting rights. Therefore, the group has a significant impact on Guangdong Jianhui, which is an associate of the group.

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

Sinopharm Shyndec has established a board of directors, which is responsible to the shareholders' meeting. It has nine members, of which the group appoints one director. The resolution of the board of directors is one person, one vote, accounting for 11.11% of its voting rights. The Group has a significant influence on Sinopharm Shyndec.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VII. Interests in other entities (Continued)

2. Interests in associates (Continued)

Main financial information of important associates :

	30 June 2021/ For the six months ended 30 June 2021			1 January 2020/ For the six months ended 30 June 2020		
	Sinopharm hyndec	Sh Zhijun Medicine	Main Luck Pharmaceutica l	Sinopharm S hyndec	Zhijun Medicine	Main Luck Pharmaceutica l
Current assets	11,543,472,621.58	1,310,424,165.50	1,150,192,274.24	10,162,475,190.65	1,176,812,039.37	1,076,146,345.00
Non-current assets	8,262,496,257.36	241,317,313.08	120,177,914.28	8,087,979,595.07	238,613,242.87	124,495,504.04
Total assets	19,805,968,878.94	1,551,741,478.58	1,270,370,188.52	18,250,454,785.72	1,415,425,282.24	1,200,641,849.04
Current liabilities	7,742,313,859.56	621,599,563.08	246,923,526.16	6,194,362,158.11	541,117,019.88	275,509,215.17
Non-current liabilities	1,879,414,378.30	4,398,795.45	8,120,000.00	2,236,726,740.99	5,822,904.95	8,120,000.00
Total liabilities	9,621,728,237.86	625,998,358.53	255,043,526.16	8,431,088,899.10	546,939,924.83	283,629,215.17
Non-controlling interests	1,731,996,575.52	-	-	1,688,157,191.81	-	-
Shareholders' equity attributable to shareholder s of the parent	8,452,244,065.56	925,743,120.05	1,015,326,662.36	8,131,208,694.81	868,485,357.41	917,012,633.87
Portion of net assets calculated by shareholding ratio	1,376,025,333.87	453,614,128.80	357,293,452.48	1,323,760,775.52	425,557,825.11	322,696,745.87
Carrying value of equity investment in joint ventures	1,376,025,333.87	453,614,128.80	357,293,452.48	1,323,760,775.52	425,557,825.11	322,696,745.87
Operating revenue	7,632,136,688.61	746,410,222.02	476,292,028.69	6,211,855,587.54	659,730,341.51	475,122,136.41
Net profit	541,049,057.92	57,257,762.64	98,308,111.37	427,914,866.04	35,512,234.88	98,199,603.82
Total comprehensi ve income	541,447,429.53	57,257,762.64	98,308,111.37	428,665,399.75	35,512,234.88	98,199,603.82
Dividends received from joint ventures this period	16,714,220.20	-	-	16,714,220.20	-	63,342,000.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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VII. Interests in other entities (Continued)

2. Interests in associates (Continued)

Summary financial information of unimportant joint ventures and associated enterprises :

	30 June 2021/ For the six months ended 30 June 2021	1 January 2020/ For the six months ended 30 June 2020
associated enterprises :		
Carrying value of equity investment	240,672,877.06	215,004,281.49
Net profit	25,668,595.57	28,478,625.69
Total comprehensive income	25,668,595.57	28,478,625.69

Excess losses incurred by joint ventures or associates:

	Accumulated unrecognized losses in the previous period	Unrecognized loss in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of the period
Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co., Ltd	(11,193,619.06)	-	(11,193,619.06)

On 11 May 2021, the court ruled that Sinopharm Group Zhijun(Suzhou) Pharmaceutical Co., Ltd. was bankrupt and designated the local government as the bankruptcy administrator. At present, it is in the stage of creditor's right declaration.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments

1. Classification of financial instruments

30 June 2021:

Financial assets	Financial assets at fair value through profit or loss		Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Mandatorily required			Mandatorily required	Designated	
Cash and bank balances	-	5,876,638,427.56	-	-	-	5,876,638,427.56
Notes receivable	-	606,070,192.39	-	-	-	606,070,192.39
Accounts receivable	-	17,761,176,449.25	-	-	-	17,761,176,449.25
Receivable financing	-	-	345,906,887.55	-	-	345,906,887.55
Other receivables	-	661,339,404.62	-	-	-	661,339,404.62
Other non-current financial assets	117,974,908.51	-	-	-	-	117,974,908.51
Other equity instrument investment	-	-	-	99,488,340.28	-	99,488,340.28
	<u>117,974,908.51</u>	<u>24,905,224,473.82</u>	<u>345,906,887.55</u>	<u>99,488,340.28</u>	<u>25,468,594,610.16</u>	

Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	4,632,933,904.39
Notes payable	6,780,425,089.17
Accounts payable	9,642,504,836.50
Other payables	1,530,963,581.23
Non-current liabilities due within 1 year	798,170,618.10
Lease liabilities	1,361,131,352.80
Long-term borrowings	61,633,794.44
	<u>24,807,763,176.63</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

1. Classification of financial instruments (Continued)

31 December 2021:

Financial assets	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Mandatorily required		Mandatorily required	Designated	
Cash and bank balances	-	5,998,204,295.87	-	-	5,998,204,295.87
Notes receivable	-	622,115,477.04	-	-	622,115,477.04
Accounts receivable	-	13,799,971,014.22	-	-	13,799,971,014.22
Receivable financing	-	-	1,404,987,700.38	-	1,404,987,700.38
Other receivables	-	535,228,747.69	-	-	535,228,747.69
Other non-current financial assets	120,972,350.24	-	-	-	120,972,350.24
Other equity instrument investment	-	-	-	99,488,340.28	99,488,340.28
	<u>120,972,350.24</u>	<u>20,955,519,534.82</u>	<u>1,404,987,700.38</u>	<u>99,488,340.28</u>	<u>22,580,967,925.72</u>

Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	1,612,187,020.12
Notes payable	7,520,165,274.69
Accounts payable	7,697,451,142.50
Other payables	1,599,166,881.14
Non-current liabilities due within 1 year	748,732,059.89
Lease liabilities	1,303,054,163.90
Long-term borrowings	31,637,173.89
	<u>20,512,393,716.13</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2021, the Group had endorsed commercial acceptance bills (the "Endorsed Bills") with a carrying amount of RMB125,089.80 (30 June 2020: 4,095,283.92) to certain of its suppliers to settle accounts payable due to such suppliers and the Group had endorsed bank acceptance bills with a carrying amount of RMB20,070,999.69 (30 June 2020: 23,843,867.66) to certain of its suppliers to settle accounts payable due to such suppliers. In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such Endorsed Bills and Discounted Bills. Accordingly, it continued to recognise the full carrying amounts of those Bills and the associated accounts payable settled. Subsequent to the Endorsement and Discount, the Group did not retain any rights on the use of those Bills, including the sale, transfer or pledge of those Bills to any other third parties.

As at 30 June 2021, the total carrying value of accounts payable settled by the Group was RMB20,196,089.49 (31 December 2020: RMB27,939,151.58).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

2. Transfer of financial assets (Continued)

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 30 June 2021, the Group had endorsed bank acceptance bills (the "Endorsed Bills") with a carrying amount of RMB754,753,155.51 (31 December 2020: RMB1,283,369,787.75) to certain of its suppliers to settle accounts payable due to such suppliers. As at 30 June 2021, the Group had discounted bank acceptance bills (the "Discounted Bills") with a carrying amount of RMB1,067,286,554.94 (31 December 2020: RMB330,472,883.05) to banks. As at 30 June 2021, those Bills had a maturity of 1 to 12 months at the end of the reporting period. In accordance with the Law of Negotiable Instruments, the holders of the derecognised bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to those Bills. Accordingly, it has derecognised the full carrying amounts of those Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the derecognised bills are not significant.

During 2021, the Group has not recognised any gain or loss on the date of transfer. No gain or loss was recognised from derecognised financial assets in which the Continuing Involvement exists, both during the year or cumulatively.

During 2021, the Group has not recognised any gain or loss on the date of transfer of the derecognised bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

As part of its normal business, the Group entered into an accounts receivable factoring without recourse with banks and transferred certain accounts receivable to banks. In the opinion of the directors, the Group has transferred substantially all risks and rewards under the arrangement. Accordingly, it has derecognised the full carrying amounts of the associated accounts receivable. The original carrying value of the derecognised accounts receivable transferred under the Arrangement that have not been settled as at 30 June 2021 amounted to RMB695,181,891.24 (31 December 2020: RMB1,409,768,709.18).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (including currency risk and interest rate risk). The Group's principal financial instruments comprise cash and bank balances, equity investments, debt investments, borrowings, notes receivable, accounts receivable, notes payable and accounts payable. Risks that related to these financial instruments and the Group's risk management strategies for reducing these risks are as follows.

The Company's board of directors is responsible for planning and establishing the risk management framework of the Group, formulating risk management policies and related guidelines of the Group and supervising the implementation of risk management measures. The Group has already developed risk management policies to identify and analyse the risks faced by the Group, which have clearly identified specific risks, covering a lot of aspects such as market risk, credit risk and liquidity risk management. The Group regularly assesses the market environment and changes in the Group's business activities to determine whether or not to update the risk management policies and systems. The risk management of the Group shall be conducted by the operation and management department according to the policy approved by the Company's management. The operation and management department identifies, evaluates and avoids related risks by means of close cooperation with other business units of the Group.

To avoid the risk concentrating on a single industry, a specific area or a specific counterparty, the Group spreads financial instruments risk with diversified investments and business portfolio.

Credit risk

The Group only trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the special approval of the credit control department of the Group.

Since cash and bank balances, bank acceptance bills receivable and derivative financial instruments are placed in the well-established banks with high credit ratings, the credit risk of these financial instruments is lower.

The other financial instruments of the Group include cash and bank balances and other receivables. The credit risk of these financial assets results from default of counterparty. The maximum credit exposure equals to the book value of these instruments.

The maximum exposure to credit risk of the Group at each balance sheet date is the total amount charged to the customers less the amount of the impairment provision.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Credit risk (Continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances

Determination of significant increase in credit risk

At each reporting date, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. In order to determine the change of expected default risk during the financial instrument's entire lifetime, the Group compares the default risk of financial instrument on the balance sheet date and on the initial recognition date based on single financial instrument or financial instrument portfolio with similar default risk.

The Group determines that the credit risk of financial assets has significantly increased when one or more quantitative or qualitative criteria are met:

- (1) Quantitative criteria are mainly probability of default increasing more than a given % since initial recognition;
- (2) Qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions and early warning customer lists.
- (3) The upper criterion is above 30 days of the borrowers default (including principal and interests).

Definition of credit-impaired financial assets

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative information in line with internal credit risk management. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

- (1) Significant financial difficulty of the borrower or issuer;
- (2) A breach of contract such as a default or past due event;
- (3) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider;
- (4) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (5) The disappearance of an active market for security because of financial difficulties; and
- (6) Financial assets purchased or sourced at large discounts indicating that credit losses have occurred.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Credit risk (Continued)

The impairment of financial assets may not be necessarily due to a single disparate event. The combined effects of multiple events may result in financial assets being credit-impaired.

Parameter of the expected credit loss model

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognizes impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of the ECL model is a function of the probability of default, the loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The Group establishes the model by considering the quantitative analysis of historical statistics such as the counterparty rating, the guarantee method, the collateral category, the repayment method, and also forward-looking information.

Definitions:

- (1) The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic environment conditions, the Group's assessment of the probability of default is based on the calculation of the ECL model adjusted by forward-looking information.
- (2) The loss given default (i.e. the magnitude of the loss if there is a default) refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.
- (3) The exposure at default refers to the amount that the Group should repay in the event of default in the next 12 months or throughout the remaining period.

Both the assessment of a significant increase in credit risk and the calculation of the ECL involve forward-looking information. The Group recognises key economic ratios that influence credit risk and the ECL by historical data analysis.

As at 30 June 2021, there was no evidence of a significant increase in credit risk.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Liquidity risk

The maturity analysis of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted cash flows, is as follows:

	30 June 2021				Total
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Short-term borrowings	4,709,466,709.01	-	-	-	4,709,466,709.01
Long-term borrowings	-	2,431,600.00	62,818,460.27	-	65,250,060.27
Notes payable	6,780,425,089.17	-	-	-	6,780,425,089.17
Accounts payable	9,642,504,836.50	-	-	-	9,642,504,836.50
Other payables	1,530,963,581.23	-	-	-	1,530,963,581.23
Non-current liabilities due within 1 year	875,756,920.06	-	-	-	875,756,920.06
Lease liabilities	-	647,956,518.10	715,415,984.31	96,740,307.76	1,460,112,810.17
	<u>23,539,117,135.97</u>	<u>650,388,118.10</u>	<u>778,234,444.58</u>	<u>96,740,307.76</u>	<u>25,064,480,006.41</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Liquidity risk (Continued)

The maturity analysis of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted cash flows, is as follows:

	31 December 2020				Total
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Short-term borrowings	1,630,237,831.47	-	-	-	1,630,237,831.47
Long-term borrowings	-	1,216,600.00	32,313,062.78	-	33,529,662.78
Notes payable	7,520,165,274.69	-	-	-	7,520,165,274.69
Accounts payable	7,697,451,142.50	-	-	-	7,697,451,142.50
Other payables	1,599,166,881.14	-	-	-	1,599,166,881.14
Non-current liabilities due within 1 year	866,553,230.12	-	-	-	866,553,230.12
Lease liabilities	-	607,074,838.58	682,420,061.05	86,860,654.77	1,376,355,554.40
	<u>19,313,574,359.92</u>	<u>608,291,438.58</u>	<u>714,733,123.83</u>	<u>86,860,654.77</u>	<u>20,723,459,577.10</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Market risk

Interest rate risk

The Group's interest rate risk arises from long-term borrowings from banks. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2021, if the floating interest rates of the long-term interest-bearing borrowings increased or decreased by 50 base points, while other factors did not change, the Group's net income would decrease or increase by RMB59,087.67 (31 December 2020: if the floating interest rates of the long-term interest-bearing borrowings increased or decreased by 50 base points, while other factors did not change, the Group's net income would increase or decrease by RMB97,072.60).

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings and, therefore, could have a material adverse effect on the Group's financial position. The Group's management layer would make adjustments with reference to the latest market conditions which are interest rate swap agreements to mitigate its exposure to interest rate risk. During 2021 and 2020, the Group had not entered into any interest rate swap agreements.

For the year ended 30 June 2021, the Group has long-term interest-bearing borrowings with floating interest rates amounting to RMB31,600,000.00 (31 December 2020: RMB31,600,000.00). And long-term interest-bearing borrowings with fixed interest rates amounting to RMB30,000,000.00 (31 December 2020: nil).

Currency risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities as well as future transactions (denominated in foreign currencies, primarily with respect to United States dollars and Hong Kong dollars). The Group's finance department at its headquarters is responsible for monitoring the amounts of assets and liabilities, and transactions denominated in foreign currencies aim at mitigating the potential foreign exchange risk to a large extent.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

VIII Risks related to financial instruments (Continued)

4. Capital management

The Company’s primary objective for managing capital is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business, bring shareholders investing returns and benefit related parties. Management also aims to maintain a capital structure that ensures that the lowest cost of capital is available to the entity.

Management adjusts the capital structure through adjusting dividend payments to shareholders, returning capital to shareholders, issuing new shares or selling assets to reduce debts.

The Group’s total capital is the total shareholders’ equity in the balance sheet. The Group does not adopt an asset ratio as a compulsory factor to govern capital investment.

The gearing ratios of the Group as at the end of the reporting periods are as follows:

	30 June 2021	31 December 2020
Gearing ratio	<u>60.43%</u>	<u>57.35%</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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IX. Disclosure of fair value

1. Assets and liabilities at fair value

30 June 2021:

	Input applied in the measurement of fair value			Total	
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3		
	Continuous measurement of fair value				
	Receivable financing	-	345,906,887.55		-
Other investment in equity instruments	-	99,488,340.28	-		
Other non-current financial assets	-	-	117,974,908.51		
	-	445,395,227.83	117,974,908.51		
			563,370,136.34		

31 December 2020

	Input applied in the measurement of fair value			Total	
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3		
	Continuous measurement of fair value				
	Receivable financing	-	1,404,987,700.38		-
Other investment in equity instruments	-	99,488,340.28	-		
Other non-current financial assets	-	-	120,972,350.24		
	-	1,504,476,040.66	120,972,350.24		
			1,625,448,390.90		

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

IX. Disclosure of fair value(Continued)

2. Assets and liabilities disclosed at fair value

30 June 2021:

	Input applied in the measurement of fair value			Total
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active	inputs	inputs	
markets	Level 2	Level 3		
Level 1				
Long-term borrowings	-	61,633,794.44	-	61,633,794.44

3. Estimation of fair value

The following are the book value and fair value of financial instruments of the Group, excluding those that have immaterial difference in book value and fair value:

	Carrying amount		Fair value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Financial liabilities	-	-	-	-
Long-term borrowings	61,633,794.44	31,637,173.89	61,633,794.44	31,637,173.89

Management has assessed that the fair values of cash and cash equivalents, trade receivables, receivable financing, other receivables, short-term borrowings, notes payable, trade payables, other payables, non-current liabilities due within 1 year as well as other short-term financial assets and liabilities. Due to the short remaining maturities of these instruments, the fair value approximated to the carrying amount.

The financial controller of the Group takes the responsibility to formulate policies and procedures related to financial instrument fair value measurements and directly reports to the CFO and the audit committee. On each balance sheet date, the financial department analyses the variation of the fair value of financial instruments and determines the inputs applicable to valuation. The valuation is required to be approved by the CFO.

The fair values of financial assets and liabilities are the amounts at which the instrument could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of short-term and long-term borrowings, and long-term payables have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2021, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant.

For an equity instrument of listed entities, the market price is used to determine fair value. For an equity instrument of non-listed entities, the recent equity transaction consideration or the market comparable company model is used to estimate fair value. The Group believes that the estimated fair value by the valuation method is rational, and also the most sufficient value at the balance sheet date.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

IX. Disclosure of fair value(Continued)

4. Unobservable inputs

Other non-current financial assets were the fund shares of Qirui Port Investment Center LP of Ningbo Meishan Bonded Port subscribed by the Group. For the determination of the fair value of the investment, after referring to the net assets of Qirui Port Investment Center LP of Ningbo Meishan Bonded Port on 30 June 2021, which has implemented the new financial instrument standards, the result was calculated and determined according to the fund share proportion owned by the company.

A financial instrument that is measured at fair value with measurement of level 3 is insensitive to reasonable fluctuation of the unobservable inputs.

5. Transfers between levels of fair value measurement

At 30 June 2021 and 31 December 2020, there were no transfers of fair value measurements between Level 1 and Level 2.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions

1. Parent

Parent's name	Registered address	Nature of business	Share capital	Proportion of ownership interest in the Company	Proportion of voting power in the Company
Sinopharm Group Co., Ltd.	Shanghai	Industrial investment holding, trustee of a pharmaceutical enterprise, assets reorganization, distribution and retail of medicines and pharmaceutical products, etc.	3,120,656,191.00	56.06%	56.06%

The ultimate controlling party of the Company is CNPGC.

2. Subsidiaries

Refer to Note VII 1 for details of subsidiaries.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

3. Associates

Refer to Note VII 2 for details of associates.

The situation of other joint ventures or associates that have related party transactions with the company during the current period or the balance of the related party transactions with the company in the previous period is as follows:

Please refer to Note X 5 for details.

4. Other related parties

<u>Company name</u>	<u>Related party relationships</u>
Lanzhou Biotechnology Development Co., Ltd.	Controlled by CNPGC
Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Foreign Trade Corporation	Controlled by CNPGC
Sinopharm Yixin Pharmaceutical Co., Ltd.	Controlled by CNPGC
Foshan Winteam Pharmaceutical Group Ltd.	Controlled by CNPGC
Southwest Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chengdu Rongsheng Pharmacy Co., Ltd.	Controlled by CNPGC
Taiji Group Chongqing Fuling Pharmaceutical Co., Ltd.	Controlled by CNPGC
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Controlled by CNPGC
Taiji Group Chongqing Tongjunge Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Fengliaoqing (Foshan) Pharmaceutical Drugs Co., Ltd.	Controlled by CNPGC
Shanghai Shangsheng Biological Products Co., Ltd.	Controlled by CNPGC
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Industry Co., Ltd.	Controlled by CNPGC
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Controlled by CNPGC

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

<u>Company name</u>	<u>Related party relationships</u>
Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm ChuanKang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Huayi Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Weiqida Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chengdu Institute of Biological Products Co., Ltd.	Controlled by CNPGC
Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	Controlled by CNPGC
Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Wuhan Zhongsheng Yujin Biological Medicine Co., Ltd.	Controlled by CNPGC
Shantou Jinshi Powder Injection Co., Ltd.	Controlled by CNPGC
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Wuhan Blood Products Co., Ltd.	Controlled by CNPGC
Taiji Group	Controlled by CNPGC
Sichuan Jiangyou Zhongba Aconiti Science and Technology Development Co., Ltd.	Controlled by CNPGC
Sinopharm Wuhan Zhonglian Siyao Pharmaceutical Co., Ltd.	Controlled by CNPGC
Taiji Group Zhejiang Dongfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Sanyi Medicine (Wuhu) Co., Ltd.	Controlled by CNPGC
Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	Controlled by CNPGC
Shanghai Zeno Biotechnology Co., Ltd.	Controlled by CNPGC
Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	Controlled by CNPGC
Fujian Chentian Jinling Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Dezhong (Foshan) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Foreign Trade (Beijing) Co., Ltd.	Controlled by CNPGC
Foshan Chengnan Fengliaoqing Medical Hospital Co., Ltd.	Controlled by CNPGC
Sinopharm Fengliaoqing Medical Hospital Co., Ltd.	Controlled by CNPGC
Chongqing Tongjunge Co., Ltd.	Controlled by CNPGC
Sichuan Taiji Pharmacy Chain Co., Ltd.	Controlled by CNPGC
Sinopharm Group Fengliaoqing Medical Hospital (Foshan Nanhai) Co., Ltd.	Controlled by CNPGC
China Sinopharm International Corporation	Controlled by CNPGC
Guangdong Yifang Pharmaceutical Co., Ltd.	Controlled by CNPGC

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Fengliaoxing (Foshan) Medicines Co., Ltd.	Controlled by CNPGC
Sinopharm Group Fengliaoxing Pharmacy (Foshan) Co., Ltd.	Controlled by CNPGC
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Financial Co., Ltd.	Controlled by CNPGC
Innostar Biotechnology Nantong Co., Ltd	Controlled by CNPGC
Hubei Sinopharm Zhonglian Medicine Co., Ltd.	Controlled by CNPGC
Taiji Group Gansu Tianshui Xihuang Ejiao Co., Ltd.	Controlled by CNPGC
Sinopharm Beijing Huamiao Pharmaceutical Co., Ltd.	Controlled by CNPGC
China National of Traditional & Herbal Medicine Co., Ltd.	Controlled by CNPGC
Sinopharm Holding Sub Marketing Center Co., Ltd.	Controlled by Sinopharm Group
China National Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shenyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Lunan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Inner Mongolia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fujian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Henan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangsu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tongliao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guorui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Pingdingshan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xiamen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	Controlled by Sinopharm Group
Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningxia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anshan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Dajuzhou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Shanghai International Pharmaceutical Trade Co., Ltd.	Controlled by Sinopharm Group
China National Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Heilongjiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hulun Buir Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Southwest Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Liaoning Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yancheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yunnan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nantong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Quanzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Benxi Co., Ltd.	Controlled by Sinopharm Group
Shanghai Merro Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Beijing Huahong co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chifeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Pu'er Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Likang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Hongyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Putian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Bayannur Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanping Newforce Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinye (Hubei) Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changsha Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Yili Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Kunming Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Changde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ordos Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Inner Mongolia Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Hecheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Co., Ltd.	Controlled by Sinopharm Group
China National Medical Device (Hui Zhou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Linfen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Liaoning Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Biological Products Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Shenzhen Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Guoda Pharmacy Co., Ltd.	Controlled by Sinopharm Group
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument (Hainan) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhan Hongshen Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm (Dalian) Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Linyi Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Hebei Medical Instrument Co., Ltd.	Controlled by Sinopharm Group
Liaoning Pilot Free Trade Zone China Medical Device Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Jinzhong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Runhe Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Med-Tech Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Rizhao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chengdu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shiyan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ulanqab Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Lianyungang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Medical Logistics Center Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Baotou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dezhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Taizhou Co., Ltd.	Controlled by Sinopharm Group
China Medical Equipment Shandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guang'an Co., Ltd.	Controlled by Sinopharm Group
Shanghai Tongyu Information Technology Co., Ltd.	Controlled by Sinopharm Group
Guorun Medical Supply Chain Service (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Xinjiang Baitong Property Service Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Pharmaceutical Logistics Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Logistics Beijing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wenzhou Co., Ltd.	Controlled by Sinopharm Group
Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang (Langfang) Pharmaceutical Trade Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Trading Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Hengshui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Hubei) Hankou Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shangqiu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Gansu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Taimin Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anshun Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tongren Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Guizhou (Zunyi) Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zunyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Cangzhou Medicine Co., Ltd.	Controlled by Sinopharm Group
Shanghai Shengxin Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Baise Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qinghai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Honghe Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Xingtai Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiaozuo Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Pharmaceutical Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chuxiong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Shijiazhuang Medical Management Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Cangzhou Pharmaceutical Trading Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guangdong Medical Examination Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Chengde Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guangxi Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Langfang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Longyan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Hongyuan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument Guizhou Qiannan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Handan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhan Guoda Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Professional Pharmacy (Hainan) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Zhuanye Pharmacy (Dongfang) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Controlled by Sinopharm Group
Sinopharm Holding Ningde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changxing Professional Pharmacy (Haikou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guanai Yuankang Pharmacy (Haikou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Special Drugs Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Medical Devices Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Shandong) Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Professional Pharmacy Songyuan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument (Jiangmen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinyu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Suzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Zhuhai Medical Instrument Co., Ltd.	Controlled by Sinopharm Group
Yuxi Sinopharm Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Hunan Prov. Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qianxi'nan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Kunming Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guanai Jikun Pharmacy (Haikou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Langfang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhenjiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Medical Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Hejin Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Chain Store Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument Guangxi Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument (Foshan) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Co., Ltd.	Controlled by Sinopharm Group
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Yitong Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Linfen Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Liaocheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Tianjin Binhai) Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Chemical Reagent Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaian Co., Ltd.	Controlled by Sinopharm Group
Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	Associate of CNPGC
China Otsuka Pharmaceutical Co., Ltd.	Associate of CNPGC
Sinopharm Group Shanxi Ruifulai Co., Ltd.	Associate of CNPGC
SINO-TCM Shanghai Medicine & Medicinal Materials Co., Ltd.	Associate of CNPGC
Changchun Changsheng Gene Pharmaceutical Co., Ltd.	Associate of CNPGC
Yichang Humanwell Pharmaceutical Co., Ltd.	Associate of Sinopharm Group
Hutchison Whamoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Holding Chuangke Medical Technology (Guangxi) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Holding Chuangke Yuanzhe Medical Technology (Shanghai) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Health Online Co., Ltd.	Associate of Sinopharm Group
Shanghai Guoda Lingyun Pharmacy Co., Ltd.	Associate of Sinopharm Group
Sinopharm Holding (China) Financing Lease Co., Ltd.	Associate of Sinopharm Group
Sinopharm Nutraceuticals (Shanghai) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Anhui Great Health Industry Co., Ltd.	Associate of Sinopharm Group
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Lerentang Investment Group Co., Ltd.	Minority shareholders of a subsidiary
Shenyang Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Hunan Minshengtang Biotechnology Co., Ltd.	Minority shareholders of a subsidiary
Guangdong Jiyuantang Development Co., Ltd.	Minority shareholders of a subsidiary
Xishuangbanna Disheng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Beijing Huafang Investment Co., Ltd.	Minority shareholders of a subsidiary
Gu Haiqun	Minority shareholders of a subsidiary
Shenzhen Jiufeng Investment Co., Ltd.	Minority shareholders of a subsidiary
Zhang Haiyan	Minority shareholders of a subsidiary
Taishan Qunkang Pharmacy Co., Ltd.	Minority shareholders of a subsidiary
Pu'er Songmao Medicine Group Co., Ltd.	Minority shareholders of a subsidiary

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Hangzhou Xihu District Commercial Co., Ltd.	Minority shareholders of a subsidiary
Jilin Province Yihe Investment Consulting Co., Ltd.	Minority shareholders of a subsidiary
Du Longfeng	Minority shareholders of a subsidiary
Li Huichun	Minority shareholders of a subsidiary
Zhang Zhenfang	Minority shareholders of a subsidiary
Pingdingshan Pusheng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Xiong Xinyuan	Minority shareholders of a subsidiary
Shenyang Shengdiou Trading Co., Ltd.	Minority shareholders of a subsidiary
Shanghai Baizhong Business Development (Group) Co., Ltd.	Minority shareholders of a subsidiary
Zhang Yechuan	Family members of the actual controller of minority shareholders of a subsidiary
Wang Yang	Family members of the actual controller of minority shareholders of a subsidiary
Li Fang	The actual controller of minority shareholders of a subsidiary
Gu Jinhua	The actual controller of minority shareholders of a subsidiary
Nanjing Yuanguang Trading Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Taishan Xiangranhui Trade Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Shenzhen Wanwei Medicine Trading Co., Ltd.	Subsidiary of Main Luck Pharmaceutical
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Henlius Biopharmaceuticals Co., Ltd.	Subsidiary of Fosun Pharm
Tibet Yaoyou Medicines Co., Ltd.	Subsidiary of Fosun Pharm
Jinzhou Avanc Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Chaohui Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jiangxi Erye Medicine Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	Subsidiary of Fosun Pharm
Sichuan Hexin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Suzhou Erye Pharmaceutical Limited Company	Subsidiary of Fosun Pharm
Hunan Dongting Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Other related parties (Continued)

Company name	Related party relationships
GlaxoSmithKline Pharmaceuticals (Suzhou) Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Transfusion Technology Co., Ltd.	Subsidiary of Fosun Pharm
Shenyang Hongqi Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Guilin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jinzhou Avanc Medicine Co., Ltd.	Subsidiary of Fosun Pharm
Jiangsu Huanghe Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Yaoyou Medicines Co., Ltd.	Subsidiary of Fosun Pharm
Suzhou Laishi Transfusion Equipment	Subsidiary of Fosun Pharm
Chengdu List Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Haisiman Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Chancheng Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shenzhen Hengsheng Hospital	Subsidiary of Fosun Pharm
Foshan Chancheng Central Hospital Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Chanyixing Medicine Development Co., Ltd.	Subsidiary of Fosun Pharm
Shenzhen Chindex Medical Beauty Clinic	Subsidiary of Fosun Pharm
Lecong Supply and Market Group Shunketang Medicine Co., Ltd.	Subsidiary of Fosun Pharm
Chindex Shanghai International Trading Co., Ltd.	Subsidiary of Fosun Pharm
Dalian Yalifeng Biopharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Chindex Shanghai International Trading Co., Ltd.	Subsidiary of Fosun Pharm
Naton Biotechnology (Beijing) Co., Ltd.	Subsidiary of Fosun Naton

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties

(1) Related party transactions - goods and services

Purchase of goods and receiving of services from related parties

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Holding Sub Marketing Center Co., Ltd.	Purchase of goods	567,957,995.48		NO	548,051,256.56
China National Medicines Co., Ltd.	Purchase of goods	378,976,943.17		NO	309,588,426.46
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods	291,169,816.86		NO	302,659,086.81
Sinopharm Holding Shenyang Co., Ltd.	Purchase of goods	218,687,438.90		NO	91,252,243.44
Sinopharm Lerentang Medicine Co., Ltd.	Purchase of goods	212,774,916.08		NO	144,033,107.71
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods	204,598,556.55		NO	168,218,597.08
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Purchase of goods	132,068,068.87		NO	76,699,225.00
Sinopharm Group Co., Ltd.	Purchase of goods	130,357,912.20		NO	101,625,946.62
Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	Purchase of goods	83,397,212.70		NO	60,511,824.27
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Purchase of goods	80,954,984.16		NO	97,184,029.57
Lanzhou Biotechnology Development Co., Ltd.	Purchase of goods	68,090,371.68	8,910,000,000.00	NO	48,840,600.00
Sinopharm Holding Yangzhou Co., Ltd.	Purchase of goods	51,592,777.55		NO	38,126,655.70
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Purchase of goods	45,696,541.00		NO	34,152,784.08
Sinopharm Holding Lunan Co., Ltd.	Purchase of goods	40,999,864.55		NO	26,448,807.82
Sinopharm Holding Inner Mongolia Co., Ltd.	Purchase of goods	40,632,946.46		NO	35,570,487.58
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Purchase of goods	37,011,667.64		NO	26,949,678.43
Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	Purchase of goods	36,421,939.26		NO	82,302.92
China National Pharmaceutical Foreign Trade Corporation	Purchase of goods	31,428,461.51		NO	8,156,658.48
Sinopharm Holding Jilin Co., Ltd.	Purchase of goods	30,157,192.13		NO	11,181,666.83
Sinopharm Yixin Pharmaceutical Co., Ltd.	Purchase of goods	28,345,022.18		NO	8,249,563.42

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Shanghai Henlius Biopharmaceuticals Co., Ltd.	Purchase of goods	26,663,502.35		NO	-
Sinopharm Holding Fujian Co., Ltd.	Purchase of goods	26,242,880.93		NO	21,032,808.12
Main Luck Pharmaceutical Foshan Winteam Pharmaceutical Group Ltd.	Purchase of goods	25,917,861.73		NO	16,716,318.29
Sinopharm Holding Henan Co., Ltd.	Purchase of goods	23,659,412.81		NO	11,624,754.37
Sinopharm Holding Shandong Co., Ltd.	Purchase of goods	22,693,352.04		NO	22,896,338.50
Sinopharm Holding Lerentang Pharmaceutical Co., Ltd.	Purchase of goods	22,619,090.27		NO	9,870,222.38
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Purchase of goods	19,472,073.81		NO	16,213,399.66
Southwest Pharmaceutical Co., Ltd.	Purchase of goods	19,340,530.98		NO	-
Sinopharm Holding Beijing Co., Ltd.	Purchase of goods	17,542,194.64	8,910,000,000.00	NO	-
Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	Purchase of goods	17,360,821.15		NO	32,520,572.80
Sinopharm Holding Jiangsu Co., Ltd.	Purchase of goods	17,310,598.75		NO	-
Sinopharm Holding Tongliao Co., Ltd.	Purchase of goods	16,730,745.30		NO	10,137,097.99
Sinopharm Zhijun	Purchase of goods	16,039,594.19		NO	5,810,230.35
Sinopharm Group Guorui Medicine Co., Ltd.	Purchase of goods	15,931,558.84		NO	12,126,208.66
Sinopharm Lerentang	Purchase of goods	15,180,518.65		NO	2,675,445.41
Hebei Medical Instrument Trade Co., Ltd.	Purchase of goods	14,889,163.04		NO	4,168,839.16
Chengdu Rongsheng Pharmacy Co., Ltd.	Purchase of goods	14,584,099.03		NO	8,518,290.00
Tibet Yaoyou Medicines Co., Ltd.	Purchase of goods	14,011,950.98		NO	10,576,537.72
Sinopharm Holding Hunan Co., Ltd.	Purchase of goods	13,204,231.22		NO	8,970,281.71

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Shenzhen Wanwei Medicine Trading Co., Ltd.	Purchase of goods	13,151,952.24		NO	11,467,474.49
Yichang Humanwell Pharmaceutical Co., Ltd.	Purchase of goods	12,457,905.62		NO	7,649,748.62
Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Purchase of goods	12,051,455.59		NO	3,507,017.31
Sinopharm Holding Pingdingshan Co., Ltd.	Purchase of goods	11,979,529.78		NO	15,984,508.75
Sinopharm Holding Xiamen Co., Ltd.	Purchase of goods	11,957,608.14		NO	8,217,598.96
Jinzhou Avanc Pharmaceutical Co., Ltd.	Purchase of goods	11,829,570.34		NO	7,185,929.54
China Otsuka Pharmaceutical Co., Ltd.	Purchase of goods	11,763,554.47		NO	6,256,674.56
Zhijun Pingshan Sinopharm Holding Changzhou Co., Ltd.	Purchase of goods	10,838,947.13		NO	11,851,634.26
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Purchase of goods	10,160,654.93	8,910,000,000.00	NO	11,126,503.85
Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	Purchase of goods	9,851,650.37		NO	5,872,922.23
Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	Purchase of goods	9,697,409.23		NO	7,471,038.17
Sinopharm Holding Jinzhou Co., Ltd.	Purchase of goods	9,191,104.74		NO	989,799.95
Shanghai Chaohui Pharmaceutical Co., Ltd.	Purchase of goods	8,931,064.40		NO	3,117,332.78
Sinopharm Holding Ningxia Co., Ltd.	Purchase of goods	7,770,056.47		NO	3,912,114.41
Sinopharm Holding Anshan Co., Ltd.	Purchase of goods	7,527,437.99		NO	12,243,904.08
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Purchase of goods	7,386,999.04		NO	584,206.98
Jiangxi Erye Medicine Marketing Co., Ltd.	Purchase of goods	6,568,011.43		NO	4,980,871.81
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	Purchase of goods	6,315,288.30		NO	6,456,636.49
		6,180,889.71		NO	7,522,898.44

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	Purchase of goods	5,932,515.36		NO	2,481,349.10
Sinopharm Holding Jinan Co., Ltd.	Purchase of goods	5,593,031.01		NO	3,208,390.44
Sinopharm Holding Shanxi Dajiu Zhou Medicine Co., Ltd.	Purchase of goods	5,438,916.55		NO	4,606,542.22
Taiji Group Chongqing Fuling Pharmaceutical Co., Ltd.	Purchase of goods	5,323,305.69		NO	-
Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	Purchase of goods	4,529,929.13		NO	1,444,828.32
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Purchase of goods	4,477,305.68		NO	1,124,358.11
Sinopharm Advanced (Shanghai) Medicine Device Co., Ltd.	Purchase of goods	4,359,697.01		NO	649,215.02
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Purchase of goods	4,230,984.00	8,910,000,000.00	NO	1,450,504.18
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Purchase of goods	4,051,307.75		NO	2,283,462.26
Taiji Group Chongqing Tongjunge Pharmaceutical Co., Ltd.	Purchase of goods	3,955,453.47		NO	-
Sinopharm Fengliaoxing (Foshan) Pharmaceutical Drugs Co., Ltd.	Purchase of goods	3,765,974.30		NO	2,745,736.27
Shanghai Shangsheng Biological Products Co., Ltd.	Purchase of goods	3,748,316.28		NO	1,506,116.50
Sinopharm Holding Chuangke Medicinal Technology (Guangxi) Co., Ltd.	Purchase of goods	3,741,777.16		NO	796,460.19
Shanghai International Pharmaceutical Trade Co., Ltd.	Purchase of goods	3,215,831.81		NO	3,897,527.05
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Purchase of goods	2,917,177.22		NO	1,911,884.91

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
China National Medical Device Co., Ltd.	Purchase of goods	2,866,958.60		NO	26,548.67
Sinopharm Holding Heilongjiang Co., Ltd.	Purchase of goods	2,700,433.59		NO	2,533,432.31
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Purchase of goods	2,654,950.93		NO	-
Sichuan Hexin Pharmaceutical Co., Ltd.	Purchase of goods	3,903,635.62		NO	2,257,987.38
Sinopharm Holding Wuxi Co., Ltd.	Purchase of goods	2,439,252.13		NO	8,550,202.41
Sinopharm Holding Hulun Buir Co., Ltd.	Purchase of goods	2,425,267.22		NO	1,564,568.11
Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	Purchase of goods	2,350,922.70		NO	907,465.81
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Purchase of goods	2,321,886.33		NO	(550,607.22)
Sinopharm Group Southwest Medicine Co., Ltd.	Purchase of goods	2,313,721.29	8,910,000,000.00	NO	372,966.72
Sinopharm Holding Tianjin Co., Ltd.	Purchase of goods	2,113,934.18		NO	2,168,770.41
Suzhou Erye Pharmaceutical Limited Company	Purchase of goods	1,942,102.86		NO	1,489,545.90
Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	Purchase of goods	1,922,967.49		NO	160,565.02
Sinopharm Holding Xinjiang Special Drugs Karamay Pharmaceutical Co., Ltd.	Purchase of goods	1,801,633.72		NO	2,704,084.84
Hunan Dongting Pharmaceutical Co., Ltd.	Purchase of goods	1,673,060.75		NO	1,885,047.92
China National Pharmaceutical Industry Co., Ltd.	Purchase of goods	1,658,893.69		NO	1,509,682.80
Sinopharm Holding Dalian Co., Ltd.	Purchase of goods	1,618,603.64		NO	1,450,198.00
Sinopharm Liaoning Medical Equipment Co., Ltd.	Purchase of goods	1,610,762.20		NO	3,970,884.24

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Purchase of goods	1,591,292.21		NO	34,820,929.08
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Purchase of goods	1,553,305.70		NO	506,283.18
Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	Purchase of goods	1,537,349.20		NO	2,381,688.57
Sinopharm Holding Yancheng Co., Ltd.	Purchase of goods	1,355,193.79		NO	1,623,042.70
Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	Purchase of goods	1,342,043.34		NO	2,616,939.67
Glaxosmithkline Pharmaceuticals (Suzhou) Co., Ltd.	Purchase of goods	1,312,782.80		NO	6,570,287.55
Sinopharm Chuankang Pharmaceutical Co., Ltd.	Purchase of goods	1,292,333.10		NO	1,699,176.97
Huayi Pharmaceutical Co., Ltd.	Purchase of goods	1,266,831.84		NO	176,144.72
Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd	Purchase of goods	1,156,691.29	8,910,000,000.00		-
Sinopharm Holding Fuzhou Co., Ltd.	Purchase of goods	1,152,589.16		NO	2,117,865.83
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Purchase of goods	1,017,142.82		NO	1,717,968.13
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Purchase of goods	984,816.68		NO	2,391,565.82
Sinopharm Holding Yunnan Co., Ltd.	Purchase of goods	805,065.42		NO	143,973.45
Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	Purchase of goods	781,581.70		NO	1,077,980.94
Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	Purchase of goods	781,575.58		NO	1,434,252.18
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	Purchase of goods	773,057.14		NO	627,174.03

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Purchase of goods	753,274.35		NO	1,300,658.82
Sinopharm Holding Nantong Co., Ltd.	Purchase of goods	697,002.20		NO	-
Sinopharm Weiqida Pharmaceutical Co., Ltd.	Purchase of goods	690,157.52		NO	668,790.52
Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	Purchase of goods	682,560.86		NO	414,430.28
Shanghai Transfusion Technology Co., Ltd.	Purchase of goods	667,699.12		NO	712,212.39
Sinopharm Holding Quanzhou Co., Ltd.	Purchase of goods	662,423.54		NO	880,856.56
Shenyang Hongqi Pharmaceutical Co., Ltd.	Purchase of goods	653,104.18		NO	359,010.73
Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	Purchase of goods	607,344.52		NO	132,136.11
Chengdu Institute of Biological Products Co., Ltd.	Purchase of goods	562,767.00		NO	475,738.80
Sinopharm Holding Benxi Co., Ltd.	Purchase of goods	559,188.59	8,910,000,000.00	NO	-
Shanghai Merro Pharmaceutical Co., Ltd.	Purchase of goods	542,162.94		NO	749,178.23
Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	Purchase of goods	536,821.03		NO	433,524.84
Sinopharm holdings Hubei Co., Ltd.	Purchase of goods	531,440.87		NO	58,060,607.87
Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	Purchase of goods	497,209.07		NO	-
Guilin Pharmaceutical Co., Ltd.	Purchase of goods	491,568.15		NO	351,228.30
Sinopharm holdings Beijing Huahong Co., Ltd.	Purchase of goods	471,946.23		NO	2,856,735.70
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Purchase of goods	408,296.15		NO	282,209.74
Sinopharm Group Shanxi Ruifulai Co., Ltd.	Purchase of goods	404,922.04		NO	-
Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	Purchase of goods	371,264.92		NO	1,209,038.66

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2010
Wuhan Zhongsheng Yujin Biological Medicine Co., Ltd.	Purchase of goods	354,016.00		NO	-
Shantou Jinshi Powder Injection Co., Ltd.	Purchase of goods	351,589.74		NO	300,803.34
Sinopharm Holding Chifeng Co., Ltd.	Purchase of goods	347,527.93		NO	-
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	Purchase of goods	341,818.02		NO	368,206.57
Sinopharm Holding Zhejiang Co., Ltd.	Purchase of goods	317,534.11		NO	194,238.02
Sinopharm Holding Puer Co., Ltd.	Purchase of goods	296,085.02		NO	446,396.77
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	Purchase of goods	295,539.81		NO	2,181,662.15
Sinopharm Wuhan Blood Products Co., Ltd.	Purchase of goods	281,200.00		NO	24,800.00
Jinzhou Avanc Medicine Co., Ltd.	Purchase of goods	265,412.37		NO	2,780,545.99
Sinopharm Holding Hubei Likang Pharmaceutical Co., Ltd.	Purchase of goods	260,747.00	8,910,000,000.00	NO	-
Sinopharm Holding Hainan Hongyi Co., Ltd.	Purchase of goods	258,280.38		NO	17,043.48
Sinopharm Holding Putian Co., Ltd.	Purchase of goods	257,643.78		NO	466,764.43
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Purchase of goods	253,894.16		NO	144,648.00
Sinopharm Holding Bayannur Co., Ltd.	Purchase of goods	234,878.49		NO	667,045.83
Sinopharm Holding Anhui Co., Ltd.	Purchase of goods	180,725.82		NO	2,398,623.06
Taiji Group	Purchase of goods	166,678.24		NO	-
Jiangsu Huanghe Pharmaceutical Co., Ltd.	Purchase of goods	162,782.30		NO	-
Sichuan Jiangyou Zhongba Aconiti Science and Technology Development Co., Ltd.	Purchase of goods	142,201.82		NO	-
Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	Purchase of goods	136,860.13		NO	157,222.35

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
The Fourth Pharmaceutical Co., Ltd. of Zhonglian Group	Purchase of goods	124,447.86		NO	(1,875.00)
Hunan Yaoyou Medicines Co., Ltd.	Purchase of goods	121,513.28		NO	-
Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	Purchase of goods	110,206.77		NO	42,957.42
Sinopharm Holding Nanping Newforce Co., Ltd	Purchase of goods	105,027.03		NO	122,980.30
Sinopharm Holding Xinye (Hubei) Medicine Co., Ltd.	Purchase of goods	101,222.21		NO	56,646.03
Sinopharm Holding Changsha Co., Ltd.	Purchase of goods	84,558.36		NO	1,783,867.44
Taiji Group Zhejiang Dongfang Pharmaceutical Co., Ltd.	Purchase of goods	79,709.72		NO	-
Sinopharm Holding Xinjiang Special Drugs Yili Pharmaceutical Co., Ltd.	Purchase of goods	68,861.47		NO	-
Sinopharm Holding Kunming Co., Ltd.	Purchase of goods	58,396.46	8,910,000,000.00	NO	-
Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	Purchase of goods	48,842.47		NO	-
Sinopharm Holding Changde Co., Ltd.	Purchase of goods	48,318.59		NO	-
Sinopharm Holding Sanyi Medicine (Wuhu) Co., Ltd.	Purchase of goods	37,095.80		NO	46,347.42
Sinopharm Shyndec	Purchase of goods	36,180.53		NO	9,493,936.28
Sinopharm Holding Ordos Co., Ltd.	Purchase of goods	35,001.77		NO	-
Sinopharm Inner Mongolia Medical Equipment Co., Ltd.	Purchase of goods	35,000.88		NO	-
Sinopharm Jingfang (Anhui) Pharmaceutical Co., Ltd.	Purchase of goods	20,306.19		NO	766,468.52
Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	Purchase of goods	18,751.86		NO	-
Sinopharm Holding Dalian Hecheng Co., Ltd.	Purchase of goods	17,404.47		NO	48,749.02

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Holding Hainan Co., Ltd.	Purchase of goods	13,042.99		NO	111,398.23
Sinopharm Medical Instrument (Huizhou) Co., Ltd.	Purchase of goods	10,618.77		NO	-
Sinopharm Group Medicine Logistic Co., Ltd.	Purchase of goods	9,450.54		NO	11,161.53
Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	Purchase of goods	9,380.53		NO	32,964.60
Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	Purchase of goods	9,026.54		NO	9,026.54
Sinopharm Group Linfen Co., Ltd.	Purchase of goods	8,257.25		NO	107,014.36
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	Purchase of goods	6,578.33		NO	52,672.56
Sinopharm Liaoning Medical Equipment Co., Ltd.	Purchase of goods	4,424.78	8,910,000,000.00	NO	-
Sinopharm Holding Zhangzhou Co., Ltd.	Purchase of goods	2,835.40		NO	73,228.32
Sinopharm Holding Yangzhou Biological Products Co., Ltd.	Purchase of goods	1,850.00		NO	49,400.00
Suzhou Laishi Transfusion Equipment	Purchase of goods	1,019.47		NO	-
Naton Biotechnology (Beijing) Co., Ltd.	Purchase of goods	63.72		NO	-
Sinopharm Shenzhen Medicine Device Co., Ltd.	Purchase of goods	-		NO	4,689,458.43
Shanghai Zeno Biotechnology Co., Ltd.	Purchase of goods	-		NO	4,424,779.00
Sinopharm Holding Hubei Guoda Pharmacy Co., Ltd.	Purchase of goods	-		NO	3,749,173.52
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Purchase of goods	-		NO	3,716,814.16
Sinopharm Holding Chongqing Co., Ltd.	Purchase of goods	-		NO	3,106,188.00
Sinopharm Medical Instrument Hainan Co., Ltd.	Purchase of goods	-		NO	2,109,734.51

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Holding Wuhan Hongshen Medicine Co., Ltd.	Purchase of goods	-		NO	1,415,929.21
Sinopharm (Dalian) Medicinal Device Co., Ltd.	Purchase of goods	-		NO	928,255.76
Sinopharm Holding Chuangke Yuanzhe Medicinal Technology (Shanghai) Co., Ltd.	Purchase of goods	-		NO	672,566.40
Sinopharm Holding Linyi Medicinal Device Co., Ltd.	Purchase of goods	-		NO	633,769.93
Sinopharm Hebei Medical Instrument Co., Ltd.	Purchase of goods	-		NO	607,424.77
Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	581,499.90
Liaoning Pilot Free Trade Zone China Medical Device Technology Co., Ltd.	Purchase of goods	-		NO	260,176.99
Chengdu List Pharmaceutical Co., Ltd.	Purchase of goods	-	8,910,000,000.00	NO	204,849.56
Fujian Chentian Jinling Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	138,669.72
Sinopharm Holding Shanxi Jinzhong Co., Ltd.	Purchase of goods	-		NO	119,470.72
Sinopharm Holding Shanxi Runhe Medicine Co., Ltd.	Purchase of goods	-		NO	93,171.55
Sinopharm Group Med-Tech Co., Ltd.	Purchase of goods	-		NO	92,920.35
Sinopharm Dezhong (Foshan) Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	53,734.51
Sinopharm Holding Rizhao Co., Ltd.	Purchase of goods	-		NO	34,498.69
Sinopharm Holding Jiangxi Co., Ltd.	Purchase of goods	-		NO	28,244.60
Sinopharm Holding Chengdu Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	11,307.62
Sinopharm Holding Shiyan Co., Ltd.	Purchase of goods	-		NO	2,088.50
Sinopharm Holding Ulanqab Co., Ltd.	Purchase of goods	-		NO	2,043.91

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Purchase of goods	-		NO	171.81
Sinopharm Holding Lianyungang Co., Ltd.	Purchase of goods	-		NO	(478.47)
Chongqing Haisiman Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	(3,514.34)
SINO-TCM Shanghai Medicine&Medicinal Materials Co., Ltd.	Purchase of goods	-		NO	(10,888.69)
Sinopharm Holding Changzhou Medical Logistics Center Co., Ltd.	Purchase of goods	-	8,910,000,000.00	NO	(191,787.19)
Sinopharm Holding Baotou Co., Ltd.	Purchase of goods	(88.50)		NO	126,066.66
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Purchase of goods	(209.96)		NO	308,584.08
Sinopharm Holding Dezhou Co., Ltd.	Purchase of goods	(223.18)		NO	108,484.59
Sinopharm Holding Taizhou Co., Ltd.	Purchase of goods	(350.45)		NO	81,224.26
China Medical Equipment Shandong Co., Ltd.	Purchase of goods	(2,177.00)		NO	14,427.65
Sinopharm Holding Guang'an Co., Ltd.	Purchase of goods	(6,594.69)		NO	-
Sinopharm Group Medicine Logistic Co., Ltd.	Storage and transport cost, information system access fee	9,631,686.33		NO	8,264,849.06
Sinopharm Group Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Consulting service fee	2,269,577.44		NO	-
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	Consulting service fee	658,831.86	80,000,000.00	NO	-
Shanghai Tongyu Information Technology Co., Ltd.	Storage and transport cost; Consulting service fee, Consulting service fee, information system access fee	518,400.00		NO	-
		476,169.82		NO	187,905.67

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Purchase of goods and receiving of services from related parties (Continued)

Related party	Type of transaction	For the six months ended 30 June 2021	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2020
Sinopharm Foreign Trade(Beijing) Co., Ltd.	Equipment maintenance fee	141,592.92		NO	-
Sinopharm Holding Henan Co., Ltd.	Consulting service fee	106,046.95		NO	-
China National Pharmaceutical Foreign Trade Corporation	Equipment maintenance fee	68,938.05		NO	-
Guorun Medical Supply Chain Service (Shanghai) Co., Ltd.	Information system access fee	49,056.60		NO	12,264.15
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Operation service fee	34,651.32		NO	-
Xinjiang Baitong Property Service Co., Ltd.	Property fee	1,150.44	80,000,000.00	NO	-
Sinopharm Holding Jilin Co., Ltd.	Consulting service fee	109.23		NO	-
Sinopharm Health Online Co., Ltd.	Consulting service fee	-		NO	7,008,590.59
Shanghai Beiyi Guoda Pharmaceutical Co. Ltd.	Consulting service fee	-		NO	1,492,677.11
Sinopharm Pharmaceutical Logistics Co., Ltd.	Storage and transport cost; Consulting service fee	-		NO	93,635.83
Sinopharm Logistics Beijing Co., Ltd.	Storage and transport cost; Consulting service fee	-		NO	54,060.78

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Group	Sale of goods	139,234,971.54	110,426,213.05
Foshan Chancheng Pharmaceutical Co., Ltd.	Sale of goods	68,883,280.00	49,079,098.20
Sinopharm Holding Hainan Co., Ltd.	Sale of goods	56,647,385.55	60,158,578.46
Shanghai Beiyi Guoda Pharmaceutical Co. Ltd.	Sale of goods	51,633,689.10	61,896,587.65
Sinopharm Lerentang Medicine Co., Ltd.	Sale of goods	30,299,085.61	22,566,166.73
Sinopharm Holding Beijing Co., Ltd.	Sale of goods	20,211,375.98	12,909,717.52
Sinopharm Holding Hainan Hongyi Co., Ltd.	Sale of goods	19,732,331.43	13,367,342.74
Sinopharm Holding Wenzhou Co., Ltd.	Sale of goods	16,294,606.34	14,794,703.17
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Sale of goods	15,169,815.63	10,455,648.05
Sinopharm Holding Shandong Co., Ltd.	Sale of goods	14,001,108.69	6,925,017.46
Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	Sale of goods	13,521,643.14	1,075,458.43
Shenzhen Hengsheng Hospital	Sale of goods	13,376,757.25	10,629,421.43
Sinopharm Holding Henan Co., Ltd.	Sale of goods	12,870,576.33	9,642,957.94
Foshan Chancheng Central Hospital Co., Ltd.	Sale of goods	12,092,528.87	7,665,327.44
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Sale of goods	10,239,238.49	10,679,779.77
Sinopharm holdings Beijing Huahong Co., Ltd.	Sale of goods	10,138,011.45	5,763,714.05
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Sale of goods	8,887,736.05	1,587,426.88
Sinopharm Holding Nantong Co., Ltd.	Sale of goods	8,373,035.18	7,861,952.62
Sinopharm Holding Jinzhou Co., Ltd.	Sale of goods	7,182,756.92	72,477.87
Sinopharm Holding Sub Marketing Center Co., Ltd.	Sale of goods	6,713,774.05	5,584,808.87
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Sale of goods	6,709,036.12	784,084.53
Sinopharm Holding Shanxi Co., Ltd.	Sale of goods	6,114,523.08	2,812,873.37

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Sale of goods	5,801,373.68	4,803,387.32
Sinopharm Holding Hubei Co., Ltd.	Sale of goods	5,725,139.41	18,913,611.09
Sinopharm Holding Yangzhou Co., Ltd.	Sale of goods	5,243,275.79	3,233,686.62
Sinopharm Lerentang (Langfang) Pharmaceutical Trade Co., Ltd.	Sale of goods	4,540,492.31	18,101.77
Foshan Chanyixing Medicine Development Co Ltd.	Sale of goods	4,356,266.82	3,705,867.85
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Sale of goods	3,561,044.84	661,960.55
Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	Sale of goods	3,311,038.77	-
Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	Sale of goods	3,187,482.23	492,572.13
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Sale of goods	2,986,283.70	3,680,499.78
Sinopharm Holding Jilin Co., Ltd.	Sale of goods	2,942,030.47	1,599,917.79
Sinopharm Holding Tianjin Co., Ltd.	Sale of goods	2,941,625.35	1,822,107.93
Shanghai Merro Pharmaceutical Co., Ltd.	Sale of goods	2,858,507.18	3,312,398.44
Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd	Sale of goods	2,637,455.35	16,467.26
Sinopharm Holding Shanxi Co., Ltd.	Sale of goods	2,569,451.46	3,053,010.35
Sinopharm Holding Guizhou Medical Device Co., Ltd.	Sale of goods	2,506,974.27	255,175.71
Sinopharm Lerentang Baoding Trading Co., Ltd.	Sale of goods	2,386,692.15	-
Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	Sale of goods	2,371,766.36	1,716,599.10
Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Sale of goods	2,280,410.62	1,724,205.31
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Sale of goods	2,270,896.31	5,574,204.53
Sinopharm Holding Yunnan Co., Ltd.	Sale of goods	2,197,412.02	1,875,892.22
Sinopharm Holding Hunan Co., Ltd.	Sale of goods	2,170,058.36	1,594,378.72

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Holding Shanxi Co., Ltd.	Sale of goods	1,759,444.55	190,595.28
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Sale of goods	1,732,284.48	2,349,651.28
Sinopharm Holding Anhui Co., Ltd.	Sale of goods	1,714,909.94	3,490,356.70
Sinopharm Group Southwest Medicine Co., Ltd.	Sale of goods	1,686,783.92	1,891,076.22
Sinopharm Lerentang Hengshui Medicine Co., Ltd.	Sale of goods	1,541,096.39	158,792.13
Sinopharm Holding Dalian Co., Ltd.	Sale of goods	1,505,999.43	1,320,364.57
Shanghai Guoda Lingyun Pharmacy Co., Ltd.	Sale of goods	1,444,193.49	786,887.13
Sinopharm Holding Anshan Co., Ltd.	Sale of goods	1,410,135.08	-
China National Medicines Co., Ltd.	Sale of goods	1,269,341.13	2,178,096.79
Sinopharm Holding Jiangxi Co., Ltd.	Sale of goods	1,230,819.17	499,633.43
Sinopharm Holding (Hubei) Hankou Pharmacy Co., Ltd.	Sale of goods	1,164,258.24	-
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Sale of goods	1,152,047.45	693,361.90
Sinopharm Holding Xuzhou Co., Ltd.	Sale of goods	1,108,631.54	1,271,612.79
Shanghai Liyi Pharmacy Co.,Ltd	Sale of goods	1,102,980.44	690,837.84
Sinopharm Holding Shangqiu Co., Ltd.	Sale of goods	1,039,646.02	-
Sinopharm Holding Fujian Co., Ltd.	Sale of goods	992,070.43	51,109,674.50
Sinopharm Holding Gansu Co., Ltd.	Sale of goods	863,189.43	662,808.94
Sinopharm Holding Guizhou Co., Ltd.	Sale of goods	836,038.24	749,381.57
Sinopharm Holding Ningxia Co., Ltd.	Sale of goods	766,385.82	607,397.50
Sinopharm Holding Chongqing Taimin Pharmaceutical Co., Ltd.	Sale of goods	675,555.69	174,838.95
Sinopharm Holding Wuxi Co., Ltd.	Sale of goods	651,490.72	545,114.34
Sinopharm Holding Anshun Co., Ltd.	Sale of goods	637,336.24	626,960.18
Sinopharm Holding Tongren Co., Ltd.	Sale of goods	608,054.18	347,824.70

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	Sale of goods	585,023.94	477,391.38
Sinopharm Holding Guizhou (Zunyi) Medical Equipment Co., Ltd.	Sale of goods	551,323.97	722,382.88
Sinopharm Holding Jiangsu Co., Ltd.	Sale of goods	526,573.72	578,180.26
Sinopharm Holding Zunyi Co., Ltd.	Sale of goods	497,385.52	1,078,617.62
Sinopharm Holding Wuhu Co., Ltd.	Sale of goods	483,333.34	421,019.02
Sinopharm Lerentang Cangzhou Medicine Co., Ltd.	Sale of goods	441,107.97	27,143.36
Sinopharm Holding Dalian Hecheng Co., Ltd.	Sale of goods	440,610.07	39,122.93
Shenzhen Chindex Medical Beauty Clinic	Sale of goods	388,613.67	97,277.83
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Sale of goods	367,752.21	282,212.28
Shanghai Shengxin Pharmacy Co., Ltd.	Sale of goods	352,446.68	-
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Sale of goods	352,417.43	107,256.67
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Sale of goods	330,239.40	-
Sinopharm Baise Device Co., Ltd.	Sale of goods	328,663.72	102,654.87
Sinopharm Holding Shanxi Pharmacy Co., Ltd.	Sale of goods	274,021.65	-
Sinopharm Holding Qinghai Co., Ltd.	Sale of goods	262,068.06	253,282.77
Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	Sale of goods	253,856.26	-
Sinopharm Holding Honghe Co., Ltd.	Sale of goods	233,627.39	411,978.99
Sinopharm Lerentang Xingtai Medicine Co., Ltd.	Sale of goods	224,344.53	178,966.16
Sinopharm Holding Jiaozuo Co., Ltd.	Sale of goods	220,106.10	183,421.75
Sinopharm Holding Anhui Pharmaceutical Chain Co., Ltd.	Sale of goods	190,577.18	-
Sinopharm Holding Chuxiong Co., Ltd.	Sale of goods	185,415.94	83,585.92
Sinopharm Holding Nanjing Wende Pharmaceutical Co.,Ltd.	Sale of goods	175,046.02	79,064.60

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Guoyao Larentang Shijiazhuang Medical Management Co., Ltd.	Sale of goods	169,490.24	55,743.09
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Sale of goods	165,577.13	237,608.84
Sinopharm Holding Chongqing Co., Ltd.	Sale of goods	157,390.71	98,396.45
Sinopharm Holding Inner Mongolia Co., Ltd.	Sale of goods	150,193.67	159,586.47
Sinopharm Larentang Cangzhou Pharmaceutical Trading Co., Ltd.	Sale of goods	143,767.71	-
Sinopharm Larentang Shijiazhuang Medicine Co., Ltd.	Sale of goods	135,104.03	8,730.28
Sinopharm Guangdong Medical Examination Co., Ltd.	Sale of goods	134,910.79	163,965.18
Foshan Chengnan Fengliaoqing Medical Hospital Co., Ltd.	Sale of goods	134,895.13	87,322.13
Sinopharm Holding Benxi Co., Ltd.	Sale of goods	134,235.92	-
Sinopharm Larentang Chengde Medicine Co., Ltd.	Sale of goods	129,707.75	63,193.63
Sinopharm Fengliaoqing Medical Hospital Co., Ltd.	Sale of goods	123,210.38	75,159.98
Sinopharm Holding Pingdingshan Co., Ltd.	Sale of goods	121,061.94	-
Sinopharm Group Guangxi Medical Device Co., Ltd.	Sale of goods	110,309.74	113,097.35
Sinopharm Larentang Zhangjiakou Medicine Co., Ltd.	Sale of goods	107,351.54	-
Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	Sale of goods	107,011.95	-
Sinopharm Holding Fuzhou Co., Ltd.	Sale of goods	93,210.07	131,345.42
Sinopharm Larentang Langfang Pharmaceutical Co., Ltd.	Sale of goods	88,799.03	55,538.93
Sinopharm Holding Longyan Co., Ltd.	Sale of goods	87,410.63	57,138.07
Sinopharm Holding Hubei Hongyuan Co., Ltd.	Sale of goods	74,265.48	133,587.47
Sinopharm Medical Instrument Guizhou Qiannan Co., Ltd.	Sale of goods	70,346.37	16,276.77

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Lerentang Handan Medicine Co., Ltd.	Sale of goods	69,991.28	18,101.77
Sinopharm Holding Wuhan Guoda Pharmacy Co., Ltd.	Sale of goods	66,101.95	-
Sinopharm Lerentang Baoding Medicine Co., Ltd.	Sale of goods	57,943.93	32,999.89
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Sale of goods	55,499.70	84,353.70
Sinopharm Zhijun	Sale of goods	54,493.27	3,922.08
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Sale of goods	48,348.50	8,494.51
Sinopharm Holding Professional Pharmacy (Hainan) Co., Ltd.	Sale of goods	40,146.37	-
Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	Sale of goods	35,758.14	41,262.69
Sinopharm Holding Putian Co., Ltd.	Sale of goods	26,888.49	53,777.00
Sinopharm Holding Yancheng Co., Ltd.	Sale of goods	25,340.97	556,583.59
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Sale of goods	25,022.45	11,412.30
Sinopharm Holding Changzhou Co., Ltd.	Sale of goods	21,218.05	110,397.17
Chongqing Tongjunge Co., Ltd.	Sale of goods	19,289.52	-
Sichuan Taiji Pharmacy Chain Co., Ltd.	Sale of goods	18,141.59	-
Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	Sale of goods	16,629.61	5,383.97
Sinopharm Holding Zhuanye Pharmacy (Dongfang) Co., Ltd.	Sale of goods	14,607.52	8,438.69
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Sale of goods	13,825.24	-
Sinopharm Holding Ningde Co., Ltd.	Sale of goods	10,083.19	30,249.56
Sinopharm Holding Changxing Professional Pharmacy (Haikou) Co., Ltd.	Sale of goods	6,978.32	12,993.87
Sinopharm Holding Taizhou Co., Ltd.	Sale of goods	5,834.87	68,810.53

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	Sale of goods	4,862.18	-
Sinopharm Group Fengliaoqing Medical Hospital (Foshan Nanhai) Co., Ltd.	Sale of goods	3,939.20	2,261.97
Sinopharm Guanai Yuankang Pharmacy (Haikou) Co., Ltd.	Sale of goods	2,902.65	34,988.29
Sinopharm Holding Dalian Special Drugs Pharmaceutical Co., Ltd.	Sale of goods	2,831.86	-
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Sale of goods	2,795.57	-
Sinopharm Holding (Shandong) Medicine Device Co., Ltd.	Sale of goods	2,492.03	-
Sinopharm Holding Professional Pharmacy Songyuan Co., Ltd.	Sale of goods	1,231.86	-
Sinopharm Medical Instrument (Jiangmen) Co., Ltd.	Sale of goods	884.96	-
Sinopharm Holding Shenyang Co., Ltd.	Sale of goods	839.65	92,078.76
Sinopharm Holding Xinyu Co., Ltd.	Sale of goods	632.94	-
Lecong Supply and Market Group Shunketang Medicine Co., Ltd.	Sale of goods	58.41	-
Sinopharm Holding Tongliao Co., Ltd.	Sale of goods	45.14	-
Sinopharm Holding Suzhou Co., Ltd.	Sale of goods	3.54	-
Sinopharm Zhuhai Medical Instrument Co., Ltd.	Sale of goods	-	7,446,238.57
Chindex International Trading (Shanghai) Co., Ltd.	Sale of goods	-	3,037,167.60
China Sinopharm International Corporation	Sale of goods	-	2,988,690.22
Sinopharm Holding Quanzhou Co., Ltd.	Sale of goods	-	1,628,615.99
Zhijun Pingshan	Sale of goods	-	297,706.43
Dongyuan Accord	Sale of goods	-	230,559.29
Yuxi Sinopharm Medicine Co., Ltd.	Sale of goods	-	226,147.04
Foshan Chancheng District Shiwan Town Chengnan Community Health Service Center	Sale of goods	-	207,388.60

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sinopharm Hunan Prov. Medical Equipment Co., Ltd.	Sale of goods	-	142,300.88
Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	Sale of goods	-	84,955.75
Sinopharm Holding Qianxi'nan Co., Ltd.	Sale of goods	-	47,058.57
Sinopharm Holding Fuzhou Co., Ltd.	Sale of goods	-	36,927.44
Guangdong Yifang Pharmaceutical Co., Ltd.	Sale of goods	-	27,079.65
Sinopharm Holding Kunming Pharmacy Co., Ltd.	Sale of goods	-	26,664.78
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Sale of goods	-	25,300.89
Sinopharm Guanai Jikun Pharmacy (Haikou) Co., Ltd.	Sale of goods	-	17,838.67
Sinopharm Fengliaoxing (Foshan) Medicines Co., Ltd.	Sale of goods	-	12,682.56
Sinopharm Lerentang Langfang Medicine Co., Ltd.	Sale of goods	-	7,323.36
Main Luck Pharmaceutical	Sale of goods	-	6,610.62
Sinopharm Holding Xiamen Co., Ltd.	Sale of goods	-	5,889.38
Sinopharm Holding Zhenjiang Co., Ltd.	Sale of goods	-	5,614.16
Guangdong Jienuo	Sale of goods	-	2,657.08
Sinopharm Medical Instrument (Hainan) Co., Ltd.	Sale of goods	-	1,805.31
Sinopharm Holding Guizhou Medicinal Chain Co., Ltd.	Sale of goods	-	1,340.53
Sinopharm Holding Shanxi Hejin Pharmaceutical Co., Ltd.	Sale of goods	-	1,187.61
Sinopharm Holding Ulanqab Co., Ltd.	Sale of goods	-	(555.14)
Sinopharm Holding Jilin Chain Store Co., Ltd.	Sale of goods	-	(16,556.17)
Sinopharm Group Fengliaoxing Pharmacy (Foshan) Co., Ltd.	Sale of goods	-	(26,464.91)
Sinopharm Holding Chengdu Co., Ltd.	Sale of goods	(20,800.88)	238,592.93

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	Transport and storage		
Sinopharm Group Medicine Logistic Co., Ltd.	income	4,729,519.50	3,176,727.67
	Sublease income, transport		
China National Medicines Co., Ltd.	and storage income	1,658,616.64	3,116,205.52
	Sublease income, canteen		
Sinopharm Zhijun	income	1,299,722.86	1,250,273.36
Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	Consulting service income	498,556.31	82,325.73
Sinopharm Holding Sub Marketing Center Co., Ltd.	Consulting service income	404,513.64	1,253,573.97
	Transport and storage		
Guangdong Jienuo	income	252,229.35	-
Zhijun Trade	Sublease income	157,142.88	285,714.30
Sinopharm Medical Instrument Guangxi Medical Technology Co., Ltd.	SPD service income	135,813.29	-
Sinopharm Baise Device Co., Ltd.	SPD service income	104,923.15	-
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Sublease income	102,102.49	97,240.50
Sinopharm Medical Instrument (Foshan) Co., Ltd.	SPD service income	89,941.38	-
	Transport and storage		
Zhijun Pingshan	income	83,186.24	129,797.90
Sinopharm Group Southwest Medicine Co., Ltd.	Transport and storage income	79,480.00	-
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Lt	Business promotion income	51,415.10	-
Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	Business promotion income	50,471.71	-
Sinopharm Holding Shanxi Co., Ltd.	Business promotion income	31,886.79	1,886.79

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(1) Related party transactions - goods and services (Continued)

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	Transport and storage		
Sinopharm Holding Jilin Co., Ltd.	income	26,000.00	-
Sinopharm Group Guangxi Medical Device Co., Ltd.	SPD service income	25,173.94	-
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	SPD service income	19,777.54	-
Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	Business promotion income	15,377.36	-
Sinopharm Holding Shenyang Co., Ltd.	Consulting service income	2,452.83	-
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Consulting service income	1,523.21	-
Sinopharm Medical Instrument (Huizhou) Co., Ltd.	Consulting service income	173.96	-
	Transport and storage		
Sinopharm Holding Hubei Co., Ltd.	income	-	81,773.22
Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Consulting service income	-	17,169.81
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Consulting service income	-	2.64

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(2) Related party transactions - leases

(a) As the lessor

	Type of assets under leases	Income from leases For the six months ended 30 June 2021	Income from leases For the six months ended 30 June 2020
Sinopharm Zhijun	Building	957,142.86	957,142.86
Zhijun Trade	Building	157,142.88	285,714.30
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Building	102,102.49	97,240.50
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Building	66,666.66	-
China National Medicines Co., Ltd.	Building	52,554.86	52,554.86

(b) As the lessee

	Type of assets under leases	Expense from leases For the six months ended 30 June 2021	Expense from leases For the six months ended 30 June 2020
Hunan Minshengtang Biotechnology Co., Ltd.	Building	7,317,209.70	-
Sinopharm Group	Building	5,406,057.00	-
Sinopharm Group Medicine Logistic Co., Ltd.	Equipment	3,749,999.99	3,750,000.00
Sinopharm Group Medicine Logistic Co., Ltd.	Building	3,539,999.99	3,540,000.00
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Building	5,536,320.75	5,296,226.44
Lerentang Investment Group Co., Ltd.	Building	4,361,467.88	3,224,047.60
Shenyang Pharmaceutical Co., Ltd.	Building	3,543,964.78	3,571,428.61
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Building	2,748,595.47	3,786,173.34
Sinopharm Holding Yangzhou Co., Ltd.	Building	1,866,023.82	-
Nanjing Yuanguang Trading Co., Ltd.	Building	1,077,247.29	1,923,809.52
Guangdong Jiyuantang Development Co., Ltd.	Building	921,180.26	978,504.36
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Building	600,000.00	-
Sinopharm Group Shanghai Co., Ltd.	Building	586,365.00	2,031,905.96
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Building	508,827.42	478,984.74
Xishuangbanna Disheng Pharmaceutical Co., Ltd.	Building	405,799.98	-
Sinopharm Holding (China) Financing Lease Co., Ltd.	Building	360,000.00	-
Taishan Xiangranhui Trade Co., Ltd.	Equipment	462,670.01	389,625.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(2) Related party transactions - leases(Continued)

(b) As the lessee(Continued)

	Type of assets under leases	Expense from leases For the six months ended 30 June 2021	Expense from leases For the six months ended 30 June 2020
Zhang Yechuan	Building	333,046.64	-
Wang Yang	Building	312,305.70	295,868.56
Li Fang	Building	269,047.62	254,761.90
Sinopharm Holding Beijing Co., Ltd.	Building	272,400.00	-
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	Building	257,389.00	-
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	Building	242,857.14	181,428.58
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	Building	216,191.74	-
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Building	215,968.52	-
Gu Jinhua	Building	187,740.00	178,800.00
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	Building	177,233.88	-
Beijing Huafang Investment Co., Ltd.	Building	119,004.08	120,934.28
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	Building	118,025.28	-
Gu Haiqun	Building	104,099.04	99,143.81
Shenzhen Jiufeng Investment Co., Ltd.	Building	92,279.59	-
Zhang Haiyan	Building	85,714.26	-
Zhijun Pingshan	Building	50,917.44	-
Zhang Guitang	Building	49,714.26	-
Taishan Qunkang Pharmacy Co., Ltd.	Equipment	11,258.41	-
Sinopharm Holding (China) Financing Lease Co., Ltd.	Building	-	2,971,727.14
Pu'er Songmao Medicine Group Co., Ltd.	Building	-	1,984,761.90
Sinopharm Holding Rizhao Co., Ltd.	Building	-	436,785.87
Hangzhou Xihu District Commercial Co., Ltd.	Building	-	146,438.10
China National Medicines Co., Ltd.	Building	-	142,857.14
Taishan Qunkang Pharmacy Co., Ltd.	Building	-	70,850.46

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	71,629,923.57	25 February 2021	25 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	54,707,698.10	25 February 2021	25 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	94,787,926.58	6 May 2021	6 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	50,462,024.83	17 May 2021	17 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	48,621,724.23	26 February 2021	26 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	47,123,809.11	30 April 2021	30 October 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	30,698,840.96	29 January 2021	29 July 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	13,237,656.55	29 January 2021	29 April 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	41,035,658.40	5 February 2021	5 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	36,462,587.66	10 May 2021	30 June 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	19,867,578.99	19 May 2021	19 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	15,663,049.52	19 May 2021	19 September 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	34,614,169.13	30 June 2021	30 December 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	33,675,870.87	26 May 2021	26 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	26,570,964.00	10 February 2021	10 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	19,998,663.88	20 May 2021	20 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,650,549.88	20 May 2021	27 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	25,471,272.13	31 May 2021	31 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	25,123,710.36	3 June 2021	3 September 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	24,991,580.40	23 June 2021	23 September 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	24,272,643.76	8 February 2021	8 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	22,224,875.91	28 January 2021	28 April 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	20,712,214.94	7 May 2021	7 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	20,341,265.01	4 February 2021	4 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	19,215,568.92	24 February 2021	24 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	18,756,773.39	22 February 2021	22 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	17,331,983.85	15 April 2021	30 June 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	9,569,134.14	17 June 2021	29 October 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	6,424,446.52	17 June 2021	8 October 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	15,853,329.24	25 May 2021	27 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	12,201,711.11	1 April 2021	30 June 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	11,497,531.01	12 May 2021	12 August 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	8,830,838.40	09 June 2021	08 October 2021	Short-term borrowings

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	8,222,169.28	7 February 2021	7 May 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,876,451.19	27 April 2021	30 June 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,042,535.17	25 June 2021	25 December 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	4,283,314.86	10 June 2021	10 September 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	4,060,815.23	18 June 2021	26 October 2021	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	44,296,134.90	20 January 2021	29 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	36,495,375.70	20 January 2021	29 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	20,957,120.78	20 January 2021	5 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	13,865,920.44	20 January 2021	23 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	12,428,990.00	20 January 2021	17 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	10,882,062.53	20 January 2021	23 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	10,214,229.97	20 January 2021	24 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	10,000,000.00	20 January 2021	6 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	9,565,723.90	20 January 2021	30 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	7,799,879.19	20 January 2021	7 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	7,590,732.63	20 January 2021	16 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	7,042,747.95	20 January 2021	7 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,537,002.78	20 January 2021	12 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,026,702.20	20 January 2021	14 July 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	4,926,793.36	20 January 2021	26 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,907,195.62	20 January 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,506,000.00	20 January 2021	27 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,888,241.63	20 January 2021	25 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,398,007.79	20 January 2021	30 September 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,058,953.56	20 January 2021	28 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,740,000.00	20 January 2021	3 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,396,451.40	20 January 2021	27 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,200,000.00	20 January 2021	28 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	20 January 2021	6 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,822,498.07	20 January 2021	31 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,448,834.11	20 January 2021	23 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,157,784.94	20 January 2021	30 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,108,342.37	20 January 2021	14 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,017,440.00	20 January 2021	4 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,000,000.00	20 January 2021	9 February 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	54,801,891.65	13 January 2021	28 May 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	38,986,447.03	13 January 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	30,000,000.00	13 January 2021	27 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	22,265,381.78	13 January 2021	23 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	19,674,402.16	13 January 2021	25 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,835,167.48	13 January 2021	29 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,783,483.59	13 January 2021	21 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,519,239.80	13 January 2021	19 November 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,471,900.80	13 January 2021	11 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,164,873.99	13 January 2021	5 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,858,045.62	13 January 2021	8 September 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	13 January 2021	28 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,523,993.34	13 January 2021	7 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,500,000.00	13 January 2021	19 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,292,152.37	13 January 2021	12 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	18,680,231.59	17 May 2021	26 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	15,883,376.88	17 May 2021	27 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	14,286,605.28	17 May 2021	28 July 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	13,480,000.00	17 May 2021	25 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,796,478.52	17 May 2021	10 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,273,537.35	17 May 2021	30 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,378,924.20	17 May 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,960,609.75	17 May 2021	23 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,703,388.49	17 May 2021	22 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,595,598.82	17 May 2021	29 October 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,182,401.59	17 May 2021	3 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,008,800.00	17 May 2021	11 November 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,700,944.91	17 May 2021	29 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,488,466.57	17 May 2021	7 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,361,657.30	17 May 2021	8 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,038,005.12	17 May 2021	10 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,035,276.72	17 May 2021	2 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	997,255.88	17 May 2021	16 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	616,725.82	17 May 2021	22 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	561,672.80	17 May 2021	14 July 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	10,459,326.96	9 February 2021	25 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	9,152,110.07	9 February 2021	27 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	7,677,033.25	9 February 2021	29 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,880,000.00	9 February 2021	26 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,659,793.42	9 February 2021	28 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,000,000.00	9 February 2021	22 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,262,169.90	9 February 2021	24 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,168,433.40	9 February 2021	30 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	9 February 2021	21 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	9 February 2021	20 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,958,612.59	9 February 2021	22 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,741,698.80	9 February 2021	30 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,602,467.58	9 February 2021	24 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,065,088.90	9 February 2021	28 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	900,094.07	9 February 2021	25 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	848,393.16	9 February 2021	2 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	753,663.52	9 February 2021	4 March 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	710,000.00	9 February 2021	11 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	637,104.40	9 February 2021	25 March 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	564,197.26	9 February 2021	14 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	500,000.00	9 February 2021	13 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	500,000.00	9 February 2021	16 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	25,075,659.76	20 February 2021	25 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	8,060,000.00	20 February 2021	26 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,309,241.36	20 February 2021	27 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	5,467,954.90	20 February 2021	27 April 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,358,800.90	20 February 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,873,122.00	20 February 2021	5 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,500,000.00	20 February 2021	28 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	18,000,000.00	22 February 2021	22 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	17,139,076.55	22 February 2021	28 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,013,193.00	22 February 2021	25 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,337,172.57	22 February 2021	24 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,211,874.00	22 February 2021	5 July 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	14,670,958.74	4 March 2021	22 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	5,617,316.39	4 March 2021	29 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	5,321,515.08	4 March 2021	25 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,147,744.22	4 March 2021	26 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,044,614.59	4 March 2021	28 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,900,000.00	4 March 2021	24 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,189,149.82	4 March 2021	23 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	371,529.55	4 March 2021	24 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	13,008,065.85	5 March 2021	27 November 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,593,633.89	5 March 2021	31 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,274,404.52	5 March 2021	27 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	3,000,000.00	5 March 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,275,132.93	5 March 2021	26 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,812,568.88	5 March 2021	20 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,642,356.60	5 March 2021	18 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,638,360.00	5 March 2021	25 January 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,379,729.57	5 March 2021	23 July 2021	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	1,000,000.00	5 March 2021	26 May 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	883,068.00	5 March 2021	5 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	751,251.30	5 March 2021	9 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	10,000,000.00	20 April 2021	24 September 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	9,055,204.07	20 April 2021	22 August 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	5,819,577.00	20 April 2021	24 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	5,000,000.00	20 April 2021	13 October 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	20 April 2021	30 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,370,000.00	20 April 2021	26 June 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	23,539,009.32	29 April 2021	27 July 2021	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	29 April 2021	21 July 2021	Discount on bank acceptance bill
Jilin Province Yihe Investment Consulting Co., Ltd.	33,000,000.00	22 April 2021	21 April 2022	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	1,500,000.00	22 April 2021	20 August 2021	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	1,500,000.00	22 April 2021	21 October 2021	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	9,900,000.00	14 May 2021	13 May 2022	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	4,500,000.00	30 March 2021	29 March 2022	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	1,500,000.00	30 March 2021	29 September 2021	Short-term borrowings

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Jilin Province Yihe Investment Consulting Co., Ltd.	4,500,000.00	21 June 2021	20 June 2022	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	4,500,000.00	19 April 2021	18 June 2021	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	4,500,000.00	15 January 2021	14 April 2022	Short-term borrowings
Jilin Province Yihe Investment Consulting Co., Ltd.	3,750,000.00	18 May 2021	17 May 2022	Short-term borrowings

(4) Related party asset transfer

Related party	Types of transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Shanghai Tongyu Information Technology Co., Ltd.	Purchase of an intangible asset	161,045.25	-
Shanghai Tongyu Information Technology Co., Ltd.	Purchase of a construction in progress	103,797.89	-

(5) Remuneration for key management personnel

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Remuneration for key management personnel	3,729,169.00	4,375,318.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties (Continued)

(6) Other related party transactions

Interest expense

Related party	Types of transactions	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	Payment of notes discount interest	8,036,560.44	3,199,207.88
Sinopharm Group Finance Co., Ltd.	Payment of finance companies loan interest	5,933,752.64	1,882,094.57
Sinopharm Group Finance Co., Ltd.	Payment of entrusted loan interest	1,289,047.50	-
Jilin Yihe Investment Consulting Co., Ltd	Payment of entrusted loan interest	611,679.44	513,884.11
China Pharmaceutical Group Co., Ltd	Payment of related parties loan interest	-	1,311,742.70
Sinopharm Group Finance Co., Ltd.	Payment of entrusted loan interest	-	1,035,984.12
Sinopharm Holding Co., Ltd	Payment of related parties interest	-	-
Sinopharm Holding (China) Financing Lease Co., Ltd.	Payment of related parties loan interest	-	44,007.71
		<u>15,871,040.02</u>	<u>7,986,921.09</u>

Interest income

Related party	Types of transactions	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	Deposit interest	190,537.17	17,036.24
Sinopharm Group Finance Co., Ltd.		<u>190,537.17</u>	<u>17,036.24</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties

(1). Accounts Receivable

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Group	59,684,699.84	-	51,044,738.77	-
Accounts receivable	Foshan Chancheng Pharmaceutical Co., Ltd.	55,897,388.44	382,518.20	50,457,076.93	331,221.14
Accounts receivable	Sinopharm Lerentang Medicine Co., Ltd.	17,212,247.23	-	11,339,926.55	-
Accounts receivable	Sinopharm Health Online Co., Ltd.	16,591,484.79	-	5,961,622.28	-
Accounts receivable	Sinopharm Holding Hainan Co., Ltd.	16,079,241.71	-	9,263,188.55	-
Accounts receivable	Shanghai Beiyi	12,620,973.07	-	26,066,542.88	-
Accounts receivable	Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	9,594,611.38	-	832,391.06	-
Accounts receivable	Sinopharm Holding Beijing Co., Ltd.	8,097,092.09	-	9,329,174.72	-
Accounts receivable	Foshan Chancheng Central Hospital Co., Ltd.	7,747,869.21	50,335.53	6,199,898.17	38,953.63
Accounts receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	6,678,714.03	-	5,347,075.47	-
Accounts receivable	Shenzhen Hengsheng Hospital	6,589,721.27	-	5,376,978.17	-
Accounts receivable	Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	4,880,354.02	-	4,380,633.00	-
Accounts receivable	Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	4,540,010.19	-	3,464,166.50	-
Accounts receivable	Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	4,289,053.68	-	4,397,286.71	-
Accounts receivable	Sinopharm Holding Henan Co., Ltd.	4,139,688.62	-	2,144,155.36	-
Accounts receivable	Sinopharm Holding Wenzhou Co., Ltd.	4,048,268.69	-	3,142,596.82	-
Accounts receivable	Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	3,834,188.90	-	2,049,971.85	-
Accounts receivable	Sinopharm Holdings Beijing Huahong co., Ltd.	3,673,535.53	-	1,811,083.32	-
Accounts receivable	Sinopharm Holding Shandong Co., Ltd.	2,831,043.88	-	76,095.93	-
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	2,816,264.17	-	771,816.12	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Holding Jilin Co., Ltd.	2,528,223.55	-	208,589.40	-
Accounts receivable	Foshan Chanyixing Medicine Development Co., Ltd.	2,509,939.17	13,136.36	3,445,722.95	17,975.48
Accounts receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	2,432,642.59	-	2,237,094.40	-
Accounts receivable	Sinopharm Holding Nantong Co., Ltd.	2,304,018.16	-	62,224.62	-
Accounts receivable	Sinopharm Lerentang Baoding Trading Co., Ltd.	2,035,819.17	-	1,645,313.00	-
Accounts receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	1,997,891.99	-	943,539.89	-
Accounts receivable	Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	1,889,841.32	-	1,067,964.98	-
Accounts receivable	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	1,860,045.69	-	997,312.62	-
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,846,421.01	-	94,929.87	-
Accounts receivable	Sinopharm Holding Hubei Co., Ltd.	1,554,241.15	-	1,252,860.26	-
Accounts receivable	Sinopharm Holding Yangzhou Co., Ltd.	1,462,063.19	-	1,092,414.55	-
Accounts receivable	Sinopharm Lerentang (Langfang) Pharmaceutical Trade Co., Ltd.	1,401,228.87	-	1,294,279.54	-
Accounts receivable	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	1,348,814.00	-	1,814,506.00	-
Accounts receivable	Sinopharm Holding Dalian Co., Ltd.	1,183,889.64	-	657,906.20	-
Accounts receivable	Shanghai Merro Pharmaceutical Co., Ltd.	1,127,455.20	-	1,648,042.00	-
Accounts receivable	Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	1,125,141.84	-	1,337,124.28	-
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,009,330.58	-	63,447.29	-
Accounts receivable	Sinopharm Holding Tianjin Co., Ltd.	837,878.00	-	568,733.37	-
Accounts receivable	Shanghai Guoda Lingyun Pharmacy Co., Ltd.	824,587.38	-	664,836.26	-
Accounts receivable	Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	790,661.48	-	225,394.20	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Holding Hunan Co., Ltd.	665,593.65	-	476,299.62	-
Accounts receivable	Sinopharm Holding Wuxi Co., Ltd.	648,747.00	-	129,862.00	-
Accounts receivable	Sinopharm Lerentang Hengshui Medicine Co., Ltd.	627,902.87	-	1,197,573.36	-
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	623,234.72	-	1,385,097.14	-
Accounts receivable	Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	577,711.40	-	82,171.75	-
Accounts receivable	Sinopharm Sichuan Pharmaceutical Co., Ltd.	510,242.85	-	1,437,709.48	-
Accounts receivable	Sinopharm Holding Xuzhou Co., Ltd.	483,736.52	-	227,353.60	-
Accounts receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	482,610.48	-	1,257,499.80	-
Accounts receivable	Sinopharm Holding Yunnan Co., Ltd.	425,758.31	-	139,122.62	-
Accounts receivable	China National Medicines Co., Ltd.	409,622.43	-	333,566.22	-
Accounts receivable	Sinopharm Holding Gansu Co., Ltd.	396,351.02	-	14,543.96	-
Accounts receivable	Sinopharm Holding Anhui Co., Ltd.	387,196.36	-	74,455.49	-
Accounts receivable	Sinopharm Holding Jinzhou Co., Ltd.	376,206.03	-	587,192.90	-
Accounts receivable	Sinopharm Holding Anshan Co., Ltd.	341,765.32	-	81,120.00	-
Accounts receivable	Sinopharm Group Southwest Medicine Co., Ltd.	339,980.82	-	192,876.72	-
Accounts receivable	Sinopharm Holding Jiangxi Co., Ltd.	327,835.60	-	114,697.32	-
Accounts receivable	Sinopharm Holding Ningxia Co., Ltd.	240,560.00	-	50,448.00	-
Accounts receivable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	237,868.93	-	921,543.58	-
Accounts receivable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	207,780.00	-	169,080.04	-
Accounts receivable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	200,134.47	-	120,058.61	-
Accounts receivable	Sinopharm Holding Shanxi Pharmacy Co., Ltd.	161,494.00	-	-	-
Accounts receivable	Sinopharm Holding Guizhou Co., Ltd.	145,406.38	-	79,571.94	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	140,111.40	-	62,413.00	-
Accounts receivable	Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	139,548.04	-	10,333.92	-
Accounts receivable	Sinopharm Holding (Hubei) Hankou Pharmacy Co., Ltd.	130,741.00	-	-	-
Accounts receivable	Sinopharm Holding Jiangsu Co., Ltd.	122,527.35	-	138,015.90	-
Accounts receivable	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	112,190.04	-	-	-
Accounts receivable	Sinopharm Holding Fujian Co., Ltd.	106,344.00	-	258,264.00	-
Accounts receivable	Shanghai Liyi	106,314.44	-	237,727.36	-
Accounts receivable	Sinopharm Lerentang Langfang Pharmaceutical Co., Ltd.	100,342.90	-	102,413.00	-
Accounts receivable	Sinopharm Holding Dalian Hecheng Co., Ltd.	99,164.02	-	16,766.22	-
Accounts receivable	Sinopharm Medical Instrument (Foshan) Co., Ltd.	95,337.86	-	-	-
Accounts receivable	Sinopharm Holding Qinghai Co., Ltd.	83,207.22	-	57,312.76	-
Accounts receivable	Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	71,875.21	-	-	-
Accounts receivable	Sinopharm Holding Wuhan Guoda Pharmacy Co., Ltd.	68,085.00	-	-	-
Accounts receivable	Sinopharm Lerentang Chengde Medicine Co., Ltd.	65,785.14	-	-	-
Accounts receivable	Sinopharm Holding Chuxiong Co., Ltd.	61,759.70	-	-	-
Accounts receivable	Sinopharm Holding Honghe Co., Ltd.	55,179.48	-	-	-
Accounts receivable	Sinopharm Holding Benxi Co., Ltd.	52,679.28	-	-	-
Accounts receivable	Sinopharm Zhijun	50,503.75	-	41,533.50	-
Accounts receivable	Sinopharm Holding Professional Pharmacy (Hainan) Co., Ltd.	45,365.40	-	-	-
Accounts receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	45,137.28	-	16.00	-
Accounts receivable	Shanghai Shengxin Pharmacy Co., Ltd.	42,289.16	-	217,507.20	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Medical Instrument Guangxi Medical Technology Co., Ltd.	42,276.91	-	-	-
Accounts receivable	Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	40,042.75	-	-	-
Accounts receivable	Sinopharm Lerentang Shijiazhuang Medical Management Co., Ltd.	38,872.60	-	74,424.44	-
Accounts receivable	Sinopharm Lerentang Handan Medicine Co., Ltd.	37,771.71	-	11,012.40	-
Accounts receivable	Sinopharm Lerentang Cangzhou Pharmaceutical Trading Co., Ltd.	37,491.28	-	470,726.50	-
Accounts receivable	Sinopharm Holding Anshun Co., Ltd.	37,206.55	-	20,656.00	-
Accounts receivable	Sinopharm Lerentang Baoding Medicine Co., Ltd.	35,216.00	-	13,056.35	-
Accounts receivable	Sinopharm Lerentang Cangzhou Medicine Co., Ltd.	30,282.41	-	39,136.40	-
Accounts receivable	Foshan Chengnan Fengliaoqing Medical Hospital Co., Ltd.	28,152.70	3.53	37,151.74	10.36
Accounts receivable	Sinopharm Group Guangxi Medical Device Co., Ltd.	26,684.38	-	-	-
Accounts receivable	Sinopharm Holding Tianjin North Medicine Co., Ltd.	25,316.96	-	68,180.00	-
Accounts receivable	Sinopharm Holding Fuzhou Co., Ltd.	24,627.20	-	88.00	-
Accounts receivable	Sinopharm Fengliaoqing Medical Hospital Co., Ltd.	18,658.86	164.15	15,505.90	131.93
Accounts receivable	Sinopharm Holding Zunyi Co., Ltd.	17,159.10	-	-	-
Accounts receivable	Sinopharm Lerentang Xintai Medicine Co., Ltd.	12,579.33	-	34,154.44	-
Accounts receivable	Sinopharm Holding Zhuanye Pharmacy (Dongfang) Co., Ltd.	11,282.50	-	3,560.10	-
Accounts receivable	Sinopharm Holding Chengdu Co., Ltd.	10,563.41	-	34,068.41	-
Accounts receivable	Sinopharm Holding Changxing Professional Pharmacy (Haikou) Co., Ltd.	6,667.50	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	4,415.33	-	1,491.33	-
Accounts receivable	Sinopharm Group Shanxi Medical Devices Co., Ltd.	3,159.00	-	-	-
Accounts receivable	Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	3,081.60	-	5,602.42	-
Accounts receivable	Shanghai Henlius Biopharmaceuticals Co., Ltd.	1,798.00	-	-	-
Accounts receivable	Sinopharm Medical Instrument (Jiangmen) Co., Ltd.	1,000.00	-	-	-
Accounts receivable	Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	768.70	-	-	-
Accounts receivable	Sinopharm Group Fengliaoxing Medical Hospital (Foshan Nanhai) Co., Ltd.	56.74	0.57	916.62	9.17
Accounts receivable	Sinopharm Holding Tongliao Co., Ltd.	9.60	-	-	-
Accounts receivable	China National Pharmaceutical Foreign Trade Corporation	-	-	299,402.99	-
Accounts receivable	Foshan Chancheng District Shiwan Town Chengnan Community Health Service Center	-	-	160,285.82	396.20
Accounts receivable	Sinopharm Holding Yancheng Co., Ltd.	-	-	65,635.20	-
Accounts receivable	Sinopharm Holding Changzhou Co., Ltd.	-	-	14,975.52	-
Accounts receivable	Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	-	-	3,652.00	-
Accounts receivable	Sinopharm Fengliaoxing (Foshan) Pharmaceutical Drugs Co., Ltd.	-	-	3,456.00	-
Accounts receivable	Sinopharm Guanai Yuankang Pharmacy (Haikou) Co., Ltd.	-	-	2,301.60	-
Accounts receivable	Sinopharm Holding Shenyang Co., Ltd.	-	-	440.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Note receivable	Sinopharm Holding Hainan Co., Ltd.	7,790,377.25	-	48,549,280.19	-
Note receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	3,648,399.46	-	9,445,722.78	-
Note receivable	Sinopharm Holding Beijing Co., Ltd.	2,752,320.00	-	2,795,361.96	-
Note receivable	Sinopharm Holding Shanxi Co., Ltd.	927,668.77	-	650,373.76	-
Note receivable	Innostar Biotechnology Nantong Co., Ltd	15,550.30	-	-	-
Note receivable	Sinopharm Holding Shandong Co., Ltd.	-	-	1,355,084.16	-
Note receivable	Sinopharm Lerentang Medicine Co., Ltd.	-	-	909,517.66	-
Note receivable	Sinopharm Holding Zunyi Co., Ltd.	-	-	803,004.11	-
Note receivable	Sinopharm Holding Guizhou Yitong Medicine Co., Ltd.	-	-	357,540.60	-
Note receivable	Sinopharm Holding Anshan Co., Ltd.	-	-	313,535.20	-
Note receivable	Sinopharm Holding Jinzhou Co., Ltd.	-	-	300,000.00	-
Note receivable	Sinopharm Holding Gansu Co., Ltd.	-	-	175,281.40	-
Note receivable	Sinopharm Holding Guizhou Co., Ltd.	-	-	158,268.10	-
Note receivable	Sinopharm Holding Anhui Co., Ltd.	-	-	140,856.05	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Other receivable	Zhijun Suzhou	46,334,222.24	46,334,222.24	46,334,222.24	Zhijun Suzhou
Other receivable	Xishuangbanna Disheng Pharmaceutical Co., Ltd.	16,046,032.95	-	-	-
Other receivable	Sinopharm Group Medicine Logistic Co., Ltd.	3,662,451.54	-	2,559,772.89	-
Other receivable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	1,106,077.40	-	220,000.00	-
Other receivable	Sinopharm Shyndec	983,940.00	-	983,940.00	-
Other receivable	Sinopharm Holding (China) Financing Lease Co., Ltd.	938,513.78	-	570,000.00	-
Other receivable	Sinopharm Holding Fujian Co., Ltd.	753,015.80	-	1,158,302.52	-
Other receivable	Sinopharm Zhijun	421,976.49	-	204,351.29	-
Other receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	414,904.45	-	-	-
Other receivable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	400,000.00	-	400,000.00	-
Other receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	398,842.11	-	-	-
Other receivable	Guangdong Jienuo	274,930.00	-	-	-
Other receivable	Dalian Yalifeng Biopharmaceutical Co., Ltd.	180,900.74	-	1.00	-
Other receivable	Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	170,025.29	-	7,174.98	-
Other receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	142,500.00	-	256,500.00	-
Other receivable	Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	58,582.65	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Other receivable	Zhijun Pingshan	41,684.00	-	18,500.00	-
Other receivable	Zhijun Trade	31,573.40	-	10,779.42	-
Other receivable	Zhang Haiyan	30,000.00	-	30,000.00	-
Other receivable	Innostar Biotechnology Nantong Co., Ltd	15,550.30	-	-	-
Other receivable	Sinopharm Medical Instrument Guangxi Medical Technology Co., Ltd.	12,276.81	-	-	-
Other receivable	China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	10,036.80	-	-	-
Other receivable	Sinopharm Group Guangxi Medical Device Co., Ltd.	3,060.93	-	-	-
Other receivable	Sinopharm Group Guangdong Medicine Device Co., Ltd.	1,000.00	-	60.00	-
Other receivable	China National Medical Device (Hui Zhou) Co., Ltd.	184.40	-	-	-
Other receivable	Du Longfeng	-	-	2,057,281.04	-
Other receivable	Li Huichun	-	-	2,057,281.04	-
Other receivable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	-	-	48,493.16	-
Other receivable	Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	-	-	17,397.44	-
Other receivable	Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	-	-	5,000.00	1,000.00
Other receivable	Xinjiang Baitong Property Service Co., Ltd.	-	-	1,300.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Southwest Pharmaceutical Co., Ltd.	2,675,229.26	-	-	-
Advances to suppliers	Nanjing Yuanguang Trading Co., Ltd.	1,170,978.86	-	-	-
Advances to suppliers	Sichuan Hexin Pharmaceutical Co., Ltd.	710,539.19	-	-	-
Advances to suppliers	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	440,791.78	-	475,673.07	-
Advances to suppliers	Sinopharm Group Guorui Medicine Co., Ltd.	264,040.41	-	307,838.82	-
Advances to suppliers	Taiji Group Chongqing Fuling Pharmaceutical Co., Ltd.	249,048.67	-	-	-
Advances to suppliers	Hunan Dongting Pharmaceutical Co., Ltd.	166,924.76	-	176,257.86	-
Advances to suppliers	China National Pharmaceutical Industry Co., Ltd.	149,990.40	-	-	-
Advances to suppliers	Shanghai Tongyu Information Technology Co., Ltd.	132,743.36	-	-	-
Advances to suppliers	Sinopharm Holding Hubei Co., Ltd.	127,076.65	-	-	-
Advances to suppliers	Sinopharm Holdings Beijing Huahong co., Ltd.	104,156.85	-	10,984.33	-
Advances to suppliers	Suzhou Erye Pharmaceutical Limited Company	91,135.03	-	121,669.23	-
Advances to suppliers	Sinopharm Weiqida Pharmaceutical Co., Ltd.	81,416.71	-	-	-
Advances to suppliers	Chongqing Yaoyou Pharmaceutical Co., Ltd.	55,637.49	-	408,984.97	-
Advances to suppliers	Sinopharm Holding Sub Marketing Center Co., Ltd.	45,683.18	-	44,662.50	-
Advances to suppliers	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	34,469.49	-	-	-
Advances to suppliers	Hunan Yaoyou Medicines Co., Ltd.	26,721.82	-	-	-
Advances to suppliers	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	21,057.70	-	137,280.00	-
Advances to suppliers	Sinopharm Yixin Pharmaceutical Co., Ltd.	20,757.00	-	-	-

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Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Taiji Group Chongqing Tongjunge Pharmaceutical Co., Ltd.	14,901.57	-	-	-
Advances to suppliers	Foshan Winteam Pharmaceutical Group Ltd.	13,972.00	-	-	-
Advances to suppliers	Taiji Group Gansu Tianshui Xihuang Ejiao Co., Ltd.	13,648.00	-	-	-
Advances to suppliers	Hubei Sinopharm Zhonglian Medicine Co., Ltd.	13,529.23	-	13,529.23	-
Advances to suppliers	Taishan Xiangranhui Trade Co., Ltd.	13,150.03	-	-	-
Advances to suppliers	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	8,956.01	-	8,956.01	-
Advances to suppliers	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	4,708.38	-	-	-
Advances to suppliers	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	2,833.81	-	12,393.12	-
Advances to suppliers	Sinopharm Holding Dalian Hecheng Co., Ltd.	2,444.10	-	-	-
Advances to suppliers	Sinopharm Holding Shanxi Jincheng Co., Ltd.	1,837.72	-	-	-
Advances to suppliers	Zhang haiyan	714.29	-	-	-
Advances to suppliers	Sinopharm Group	594.95	-	59,577.44	-
Advances to suppliers	Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	457.48	-	-	-
Advances to suppliers	Sinopharm Shyndec	61.20	-	84.97	-
Advances to suppliers	Sinopharm Holding Hubei Likang Pharmaceutical Co., Ltd.	35.08	-	-	-
Advances to suppliers	Sinopharm Lerentang Hebei Medicine Co., Ltd.	0.01	-	0.01	-
Advances to suppliers	Sinopharm Holding Shanxi Co., Ltd.	-	-	17,747,100.00	-
Advances to suppliers	Sinopharm Group Guangxi Medical Device Co., Ltd.	-	-	1,850,000.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2021		31 December 2020	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	-	-	260,846.15	-
Advances to suppliers	Chengdu Rongsheng Pharmacy Co., Ltd.	-	-	217,055.13	-
Advances to suppliers	Lanzhou Biotechnology Development Co., Ltd.	-	-	180,000.00	-
Advances to suppliers	Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	-	-	79,332.33	-
Advances to suppliers	Guilin Pharmaceutical Co., Ltd.	-	-	74,560.00	-
Advances to suppliers	Sinopharm Zhijun	-	-	41,928.00	-
Advances to suppliers	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	-	-	28,796.22	-
Advances to suppliers	Sinopharm Holding Beijing Co., Ltd.	-	-	14,878.90	-
Advances to suppliers	Jinzhou Avanc Pharmaceutical Co., Ltd.	-	-	8,351.85	-
Advances to suppliers	Sinopharm Holding Changsha Co., Ltd.	-	-	4,476.56	-
Advances to suppliers	Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	-	-	4,021.05	-
Advances to suppliers	Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	-	-	1,377.08	-
Advances to suppliers	Sinopharm Holding Yancheng Co., Ltd.	-	-	703.62	-
Advances to suppliers	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	-	-	81.08	-
Advances to suppliers	Sinopharm Holding Nanping Newforce Co., Ltd	-	-	20.46	-
Advances to suppliers	Sinopharm Holding Xinye (Hubei) Medicine Co., Ltd.	-	-	3.40	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	136,420,774.52	100,597,889.85
Accounts Payable	China National Medicines Co., Ltd.	94,328,048.04	53,510,089.86
Accounts Payable	Sinopharm Lerentang Medicine Co., Ltd.	92,347,900.63	-
Accounts Payable	Sinopharm Holding Shanxi Co., Ltd.	79,515,178.71	8,706,339.43
Accounts Payable	Sinopharm Holding Shanxi Co., Ltd.	50,047,053.30	698,931.88
Accounts Payable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	46,826,354.95	44,967,413.32
Accounts Payable	Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	46,680,139.27	31,372,881.57
Accounts Payable	Sinopharm Holding Shenyang Co., Ltd.	42,512,516.24	17,044,758.52
Accounts Payable	Sinopharm Group Co., Ltd.	38,594,822.49	30,169,144.90
Accounts Payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	23,252,792.65	14,299,613.79
Accounts Payable	Lanzhou Biotechnology Development Co., Ltd.	17,238,914.69	-
Accounts Payable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	15,460,751.55	6,926,143.50
Accounts Payable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	15,071,393.38	13,211,593.60
Accounts Payable	Sinopharm Yixin Pharmaceutical Co., Ltd.	12,922,894.16	5,223,703.27
Accounts payable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	12,538,440.66	11,917,795.97
Accounts Payable	Sinopharm Holding Jilin Co., Ltd.	12,238,802.76	4,774,676.38
Accounts Payable	Sinopharm Holding Lunan Co., Ltd.	10,975,399.71	-
Accounts Payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	10,259,242.11	3,319,845.70
Accounts Payable	Sinopharm Holding Tongliao Co., Ltd.	9,464,045.96	802,269.56
Accounts Payable	Shanghai Henlius Biopharmaceuticals Co., Ltd.	9,349,231.90	3,489,402.52
Accounts Payable	Sinopharm Holding Yangzhou Co., Ltd.	9,270,870.65	6,056,767.80
Accounts Payable	Sinopharm Holding Fujian Co., Ltd.	8,787,141.12	5,306,468.57
Accounts Payable	Main Luck Pharmaceutical	8,563,894.25	5,586,186.27

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	8,116,781.92	4,873,657.16
Accounts Payable	Sinopharm Holding Inner Mongolia Co., Ltd.	7,811,861.15	2,761,321.64
Accounts Payable	Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	7,687,260.65	3,588,817.09
Accounts Payable	Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	7,418,455.79	3,753,212.37
Accounts Payable	Sinopharm Holding Jiangsu Co., Ltd.	6,986,215.82	6,211,219.22
Accounts Payable	Sinopharm Group Shanxi Medical Devices Co., Ltd.	6,366,021.31	6,105,947.86
Accounts Payable	Sinopharm Holding Shandong Co., Ltd.	6,124,476.27	793,417.76
Accounts Payable	Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	5,922,302.36	1,660,475.22
Accounts Payable	Foshan Winteam Pharmaceutical Group Ltd.	5,488,616.17	5,032,327.78
Accounts Payable	Sinopharm Holding Hunan Co., Ltd.	4,923,319.80	407,092.81
Accounts Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	4,869,268.33	883,982.13
Accounts Payable	Sinopharm Holding Beijing Co., Ltd.	4,868,848.38	2,391,873.73
Accounts Payable	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	4,559,628.22	626,104.94
Accounts Payable	Yichang Humanwell Pharmaceutical Co., Ltd.	4,470,996.08	702,352.60
Accounts Payable	Jinzhou Avanc Pharmaceutical Co., Ltd.	4,411,339.82	4,977,249.88
Accounts Payable	Sinopharm Holding Henan Co., Ltd.	4,396,344.31	3,206,888.96
Accounts Payable	Zhijun Pingshan	4,272,258.25	3,854,209.10
Accounts Payable	China Otsuka Pharmaceutical Co., Ltd.	3,739,214.15	2,677,852.24
Accounts Payable	Sinopharm Holding Xiamen Co., Ltd.	3,388,026.93	551,570.55
Accounts Payable	China National Pharmaceutical Foreign Trade Corporation	3,183,468.89	1,264,206.58
Accounts Payable	Sinopharm Holding Ningxia Co., Ltd.	3,139,723.50	2,414,511.01
Accounts Payable	Sinopharm Holding Jinzhou Co., Ltd.	3,002,980.96	1,176,931.82
Accounts Payable	Sinopharm Holding Changzhou Co., Ltd.	2,986,094.33	4,061,240.62

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For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Tibet Yaoyou Medicines Co., Ltd.	2,766,861.56	5,599,734.54
Accounts Payable	Sinopharm Zhijun	2,752,553.26	2,204,850.71
Accounts Payable	Taiji Group Chongqing Lingling Pharmaceutical Factory Co., Ltd	2,678,260.95	-
Accounts Payable	Sinopharm Fengliaoqing (Foshan) Pharmaceutical Drugs Co., Ltd.	2,635,957.97	2,029,331.09
Accounts Payable	Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	2,503,237.00	206,174.46
Accounts Payable	Sinopharm Holding Pingdingshan Co., Ltd.	2,334,135.94	3,110,222.71
Accounts Payable	Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	2,297,132.34	1,402,636.20
Accounts Payable	Shanghai International Pharmaceutical Trade Co., Ltd.	2,268,132.84	2,140,826.76
Accounts Payable	Taiji Group Chongqing Junge Pharmaceutical Co., Ltd	2,209,845.30	-
Accounts Payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	2,169,689.83	1,345,750.22
Accounts Payable	Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	2,018,301.45	474.35
Accounts Payable	Sinopharm Holding Anshan Co., Ltd.	1,921,040.94	210,514.52
Accounts Payable	Sinopharm Holding Hulun Buir Co., Ltd.	1,723,560.47	862,728.46
Accounts Payable	Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	1,664,002.07	1,179,431.76
Accounts Payable	Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	1,558,885.49	236,040.00
Accounts Payable	Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	1,528,102.51	450,506.71
Accounts Payable	Sinopharm Holding Wuxi Co., Ltd.	1,475,312.09	839,716.25
Accounts Payable	Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	1,406,460.00	1,315,880.00
Accounts Payable	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	1,396,404.21	1,404,453.04

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Holding Jinan Co., Ltd.	1,378,772.68	5,044.24
Accounts Payable	Sinopharm Liaoning Medical Equipment Co., Ltd.	1,332,215.59	801,190.96
Accounts Payable	Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	1,210,637.01	275,637.01
Accounts Payable	Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	1,191,544.83	189,625.02
Accounts Payable	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	1,120,294.14	1,198,963.22
Accounts Payable	Sinopharm Group, Southwest Pharmaceutical Co., Ltd.	889,435.22	-
Accounts Payable	Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	878,317.60	1,495,702.47
Accounts Payable	Sinopharm Group Guorui Medicine Co., Ltd.	847,231.99	1,029,635.96
Accounts Payable	Jinzhou Avanc Medicine Co., Ltd.	774,228.85	2,251,486.36
Accounts Payable	Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	717,286.31	1,728,265.11
Accounts Payable	Sinopharm Holding Heilongjiang Co., Ltd.	709,357.70	811,310.59
Accounts Payable	Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	702,647.45	7,414.31
Accounts Payable	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	661,183.36	560,063.40
Accounts Payable	Sinopharm Holding Xinjiang Special Drugs Karamay Pharmaceutical Co., Ltd.	651,582.93	659,567.18
Accounts Payable	Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	641,043.63	714,642.68
Accounts Payable	Fujian Chentian Jinling Pharmaceutical Co., Ltd.	639,896.10	639,896.10
Accounts Payable	Huayi Pharmaceutical Co., Ltd.	622,400.00	110,159.29
Accounts Payable	China National Pharmaceutical Industry Co., Ltd.	563,196.30	614,940.77

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Southwest Pharmaceutical Co., Ltd	498,114.40	-
Accounts Payable	Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	483,577.38	763,894.30
Accounts Payable	Sinopharm ChuanKang Pharmaceutical Co., Ltd.	483,468.40	228,071.04
Accounts Payable	Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	475,579.30	792,663.67
Accounts Payable	Shanghai Transfusion Technology Co., Ltd.	452,700.00	301,800.00
Accounts Payable	Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	451,033.67	553,653.19
Accounts Payable	Jiangxi Erye Medicine Marketing Co., Ltd.	437,250.19	134,268.38
Accounts Payable	Sichuan Hexin Pharmaceutical Co., Ltd.	414,600.00	1,164,727.22
Accounts Payable	Sinopharm Holdings Chuangke Medical Technology (Guangxi) Co., Ltd	405,660.80	-
Accounts Payable	Sinopharm Holdings Benxi Co., LTD	356,397.10	-
Accounts Payable	Sinopharm Holding Tianjin Co., Ltd.	352,357.23	95,084.93
Accounts Payable	Sinopharm Holding Yancheng Co., Ltd.	344,929.57	-
Accounts Payable	Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	338,359.74	390,349.10
Accounts Payable	Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	337,497.87	126,985.40
Accounts Payable	Hunan Dongting Pharmaceutical Co., Ltd.	335,196.57	667,433.56
Accounts Payable	Jiangsu Huanghe Pharmaceutical Co., Ltd.	334,470.96	229,932.46
Accounts Payable	Suzhou Erye Pharmaceutical Limited Company	332,911.50	350,413.20
Accounts Payable	Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	325,253.73	355,710.50
Accounts Payable	Sinopharm Holding Hubei Co., Ltd.	325,147.65	706,495.38

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Holding Fuzhou Co., Ltd.	294,318.62	655,028.77
Accounts Payable	Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	292,609.10	248,701.04
Accounts Payable	GlaxoSmithKline Pharmaceuticals (Suzhou) Co., Ltd.	286,776.33	156,960.48
Accounts Payable	Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd	284,788.67	-
Accounts Payable	Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	281,130.03	286,441.67
Accounts Payable	Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	280,247.31	347,738.10
Accounts Payable	Sinopharm Holding Pu'er Co., Ltd.	267,364.71	126,457.83
Accounts Payable	Sinopharm Holding Dalian Co., Ltd.	260,998.30	372,970.88
Accounts Payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	246,191.00	412,372.07
Accounts Payable	Shanghai Merro Pharmaceutical Co., Ltd.	243,184.50	196,678.40
Accounts Payable	Sinopharm Holding Yunnan Co., Ltd.	239,684.27	128,094.48
Accounts Payable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	198,359.00	182,202.00
Accounts Payable	Sinopharm Xinjiang Pharmaceutical Co., Ltd.	191,183.73	94,780.05
Accounts Payable	Sinopharm Shanxi ruifulai Pharmaceutical Co., Ltd	163,015.43	-
Accounts Payable	Sinopharm Holding Putian Co., Ltd.	160,656.67	224,611.58
Accounts Payable	Shanghai Shangsheng Biological Products Co., Ltd.	153,756.00	194,400.00
Accounts Payable	Sichuan Jiangyou Zhongba Fuzi Technology Development Co., Ltd	148,143.06	-
Accounts Payable	Chengdu Institute of Biological Products Co., Ltd.	140,400.00	374,400.00
Accounts Payable	Sinopharm Holdings Beijing Huahong co., Ltd.	139,337.70	68,274.07

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	136,890.18	105,438.07
Accounts Payable	Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	113,139.81	47,953.27
Accounts Payable	Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	106,718.02	106,918.61
Accounts Payable	Chengdu Rongsheng Pharmacy Co., Ltd.	100,794.89	100,000.02
Accounts Payable	Sinopharm Holding Zhejiang Co., Ltd.	100,418.02	30,316.89
Accounts Payable	Sinopharm Holding Bayannur Co., Ltd.	96,966.40	69,930.10
Accounts Payable	Wuhan Zhongsheng Yujin biomedical Co., Ltd	88,504.00	-
Accounts Payable	Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	88,254.41	135,961.28
Accounts Payable	Sinopharm Holding Quanzhou Co., Ltd.	81,315.39	203,348.93
Accounts Payable	Shanghai Chaohui Pharmaceutical Co., Ltd.	77,054.61	1,020,709.97
Accounts Payable	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	76,448.34	84.48
Accounts Payable	Sinopharm holding Xinte Yili Pharmaceutical Co., Ltd	68,861.47	-
Accounts Payable	Shenyang Hongqi Pharmaceutical Co., Ltd.	65,372.23	165,983.07
Accounts Payable	Sinopharm Holding Nantong Co., Ltd	61,946.90	-
Accounts Payable	Shantou Jinshi Powder Injection Co., Ltd.	61,662.00	72,590.24
Accounts Payable	Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	58,450.50	76,078.94
Accounts Payable	Taiji Group Ltd	47,123.91	-
Accounts Payable	Sinopharm Holding Chifeng Co., Ltd	46,663.80	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm Inner Mongolia Medical Instrument Co., Ltd	39,551.00	-
Accounts Payable	Sinopharm Holding Nanping New Power Co., Ltd	38,961.61	-
Accounts Payable	Sinopharm Holding Dezhou Co., Ltd.	37,534.02	45,750.41
Accounts Payable	Sinopharm Sanyi Medicine (Wuhu) Co., Ltd.	35,199.94	26,646.40
Accounts Payable	Sinopharm Holding Anhui Co., Ltd.	34,219.90	-
Accounts Payable	Sinopharm Holding Changzhou Medical Logistics Center Co., Ltd.	32,872.49	32,872.49
Accounts Payable	Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	32,814.69	59,773.89
Accounts Payable	Sinopharm holding Shanxi Linfen Co., Ltd	31,242.18	-
Accounts Payable	Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	30,432.28	31,024.85
Accounts Payable	Sinopharm Holding Changsha Co., Ltd.	30,339.75	-
Accounts Payable	Taiji Group Zhejiang Dongfang Pharmaceutical Co., Ltd	30,277.66	-
Accounts Payable	Sinopharm Beijing Huamiao Pharmaceutical Co., Ltd.	26,862.15	131,751.68
Accounts Payable	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	25,018.25	28,464.87
Accounts Payable	Sinopharm Wuhan Zhonglian Siyao Pharmaceutical Co., Ltd.	19,500.56	147,224.95
Accounts Payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	18,488.82	18,488.82
Accounts Payable	Sinopharm Holding Ulanqab Co., Ltd.	16,092.20	36,092.20
Accounts Payable	Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	15,958.84	10,858.84
Accounts Payable	Sinopharm Holding Taizhou Co., Ltd.	11,239.87	17,598.01

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	China National Medical Device (Hui Zhou) Co., Ltd.	8,950.00	805.31
Accounts Payable	China Medical Equipment Shandong Co., Ltd.	7,303.36	29,843.36
Accounts Payable	Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	5,825.00	12,900.00
Accounts Payable	Sinopharm holding Hainan Hongyi Co., Ltd	4,960.00	-
Accounts Payable	Changchun Changsheng Gene Pharmaceutical Co., Ltd.	3,017.25	3,807.25
Accounts Payable	Sinopharm Holding Yangzhou Biological Products Co., Ltd.	2,378.07	149,183.90
Accounts Payable	Sinopharm holding Xinye (Hubei) Pharmaceutical Co., Ltd	2,170.00	-
Accounts Payable	Sinopharm Holding Ordos Co., Ltd.	1,771.20	1,771.20
Accounts Payable	Sinopharm Nutraceuticals (Shanghai) Co., Ltd.	1,461.55	1,461.56
Accounts Payable	Sinopharm Dezhong (Foshan) Pharmaceutical Co., Ltd.	1,244.76	5,453.55
Accounts Payable	Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	1,113.85	2,229.36
Accounts Payable	Sinopharm holding Guang'an Co., Ltd	857.31	-
Accounts Payable	Guilin Pharmaceutical Co., Ltd.	627.25	627.25
Accounts Payable	Sinopharm Anhui Great Health Industry Co., Ltd	504.00	-
Accounts Payable	Sinopharm Holding Zhangzhou Co., Ltd.	468.00	2,119.78
Accounts Payable	Sinopharm Holding Liaocheng Co., Ltd.	174.00	174.00
Accounts Payable	Sinopharm Fengliaoqing (Foshan) Medicines Co., Ltd.	127.72	127.72
Accounts Payable	Chengdu List Pharmaceutical Co., Ltd.	72.89	1,756.39
Accounts Payable	Natong Biotechnology (Beijing) Co., Ltd	63.72	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Sinopharm holding Jilin Medical Instrument Co., Ltd	47.50	47.50
Accounts Payable	Sinopharm holding Chongqing Co., Ltd	45.00	-
Accounts Payable	Sinopharm Shyndec	15.61	612.78
Accounts Payable	Sinopharm Holding Suzhou Co., Ltd.	13.09	13.09
Accounts Payable	Sinopharm Holding Linfen Co., Ltd	5.00	5.30
Accounts Payable	Sinopharm Holding Xinyu Co., Ltd	0.01	0.01
Accounts Payable	Sinopharm Group Guangxi Medical Device Co., Ltd.	-	1,637,168.14
Accounts Payable	Sinopharm Holding Shanxi Jinzhong Co., Ltd.	-	304,455.20
Accounts Payable	Sinopharm Holding Baotou Co., Ltd.	-	16,443.00
Accounts Payable	Sinopharm Holding Dalian Hecheng Co., Ltd.	-	3,169.55
Accounts Payable	Sinopharm Holding Shanxi Jincheng Co., Ltd.	-	2,233.33
Accounts Payable	Sinopharm Group Shanghai Medicine Device Co., Ltd.	-	209.96

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Notes Payable	Sinopharm Lerentang Medicine Co., Ltd.	178,726,114.00	133,513,118.91
Notes Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	98,532,398.98	145,007,748.49
Notes Payable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	86,581,666.40	34,904,620.08
Notes Payable	China National Medicines Co., Ltd.	46,854,819.69	21,240,547.39
Notes Payable	Sinopharm Holding Shanxi Co., Ltd.	37,255,237.87	96,475,832.70
Notes Payable	Sinopharm Holding Shanxi Co., Ltd.	29,956,295.04	147,484,839.36
Notes Payable	Sinopharm Holding Shenyang Co., Ltd.	27,343,806.55	23,666,333.81
Notes Payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	19,093,642.80	42,481,785.07
Notes Payable	Sinopharm Holding Lunan Co., Ltd.	15,322,762.00	4,500,000.00
Notes Payable	Sinopharm Holding Yangzhou Co., Ltd.	13,766,896.93	4,300,000.00
Notes Payable	Chengdu Rongsheng Pharmacy Co., Ltd.	12,003,000.00	10,368,750.00
Notes Payable	Sinopharm Holding Inner Mongolia Co., Ltd.	11,789,525.01	20,429,758.48
Notes Payable	Sinopharm Holding Fujian Co., Ltd.	9,086,169.43	15,606,964.31
Notes Payable	Sinopharm Holding Tongliao Co., Ltd.	8,146,891.51	-
Notes Payable	Sinopharm Holding Jilin Co., Ltd.	7,870,548.03	430,080.28
Notes Payable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	7,734,939.35	5,681,012.75

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Notes Payable	Lanzhou Biotechnology Development Co., Ltd	6,720,000.00	34,920,000.00
Notes Payable	Sinopharm Holding Xiamen Co., Ltd.	6,189,287.86	3,173,200.37
Notes Payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	5,683,557.40	2,693,445.70
Notes Payable	Sinopharm Holding Pingdingshan Co., Ltd.	5,644,930.05	3,000,000.00
Notes Payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	5,339,586.09	1,978,218.04
Notes Payable	Sinopharm Holding Henan Co., Ltd.	4,804,061.33	-
Notes Payable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	4,226,969.98	2,840,425.46
Notes Payable	Sinopharm Group	3,360,257.39	15,665,754.04
Notes Payable	Sinopharm Holding Hunan Co., Ltd.	3,296,556.25	769,724.44
Notes Payable	Foshan Winteam Pharmaceutical Group Ltd.	2,988,970.44	1,047,709.72
Notes Payable	Main Luck Pharmaceutical	2,505,357.14	1,274,104.80
Notes Payable	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	2,400,044.48	4,755,780.00
Notes Payable	China Otsuka Pharmaceutical Co., Ltd.	1,571,497.60	2,321,674.00
Notes Payable	Sinopharm Holding Hulun Buir Co., Ltd.	1,278,836.38	-
Notes Payable	Sinopharm Holding Ningxia Co., Ltd.	1,268,500.30	2,139,620.00
Notes Payable	Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	1,213,920.00	1,911,680.00
Notes Payable	Sinopharm Holding Dalian Co., Ltd.	1,180,305.76	1,269,329.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Notes Payable	Sinopharm Holding Jinan Co., Ltd.	1,107,000.00	650,000.00
Notes Payable	Sinopharm Holding Heilongjiang Co., Ltd.	1,031,283.29	-
Notes Payable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	913,177.02	1,777,689.35
Notes Payable	Sinopharm Fengliaoqing (Foshan) Pharmaceutical Drugs Co., Ltd.	865,606.40	715,196.92
Notes Payable	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	743,698.80	267,514.80
Notes Payable	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	740,537.68	754,075.83
Notes Payable	Jinzhou Avanc Medicine Co., Ltd.	609,930.00	655,110.00
Notes Payable	Sinopharm Holding Yancheng Co., Ltd.	563,801.29	967,264.56
Notes Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	521,432.00	597,769.76
Notes Payable	Sinopharm Zhijun	471,834.29	636,206.80
Notes Payable	Taiji Group Chongqing Lingling Pharmaceutical Factory Co., Ltd	427,400.50	-
Notes Payable	Shanghai Transfusion Technology Co., Ltd.	402,400.00	251,500.00
Notes Payable	Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	330,347.20	116,747.00
Notes Payable	Sinopharm Wuhan Blood Products Co., Ltd.	281,200.00	420,000.00
Notes Payable	Wuhan Zhongsheng Jin Biopharmaceutical Co., Ltd	265,512.00	-
Notes Payable	Sinopharm Holding Bayannur Co., Ltd.	221,930.30	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Notes Payable	Sinopharm Holding Quanzhou Co., Ltd.	212,549.38	1,347,279.74
Notes Payable	Sinopharm Holding Anshan Co., Ltd.	199,777.75	63,415.75
Notes Payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	112,420.00	278,588.10
Notes Payable	Sinopharm Holding Nanping New Power Co., Ltd	97,439.62	100,557.27
Notes Payable	Sinopharm Wuhan Zhonglian Siyao Pharmaceutical Co., Ltd.	50,000.00	-
Notes Payable	Sinopharm Holding Changsha Co., Ltd.	46,237.84	29,765.60
Notes Payable	Sinopharm Yixin Pharmaceutical Co., Ltd.	-	14,416,290.57
Notes Payable	Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	-	2,946,186.04
Notes Payable	Sinopharm Holding Tianjin Co., Ltd.	-	2,365,453.12
Notes Payable	China Medical Devices Co., Ltd	-	1,743,360.00
Notes Payable	Sinopharm Group Shanxi Medical Devices Co., Ltd.	-	1,431,000.00
Notes Payable	Sinopharm Holding Jinzhou Co., Ltd.	-	1,222,139.83
Notes Payable	Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	-	564,116.00
Notes Payable	Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	-	537,224.53
Notes Payable	Sinopharm Holding Shanxi Jinzhong Co., Ltd.	-	102,211.00
Notes Payable	Fujian Chentian Jinling Pharmaceutical Co., Ltd.	-	71,204.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Other Payable	Sinopharm Group	5,313,664.01	4,146,496.53
Other Payable	National Pharmaceutical Group Pharmaceutical Logistics Co., Ltd	4,715,402.44	2,825,718.21
Other Payable	Zhenfang Zhang	4,322,499.97	3,919,999.95
Other Payable	China Pharmaceutical Group Shanghai Co., Ltd	1,660,431.38	3,619,450.06
Other Payable	China Traditional Chinese Medicine Co., Ltd	1,300,000.00	1,300,000.00
Other Payable	Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	518,400.00	165,906.00
Other Payable	National Pharmaceutical Health Online Co., Ltd	414,492.64	185,980.18
Other Payable	Shanghai North Wing Guoda Pharmaceutical Co., Ltd	286,498.20	364,905.28
Other Payable	Sinopharm Holdings (Tianjin Binhai) Pharmaceutical Co., Ltd	241,760.00	-
Other Payable	Shanghai Tongyu Information Technology Co., Ltd	180,338.49	249,892.49
Other Payable	Sinopharm holding Hunan Wei'an pharmacy chain Co., Ltd	104,625.76	104,626.65
Other Payable	Sinopharm Holdings Beijing Huahong co., Ltd.	104,156.84	-
Other Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	37,817.38	37,871.38
Other Payable	Zhijun Pingshan	25,458.72	-
Other Payable	Foshan Winteam Pharmaceutical Group Ltd.	7,280.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Other Payable	Sinopharm Group Chemical Reagent Co., Ltd	6,980.00	-
Other Payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	2,800.00	-
Other Payable	Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	6.28	6.28
Other Payable	Pingdingshan Pusheng Pharmaceutical Co., Ltd	-	515,857.96
Other Payable	Sinopharm Holding Yangzhou Co., Ltd.	-	372,571.40
Other Payable	Fujian Chentian Jinling Pharmaceutical Co., Ltd.	-	50,000.00
Other Payable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	-	22,401.28
Other Payable	Haiyan Zhang	-	1,422.03
Other Payable	Chengdu Institute of Biological Products Co., Ltd.	-	327.60
Other Payable	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	-	126.63
Other Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	-	123.46

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Contract liability	Sinopharm Ierentang Qinhuangdao Pharmaceutical Co., Ltd	72,666.90	97,625.80
Contract liability	Sinopharm Holding Shenyang Co., Ltd.	64,281.72	64,395.72
Contract liability	Sinopharm Holding Yunnan Co., Ltd.	64,039.40	186,666.45
Contract liability	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	50,924.30	-
Contract liability	Sinopharm Holding Qianxinan Co., Ltd	30,905.31	-
Contract liability	Sinopharm Holding Wuhu Co., Ltd	30,384.00	30,384.00
Contract liability	Sinopharm Ierentang Cangzhou Pharmaceutical Co., Ltd	25,691.00	25,691.00
Contract liability	Sinopharm Holding Hulun Buir Co., Ltd.	21,177.25	21,177.25
Contract liability	Sinopharm Holding Gansu Co., Ltd	21,960.00	21,960.00
Contract liability	Sinopharm Group Guizhou (Zunyi) Medical Instrument Co., Ltd	5,743.36	-
Contract liability	Sinopharm Ierentang Shijiazhuang medical management Co., Ltd	5,134.40	-
Contract liability	Sinopharm Holding Guizhou medical device Co., Ltd	2,929.38	1,140.71
Contract liability	Sinopharm Ierentang Tangshan Pharmaceutical Co., Ltd	1,734.36	-
Contract liability	Jiangmen Xinhui Jianfeng Pharmaceutical Co., Ltd	1,368.00	-
Contract liability	Sinopharm Holding Chongqing Co., Ltd	755.62	3,523.35
Contract liability	Sinopharm Instrument Guizhou Qiannan Co., Ltd	524.51	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Contract liability	Sinopharm Holding Tongren Co., Ltd	438.00	-
Contract liability	Sinopharm Holding Inner Mongolia Co., Ltd.	83.60	83.60
Contract liability	Sinopharm holding (Shandong) medical device Co., Ltd	64.00	-
Contract liability	Sinopharm Holding Huai'an Co., Ltd	19.40	19.40
Contract liability	Sinopharm Holding Nantong Co., Ltd	-	1,074,470.38
Contract liability	Qianda international trade (Shanghai) Co., Ltd	-	783,640.00
Contract liability	Sinopharm Holding Anhui Co., Ltd.	-	154,870.80
Contract liability	Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	-	98,901.00
Contract liability	Sinopharm Lerentang Medicine Co., Ltd.	-	40,366.72
Contract liability	Sinopharm Holding Jilin Co., Ltd.	-	23,017.49
Contract liability	Sinopharm Holding Shaanxi Co., Ltd	-	14,791.76
Contract liability	Sinopharm lerentang Chengde Pharmaceutical Co., Ltd	-	10,976.96
Contract liability	Sinopharm lerentang Hengshui Pharmaceutical Co., Ltd	-	10,276.41
Contract liability	Sinopharm Holding Taizhou Co., Ltd.	-	6,593.40
Contract liability	Dongyuan Accord	-	855.00
Contract liability	Sinopharm Holding Jiangxi Co., Ltd.	-	190.98

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

7. Commitments of Related Party

Lease commitment

Rent-out

Related Party	30 June 2021	31 December 2020
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	199,999.99	266,666.66
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	85,085.99	187,187.99

Rent-in

Related Party	30 June 2021	31 December 2020
Sinopharm Holding Yangzhou Co., Ltd.	16,794,214.38	19,560,000.00
Zhang Yechuan	8,910,988.61	5,777,181.67
Sinopharm Group Medicine Logistic Co., Ltd.	7,290,000.00	-
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	7,208,388.45	7,717,215.87
Shenyang Pharmaceutical Co., Ltd.	7,142,857.14	2,976,190.55
Sinopharm Group	6,631,429.92	-
Lerentang Investment Group Co., Ltd.	5,617,201.82	10,178,669.70
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	2,748,595.47	-
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	2,723,965.98	3,974,949.26
Xiong xinyuan	2,582,102.83	-
Guangdong Jiyuantang Development Co., Ltd.	1,990,209.48	3,180,113.86
Li Fang	1,906,800.00	2,179,200.00
Sinopharm Holding Beijing Co., Ltd.	1,557,142.84	123,809.52
Shenyang Shengdiou Trading Co., Ltd.	1,499,269.22	-
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	1,385,714.26	1,628,571.40
Sinopharm Holding Shanxi Jincheng Co., Ltd	1,200,000.00	-
Wang Yang	936,917.10	-
Zhang Zhenfang	805,000.00	805,000.00
Nanjing Yuanguang Trading Co., Ltd.	750,000.00	571,488.75

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

7. Commitments of Related Party (Continued)

Lease commitment (Continued)

Rent-in (Continued)

Related Party	30 June 2021	31 December 2020
Taishan Xiangranhui Trade Co., Ltd.	479,468.57	843,949.00
Zhang Haiyan	451,530.48	537,244.90
Sinopharm Holding (China) Financing Lease Co., Ltd.	415,363.22	870,588.42
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	388,571.43	777,142.86
Gu Jinhua	344,190.00	378,609.00
Gu Haiqun	342,774.31	446,873.35
Zhijun Pingshan	313,990.88	364,908.32
Zhang Guitang	240,285.59	-
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	216,191.74	-
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	215,968.52	-
Shanghai Baizhong Business Development (Group) Co., Ltd.	151,568.54	-
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	118,025.28	-
Beijing Huafang Investment Co., Ltd.	91,428.57	345,908.56
Hunan Minshengtang Investment Co., Ltd.	-	1,097,581.46
Shenzhen Jiufeng Investment Co., Ltd.	-	166,666.67
Pu'er Songmao Medicine Group Co., Ltd.	-	37,335.24
Taishan Qunkang Pharmacy Co., Ltd.	-	11,258.41

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

8. Others

Related Party	30 June 2021	31 December 2020
Short-term Borrowing		
Sinopharm Group Finance Co., Ltd.	581,796,571.46	14,338,732.53
Entrusted loan		
CNPGC (1)	31,633,794.44	31,637,173.89
Jilin Province Yihe Investment Consulting Co., Ltd. (2)	75,450,000.00	56,700,000.00
<p>(1) CNPGC entrusted Sinopharm Group Finance Co., Ltd. with this borrowing to the Group. The entrusted borrowing includes the principal of RMB31,600.00 thousand and the outstanding interest receivable of RMB33.79 thousand.</p> <p>(2) The loan is a bank loan entrusted by Jilin Yihe Investment Consulting Co., Ltd. to the group.</p>		
Other non-current liabilities		
Sinopharm Group Co., Ltd.	35,061,743.31	35,061,743.31
Cash deposit within a related party		
Sinopharm Group Finance Co., Ltd.	1,636,830.68	101,779,861.57
<p>For the six months ended 30 June 2021, the annual interest rates of the above deposits are 0.35% to 1.15%. (In year 2020, the annual interest rates of the above deposits are 0.35% to 1.89%.)</p>		
Lease liability		
Sinopharm Holding Yangzhou Co., Ltd.	15,391,588.00	
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	6,252,122.18	6,628,838.10
Lerentang Investment Group Co., Ltd.	5,489,599.52	6,112,542.74
Zhang Yechuan	4,527,961.17	5,201,907.68
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	3,243,616.53	3,434,525.25
Xiong Xinyuan	2,582,102.83	2,873,340.76
Guangdong Jiyuantang Development Co., Ltd.	1,743,569.88	3,085,854.50
Shenyang Shengdiou Trading Co., Ltd.	1,499,269.22	1,468,641.78
Sinopharm Holding Beijing Co., Ltd.	1,494,302.29	130,936.97
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	1,313,142.67	
Li Fang	1,293,405.86	
Wang Yang	936,917.10	
Sinopharm Holding Shanxi Jincheng Co., Ltd.	587,475.03	
Zhang Haiyan	427,589.17	503,526.40
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	387,110.55	378,950.29

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

X. Related party relationships and transactions (Continued)

8. Others (Continued)

Related Party	30 June 2021	31 December 2020
Lease liability(Continued)		
Gu Haiqun	331,772.12	427,942.87
Zhijun Pingshan	294,545.87	338,800.77
Zhang Guitang	228,947.93	
Beijing Huafang Investment Co., Ltd.	216,830.68	336,640.65
Shanghai Baizhong Business Development (Group) Co., Ltd.	151,568.54	300,058.00
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	116,951.13	
Sinopharm Holding (China) Financing Lease Co., Ltd.	91,512.93	388,839.95
Sinopharm Group		172,342.31
Pu'er Songmao Medicine Group Co., Ltd.		37,330.98
Total	48,601,901.20	31,821,020.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XI Commitments and contingencies

1. Commitments

(1) Capital commitments

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

	30 June 2021 RMB'0,000	31 December 2020 RMB'0,000
Buildings, machinery and equipment	<u>42.16</u>	<u>42.16</u>

2. Contingencies

As of the balance sheet date, there were no contingencies that the Group was required to disclose.

XII Other significant events

1. Segment reporting

Operating segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable operating segments as follows:

- (1) The Head Office, which is mainly engaged in the investment and management of businesses;
- (2) Pharmaceutical distribution segment, which is mainly engaged in the distribution of medicine and pharmaceutical products to customers;
- (3) Retail pharmacy segment, which is the management of the operation of Guoda Pharmacy.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is measured consistently with the Group's profit before tax.

Inter-segment sales and transfers are transacted with reference to the selling prices used in the transactions carried out with third parties at the then prevailing market prices.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XII Other significant events (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

Operating segment information as at and for the semi year ended

	Head Office	Pharmaceutical distribution	Pharmaceutical retail	Elimination between segments	Total
Principal operations income	-	22,714,878,520.83	10,625,590,134.69	(499,204,175.96)	32,841,264,479.56
Principal cost of sales	-	(21,415,481,154.82)	(8,237,771,652.36)	497,003,293.22	(29,156,249,513.96)
Income from investments in associates	157,696,473.52	(749,864.47)	749,788.76	-	157,696,397.81
Net profit	804,194,136.76	462,450,144.61	263,262,365.37	(621,912,192.25)	907,994,454.49
Total assets	14,935,672,415.11	25,483,335,796.44	16,344,255,324.13	(12,572,385,131.73)	44,190,878,403.95
Total liabilities	<u>(3,580,219,319.14)</u>	<u>(19,600,657,390.32)</u>	<u>(10,497,431,348.24)</u>	<u>6,975,557,587.13</u>	<u>(26,702,750,470.57)</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements

1. Accounts receivable

The accounts receivable by category are analyzed below:

	30 June 2021					31 December 2020				
	Gross carrying amount		Provision for bad debt		Book value	Gross carrying amount		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Items for which provision for bad debt is recognised separately	25,150,432.16	3.58%	(334,294.70)	1.33%	24,816,137.46	18,549,524.82	3.04%	(334,294.70)	1.80%	18,215,230.12
Items for which provision for bad debt is recognized by group (credit risk characteristics)	676,458,655.12	96.42%	(1,664.00)	-	676,456,991.12	591,360,071.01	96.96%	-	-	591,360,071.01
	<u>701,609,087.28</u>	<u>100.00%</u>	<u>(335,958.70)</u>	<u>0.05%</u>	<u>701,273,128.58</u>	<u>609,909,595.83</u>	<u>100.00%</u>	<u>(334,294.70)</u>	<u>0.05%</u>	<u>609,575,301.13</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements(Continued)

1. Accounts receivable (Continued)

At 30 June 2021, accounts receivable that are individually assessed for provisions are as follows:

Debtor's name	Carrying amount	Bad debt provision	Rate	Assessment for impairment
Receivables from subsidiaries of the Group	24,816,137.46	-	-	Internal related parties, with lower-tier recovery risk Debtor had mismanagement, subject to serious financial difficulties, and the expected recoverability is very low Debtor had mismanagement, subject to serious financial difficulties, and the expected recoverability is very low
Client A	323,044.50	(323,044.50)	100.00%	
Client B	<u>11,250.20</u>	<u>(11,250.20)</u>	100.00%	
	<u>25,150,432.16</u>	<u>(334,294.70)</u>		

Provision for bad debts of accounts receivable according to the general model of expected credit loss:

	30 June 2021		
	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	676,425,237.12	-	-
1 to 2 years	<u>33,418.00</u>	<u>(1,664.00)</u>	4.98%
	<u>676,458,655.12</u>	<u>(1,664.00)</u>	-

The accounts receivable for which the Company recognised provision for bad debts using the aging analysis method are presented as follows:

	30 June 2021
Within 1 year	701,241,374.58
1 to 2 years	33,418.00
2 to 3 years	<u>334,294.70</u>
	<u>701,609,087.28</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements(Continued)

1. Accounts receivable (Continued)

Bad debt provision for the current period as follows:

	Opening balance	Increases during the period	Reversal during the period	Write-off during the period	Other	Closing balance
Bad debt provision	<u>334,294.70</u>	<u>1,664.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,958.70</u>

As at 30 June 2021, the top five accounts receivable by customer are as follows:

	Amount	% of the total accounts receivable	Bad debt provision amount
Top 1 Account receivable	75,221,487.68	10.72%	-
Top 2 Account receivable	40,139,214.96	5.72%	-
Top 3 Account receivable	39,234,570.32	5.59%	-
Top 4 Account receivable	24,895,974.53	3.55%	-
Top 5 Account receivable	<u>24,378,296.97</u>	<u>3.47%</u>	<u>-</u>
	<u>203,869,544.46</u>	<u>29.05%</u>	<u>-</u>

Accounts receivable derecognised due to transfer of financial assets was as follows:

From January to June 2021, the Company factored a small portion of accounts receivable at amortised cost to financial institutions. The amount of accounts receivable derecognised was RMB 26,097,254.38 (from January to June 2020: RMB156,689,648.43), and the amount of loss recognised through Investment income was RMB 221,815.32 (from January to June 2020: RMB 1,526,968.25).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

2. Other receivables

	30 June 2021	31 December 2020
Other receivables	<u>3,467,427,719.16</u>	<u>3,562,309,346.07</u>

Category of other receivables by nature is as follows:

Nature	30 June 2021	31 December 2020
Amounts due from subsidiaries	3,442,240,233.02	3,539,822,609.73
Receivable of equity transactions	8,980,000.00	8,980,000.00
Deposit	331,867.02	343,834.42
Others	<u>71,367,604.27</u>	<u>68,533,518.66</u>
	<u>3,522,919,704.31</u>	<u>3,617,679,962.81</u>

Changes in bad debt provision for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows:

	Stage 1	Stage 2	Stage 3	Total
Bad debt	Expected credit losses over the next 12 months	Entire lifetime expected credit losses(No credit impairment occurred)	Entire lifetime expected credit losses(Credit impairment occurred)	
Balance at 1 January 2021	-	56,394.50	55,314,222.24	55,370,616.74
Balance at 1 January 2021 during the period				
Provisions during the period	-	4,709.88	127,901.60	132,611.48
Reversal during the period	-	<u>(11,243.07)</u>	-	<u>(11,243.07)</u>
Balance at 30 June 2021	<u>-</u>	<u>49,861.31</u>	<u>55,442,123.84</u>	<u>55,491,985.15</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

2. Other receivables (Continued)

The aging analysis of other receivables was as follows:

	30 June 2021
Within 1 year	3,465,946,636.42
1 to 2 years	2,490,521.42
2 to 3 years	436,281.36
Over 3 years	<u>54,046,265.11</u>
Total	<u><u>3,522,919,704.31</u></u>

Bad debt provision for the current period as follows:

	Opening balance	Increases during the period	Reversal during the period	Write-off during the period	Other	Closing balance
Bad debt provision	<u>55,370,616.74</u>	<u>132,611.48</u>	<u>(11,243.07)</u>	<u>-</u>	<u>-</u>	<u>55,491,985.15</u>

As at 30 June 2021, the accumulated top five other receivables are analysed below:

	Nature	Amount	Age	% of total amount	Bad debt provision
Sinopharm Guangzhou	Entrusted borrowings	950,965,833.42	Within 1 year	26.99%	-
Sinopharm Guangxi	Entrusted borrowings	566,090,705.45	Within 1 year	16.07%	-
South Pharma & Trade Sinopharm Guangdong Yuexing	Entrusted borrowings	200,193,333.25	Within 1 year	5.68%	-
	Entrusted borrowings	173,834,848.77	Within 1 year	4.93%	-
Sinopharm Dongguan	Entrusted borrowings	<u>161,153,558.44</u>	Within 1 year	<u>4.57%</u>	-
		<u><u>2,052,238,279.33</u></u>		<u><u>58.24%</u></u>	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

3. Long-term equity investments

	30 June 2021			31 December 2020		
	Original value	Bad debt provision	Carrying amount	Original value	Bad debt provision	Carrying amount
Investments in subsidiaries	5,614,677,427.58	-	5,614,677,427.58	5,614,677,427.58	-	5,614,677,427.58
Investments in associates	2,439,507,057.51	39,930,000.00	2,399,577,057.51	2,298,920,817.58	39,930,000.00	2,258,990,817.58
	<u>8,054,184,485.09</u>	<u>39,930,000.00</u>	<u>8,014,254,485.09</u>	<u>7,913,598,245.16</u>	<u>39,930,000.00</u>	<u>7,873,668,245.16</u>

(1) Subsidiaries

	31 December 2020	Increases	Decrease	30 June 2021	Amount of provision for impairment
Sinopharm Shenzhen Jianmin	60,054,911.04	-	-	60,054,911.04	-
Sinopharm Shenzhen Material	15,450,875.93	-	-	15,450,875.93	-
Sinopharm Shenzhen Logistics	5,019,062.68	-	-	5,019,062.68	-
Sinopharm Guangzhou	3,588,689,716.80	-	-	3,588,689,716.80	-
Sinopharm Guangxi	525,456,951.07	-	-	525,456,951.07	-
Sinopharm Yanfeng	38,207,800.00	-	-	38,207,800.00	-
Guoda Pharmacy	1,361,800,110.06	-	-	1,361,800,110.06	-
Accord Devices	<u>19,998,000.00</u>	<u>-</u>	<u>-</u>	<u>19,998,000.00</u>	<u>-</u>
	<u>5,614,677,427.58</u>	<u>-</u>	<u>-</u>	<u>5,614,677,427.58</u>	<u>-</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

3. Long-term equity investments (Continued)

(2) Associates

	Opening balance	Profit or loss under the equity method	Changes in the period		Cash dividend or profits declared	Closing balance	Provision of impairment
			Adjustment in other comprehensive income	Other changes in equity			
Main Luck Pharmaceutical	322,696,745.87	34,596,706.61	-	-	-	357,293,452.48	-
Zhijun Suzhou	-	-	-	-	-	-	39,930,000.00
Sinopharm Zhijun	425,557,825.11	28,056,303.69	-	-	-	453,614,128.80	-
Zhijun Trade	10,408,675.18	64,801.68	-	-	-	10,473,476.86	-
Zhijun Pingshan	176,566,795.90	25,603,869.60	-	-	-	202,170,665.50	-
Sinopharm Shyndec	1,323,760,775.52	69,374,791.94	64,854.90	(460,868.29)	(16,714,220.20)	1,376,025,333.87	-
	<u>2,258,990,817.58</u>	<u>157,696,473.52</u>	<u>64,854.90</u>	<u>(460,868.29)</u>	<u>(16,714,220.20)</u>	<u>2,399,577,057.51</u>	<u>39,930,000.00</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

4. Operating revenue and cost

	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Revenue	Cost	Revenue	Cost
Principal operations	2,062,334,204.15	1,982,274,379.60	1,750,454,957.66	1,679,162,910.91
Other operations	<u>16,035,919.21</u>	<u>9,145,932.20</u>	<u>22,032,405.90</u>	<u>10,401,151.33</u>
	<u>2,078,370,123.36</u>	<u>1,991,420,311.80</u>	<u>1,772,487,363.56</u>	<u>1,689,564,062.24</u>

Classification	For the six months ended 30 June 2021
By product	
Include:	
Pharmaceuticals	1,971,490,771.22
Medical devices and disposables	86,143,203.37
Diagnostic reagents	4,700,229.56
Other	<u>11,402,530.41</u>
By area	
Include:	
China	<u>2,073,736,734.56</u>
By major activities	
Include:	
Pharmaceutical distribution	2,062,334,204.15
Others	<u>11,402,530.41</u>
By contract duration	
Include:	
At a point in time	2,062,334,204.15
Overtime	<u>11,402,530.41</u>
	<u><u>2,073,736,734.56</u></u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIII Notes to key items of the company financial statements (Continued)

4. Operating revenue and cost (Continued)

Information about the Company’s obligations is as follows:

- (1) Revenue is recognised when control of the goods has transferred and payment is generally due within 30 to 210 days from delivery;
- (2) Revenue is recognised in the service duration and the payment is generally due within 30 to 210 days since the service is completed.

Information related to the sales price allocated to the remaining obligations:

The amount of income corresponding to the obligation that has been signed but has not been fulfilled or has not yet fulfilled is RMB 8,566,647.98, which is expected to be recognized within 1 year.

Revenue is as follows:

	30 June 2021	30 June 2020
Revenue from contracts with customers	2,073,736,734.56	1,768,294,423.43
Rentals	4,633,388.80	4,192,940.13
	<u>2,078,370,123.36</u>	<u>1,772,487,363.56</u>

5. Investment income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Gain on long-term equity investments under the cost method	619,290,387.90	612,502,685.91
Gain on long-term equity investments under the equity method	157,696,473.52	133,549,495.38
Income from the derecognition of financial assets measured at amortised cost measured at amortised cost	(221,815.32)	(1,526,968.25)
Dividends from other financial assets	3,599,555.61	4,109,881.90
Others	-	998,665.84
	<u>780,364,601.71</u>	<u>749,633,760.78</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Supplementary information to financial statements

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIV Supplementary information to financial statements

1. Schedule of non-recurring profit or loss

	Amount for 30 June 2021	Illustration
Gains and losses from disposal of non-current assets	(802,029.11)	Mainly probability of gain and losses from the end of lease
Government grants recognized in income statement for the current year, except for those closely related to the ordinary operation of the Company which the Group enjoyed constantly according to the allotment standards or quantitative criteria of the country	35,363,341.68	Mainly probability of exemption and other government grants for special purpose and finance Discount
The investment cost of an enterprise to acquire a subsidiary, an associate and a joint venture, which is less than profits derived from the fair value of the identifiable net assets of the invested unit when investing	578,610.41	
Reversal of bad debt provision for accounts receivable and contract assets that were tested for impairment individually	88,994.76	
Non-operating income and expenses other than the aforesaid items	7,540,783.96	Mainly probability of the non operating income generated from the write off of funds that do not need to be paid in the current period
Other	1,717,435.90	
Less: Impact of income tax	12,962,326.01	
Impact of non-controlling interests after tax	11,034,206.56	
	20,490,605.03	

Basis for preparation of detailed list of non-recurring profit or loss items:

The Group's recognition of non-recurring profit or loss items is in accordance with the provisions of Explanatory announcement No.1 on information disclosure by companies offering securities to the public - non-recurring profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Appendix(Continued)

For the six months ended 30 June 2021

(All amounts in Renminbi “RMB” unless otherwise stated)

XIV Supplementary information to financial statements (Continued)

2. Return on equity (“ROE”) and earnings per share (“EPS”)

	Weighted average ROE (%)	Basic EPS (RMB/Share)	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profit attributable to ordinary shareholders of the parent	<u>5.22%</u>	<u>1.73</u>	<u>1.73</u>
Net profit after deducting non-recurring profit or loss attributable to the Company’s ordinary shareholders of the parent	<u>5.08%</u>	<u>1.68</u>	<u>1.68</u>