

**China National Accord Medicines Corporation Ltd.**

**The Third Quarterly Report for 2017**

**October 2017**

## **Section I. Important Notice**

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

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

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

## Section II. Basic information of Company

### I. Main accounting data and index

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

Yes    No

Reasons of retroactive adjustment or restatement

Enterprise combined under the same control

	Current period-end	Period-end of last year		Increase/decrease
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	23,155,826,581.90	21,312,754,511.97	21,316,548,247.95	8.63%
Net assets attributable to shareholders of listed company (RMB)	9,109,326,014.78	8,450,150,621.93	8,452,426,863.52	7.77%
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to period-end of last year
Operating revenue (RMB)	10,753,911,112.98	1.96%	31,278,718,782.55	0.54%
Net profit attributable to shareholders of the listed company (RMB)	246,977,990.75	-1.24%	803,103,308.94	-11.67%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	244,923,007.75	41.78%	791,176,397.75	37.71%
Net cash flow arising from operating activities (RMB)	--	--	511,083,437.88	-38.30%
Basic earnings per share (RMB/Share)	0.577	-2.37%	1.876	-12.70%
Diluted earnings per share (RMB/Share)	0.577	-2.37%	1.876	-12.70%
Weighted average ROE	2.75%	-0.36%	9.15%	-2.54%

Note: In October 2016, the Company sell the 51% equity of subordinate three pharmaceutical industry subsidiaries respectively (including Zhijun Pharmaceutical, Zhijun Pharmacy Trade and Pingshan Pharmaceutical) and the whole operational assets of Pingshan Pharmaceutical R&D base, through subscribing 15.56% new shares offering under the name of related party Shyndec Pharmaceutical. Correspondingly, the comparative statement of the consolidate profit statement and the consolidate cash flow Statement for this period including the profit data and the cash flow data of same period last year under the name of above mentioned three companies.)

Items and amount of extraordinary profit (gains)/losses

√Applicable    □Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	81,932.50	Gains from fixed assets disposal
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	14,867,709.04	Every kind of special subsidies and finance discount etc. obtained in the period
Current net gains/losses (from period-beginning to combination date) of the subsidiary from enterprise combined under the same control	-1,096.00	Net gains/losses from period-begin to combination date under the name of Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd. - the enterprise purchased by merger under the same control
Reversal of impairment reserve for account receivable with separate impairment testing	1,472,950.62	Net gains/losses from reversal of impairment allowance for receivables
Gains/losses on entrusted loans	1,422,735.83	Gains from entrusted loans offering to Sinopharm Zhijun (Suzhou)
Other non-operating income and expenditure except for the aforementioned items	-1,355,949.33	
Less: impact on income tax	3,297,535.40	
Impact on minority shareholders' equity (post-tax)	1,263,836.07	
Total	11,926,911.19	--

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

□ Applicable    √ Not applicable

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

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

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

In Share

Total common shareholders at the end of report period		15,227	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned corporate	56.06%	239,999,991	55,057,700		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Overseas corporate	2.04%	8,732,491			
TARGET VALUE FUND	Overseas corporate	1.42%	6,086,518			
China National Pharmaceutical Foreign Trade Corp.	State-owned corporate	1.24%	5,323,043	5,323,043		
China Life Insurance Co., Ltd. – tradition –general insurance products -005L-CT001 Shen	Domestic non state-owned corporate	1.15%	4,909,763			
China Merchants Bank Co., Ltd. –Huitianfu Medical Service Flexible Mix Securities Investment Funds	Domestic non state-owned corporate	1.08%	4,630,009			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	1.07%	4,594,095			
New China Life Insurance Company Ltd. – Dividend –individual bonuses -018L-FH002 Shen	Domestic non state-owned corporate	0.98%	4,199,772			

China SAFE Investments Limited	State-owned corporate	0.89%	3,804,400			
China Insurance – traditional insurance products	Domestic non state-owned corporate	0.77%	3,279,579			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict shares held	Type of shares				
		Type	Amount			
Sinopharm Group Co., Ltd.	184,942,291	RMB ordinary shares	184,942,291			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	8,732,491	Domestically listed foreign shares	8,732,491			
TARGET VALUE FUND	6,086,518	Domestically listed foreign shares	6,086,518			
China Life Insurance Co., Ltd. – tradition – general insurance products -005L-CT001 Shen	4,909,763	RMB ordinary shares	4,909,763			
China Merchants Bank Co., Ltd.-China Universal Assets Management Medical Services Flexible Mixed Securities Investment Fund	4,630,009	RMB ordinary shares	4,630,009			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,594,095	Domestically listed foreign shares	4,594,095			
New China Life Insurance Company Ltd. –Dividend –individual bonuses -018L-FH002 Shen	4,199,772	RMB ordinary shares	4,199,772			
China SAFE Investments Limited	3,804,400	RMB ordinary shares	3,804,400			
China Insurance – traditional insurance products	3,279,579	RMB ordinary shares	3,279,579			
VALUE PARTNERS CLASSIC FUND	3,038,918	Domestically listed foreign shares	3,038,918			
Explanation on associated relationship among the aforesaid shareholders	Sinopharm Group Co., Ltd. and China National Pharmaceutical Foreign Trade Corporation have the same actual controller, which is China National Pharmaceutical Group Corporation. It is unknown that there exists no associated relationship or belongs to the consistent actionist among the other tradable shareholders regulated by the					

	Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.
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Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes  No

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

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

Applicable       Not applicable

## Section III. Important events

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

√Applicable   □Not applicable

1. Note receivable: decreased 549 million Yuan over that of period-begin with growth rate of -36.49%, mainly because payment collection by notes declined in the year;
2. Interest receivable: decreased 394,900 Yuan over that of period-begin with growth rate of -87.61%, mainly due to the reduction in time deposit at period-end;
3. Construction in progress: decreased 19.014 million Yuan over that of period-begin with growth rate of -40.40%, mainly because ERP project partly completed and logistics warehouse transformation transfer-out for part of the project completed;
4. Other non-current assets: increased 48.8016 million Yuan over that of period-begin with growth rate of 51.56%, mainly because subscribe medical industry fund in the period;
5. Dividend payable: increased 3.3769 million Yuan over that of period-begin with growth rate of 39.81%, mainly because minority dividend payable increased;
6. Non-current liability due within one year: decreased 32.8596 million Yuan over that of period-begin with growth rate of -90.25%, mainly due to the repayment of long-term loans due within one year in the period;
7. Other current liability: decreased 42,100 Yuan over that of period-begin with growth rate of -34.11%, mainly because the input tax to be certified decreased over that of period-begin;
8. Assets impairment loss: a y-o-y decrease of 1.9884 million Yuan with growth rate of -56.46%, mainly because the accrual bad debts and inventory falling price reserves are switch back;
9. Other earnings: a y-o-y increase of 12.8439 million Yuan with growth rate of 100.00%, mainly because the government grants (reckoned in non-operation revenue originally) are re-classified to Other Earnings for change of accounting policy in the period;
10. Non-operation revenue: a y-o-y decrease of 23.5624 million Yuan with growth rate of -71.79%, mainly because the government grants (reckoned in non-operation revenue originally) are re-adjusted to Other Earnings for change of accounting policy in the period;
11. Non-operation expenditure: a y-o-y increase of 6.2018 million Yuan with growth rate of 268.86%, mainly due to the payment of overdue fines in the period;
12. Taxes refund: a y-o-y decrease of 8.4006 million Yuan with growth rate of -52.59%, mainly because last period, the industrial company with taxes refunded has been replace-out;
13. Net cash flow arising from operation activities: a y-o-y decrease of 317 million Yuan with growth rate of -38.30%, mainly because cash paid for purchasing commodity and accepting labor services increased from a year earlier;
14. Cash recovered from investment: a y-o-y decrease of 226,000 Yuan with growth rate of -100.00%, mainly because received an account from equity sold under the name of associated enterprise at same period of last year, while there are no such account occurred in the period;
15. Cash received from investment gains: a y-o-y increase of 22.2602 million Yuan with growth rate of 58.72%, mainly because dividend from associated enterprise in the period increased from a year earlier;
16. Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets: a y-o-y decrease of 26.0479 million Yuan with growth rate of -97.80%, mainly because due to the y-o-y declined of gains from disposal of fixed assets in the period;
17. Net cash received from disposal of subsidiary and other business units: a y-o-y decrease of 129 million Yuan with growth rate of -

100.00%, mainly because received a equity transfer amount from subsidiary disposal at same period of last year while there are no such amount occurred in the period;

18. Received other cash related to investment activities: a y-o-y decrease of 1555 million Yuan with growth rate of -94.00%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

19. Subtotal of cash in-flow from investment activities: a y-o-y decrease of 1687 million Yuan with growth rate of -91.34%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

20. Cash paid for investment: a y-o-y increase of 73.2771 million Yuan with growth rate of 335.21%, mainly because subscribe medical industry fund in the period while no such item occurred last period;

21. Payment of other cash related to investment activities: a y-o-y decrease of 1071 million Yuan with growth rate of -88.59%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

22. Subtotal of cash out-flow from investment activities: a y-o-y decrease of 1042 million Yuan with growth rate of -73.37%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

23. Net cash flow arising from investment activities: a y-o-y decrease of 645 million Yuan with growth rate of -151.08%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

24. Cash received from investment: a y-o-y increase of 9.473 million Yuan with growth rate of 644.42%, mainly because investment from minority shareholders increased from a year earlier;

25. Cash received from a loan: a y-o-y decrease of 176 million Yuan with growth rate of -37.23%, mainly because bank borrowings obtained in the period declined from a year earlier;

26. Receipt of other cash related to financing activities: a y-o-y decrease of 181 million Yuan with growth rate of -63.75%, mainly because financing funds received in the period decreased from a year earlier;

27. Subtotal of cash in-flow from financing activities: a y-o-y decrease of 348 million Yuan with growth rate of -45.86%, mainly because financing funds received in the period decreased from a year earlier;

28. Cash payments of amounts borrowed: a y-o-y decrease of 365 million Yuan with growth rate of -55.70%, mainly because loan repayment in the period declined from a year earlier;

29. Payment of other cash related to financing activities: a y-o-y decrease of 101 million Yuan with growth rate of -34.95%, mainly because the capital pool business between the subsidiary- replace-in by recombination, and its former parent company has declined on a y-o-y basis;

30. Subtotal of cash out-flow from financing activities: a y-o-y decrease of 435 million Yuan with growth rate of -37.25%, mainly because loan repayment in the period declined from a year earlier;

31. Impact of exchange rate changes on cash and cash equivalents: a y-o-y increase of 405,900 Yuan with growth rate of 100.00%, mainly because there was an impact of exchange rate changes at same period of last year, while there are no such changes in the period;

32. Net increase of cash and cash equivalent: a y-o-y decrease of 875 million Yuan with growth rate of -103.51%, mainly because net cash flow from investment activities declined from a year earlier.

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

Applicable  Not applicable

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

√Applicable    □ Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for share merger reform						
Commitments in report of acquisition or equity change	Sinopharm Holding	Commitment of shareholders	As a large pharmaceutical commercial enterprise whose business involves pharmaceutical wholesale and retail, Sinopharm Holding may overlap with the Company in geographical segmentation during its future business development. To avoid the potential peer competition brought by such geographical overlap, Sinopharm Holding undertakes that, upon the transfer of shares of Sinopharm Holding Guangzhou it held to Accord Pharma, “1. it will not newly-establish or broaden within Guangdong any business operation that actually compete with that of Accord Pharma, or set up any new subsidiaries or subordinate enterprises who engage in such business. 2. It will enter into business delineation with Accord Pharma and Sinopharm Holding Guangzhou, thereby giving the three parties clear geographical areas to carry out pharmaceutical wholesale and retail businesses, so as to avoid potential peer competition. Apart from above, Sinopharm Holding will no longer newly-establish any enterprise that may compete with Accord Pharma in the production and R&D of pharmaceutical products.”	2005-06-21	Long-term effective	Normally implementing
Commitments in assets reorganization	Sinopharm Group Co., Ltd.; China National Pharmaceutical Foreign Trade Corporation	Commitment on restricted shares	“Sinopharm Group and Sinopharm Foreign Trade made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the non-public offering of shares of Sinopharm Accord obtained from this transaction shall not be transferred within 36 months since the finish date of issuance and shall be unlocked after 36 months since the date of listing. Within 6 months after the completion of this transaction, if the	2016-05-31	36 months	Normally implementing

			closing price of the stock of Sinopharm Accord is less than the issue price in continuous 20 trading days, or the closing price at the end of 6 months after the completion of this transaction is less than the issue price, the lockup period of the stock of Sinopharm Group and Sinopharm Foreign Trade obtained from Sinopharm Accord by this transaction will automatically prolong at least 6 months. The shares derived from stock dividends allocation and capital reserve increase transferring of Sinopharm Accord based on the non-public offering of shares of Sinopharm Accord obtained by this transaction should also abide by the above stock restricted arrangements.”			
	Ping’an Assets Management Co., Ltd.	Commitment on restricted shares	"China Ping An Asset Management Co., Ltd. made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the non-public offering of shares of Sinopharm Accord obtained from this transaction shall not be transferred within 36 months since the finish date of issuance and shall be unlocked after 36 months since the date of listing. After placement completed, the shares of the listed company increased due to bonus shares and turning to increase capital should pursuit to the restriction arrangement the above mentioned.	2016-05-31	36 months	Normally implementing
	Sinopharm Group Co., Ltd.	Performance commitment and compensation arrangement	“Sinopharm Group made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the 2016 annual net profits of Foshan Nanhai, Guangdong Uptodate & Special Medicines and Guoda Drug Store should respectively be no less than RMB 47,385,600.00, RMB 19,167,000.00, and RMB 98,466,100.00, while the 2017 annual net profits should respectively be no less than RMB 49,394,500.00, RMB 20,209,700.00, and RMB 110,998,90.00, and the 2018 annual net profits should respectively be no less than RMB 51,148,200.00, RMB 21,330,100.00, and RMB 131,275,500.00. Net profit refers to the lower one	2016-05-31	2018-12-31	Normally implementing

			between the after-tax net profit attributable to the owners of parent company planning to invest in the target company and the net profit attributable to the owners of parent company after deducting the non-recurring gains and losses. If the actual net profit of the target company doesn't reach the committed net profit, Sinopharm Group will need to compensate according to the stipulations of the "Profit Forecast Compensation Agreement for the Stock Issuance and Assets Purchase."			
	China National Pharmaceutical Foreign Trade Corporation	Performance commitment and compensation arrangement	Sinopharm Foreign Trade made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the 2016 annual net profits of Southern Medical Trade should be no less than RMB 39880700, while the 2017 annual net profits should be no less than RMB 47323200, and should not less than RMB 55364600 in 2018. Net profit refers to the lower one between the after-tax net profit attributable to the owners of parent company planning to invest in the target company and the net profit attributable to the owners of parent company after deducting the non-recurring gains and losses. If the actual net profit of the Southern Medical Trade doesn't reach the committed net profit, Sinopharm Foreign Trade will need to compensate according to the stipulations of the "Profit Forecast Compensation Agreement for the Stock Issuance and Assets Purchase."	2016-05-31	2018-12-31	Normally implementing
	Fu Jiancheng; Fu Yuequn Gu Chaoqun; Guo Shu'er; Huang Qiufang; Li Hongbing; Liao Zhi; Lin Wanqun;	Performance commitment and compensation arrangement	"Fu Yueling and other 10 natural person made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the 2016 annual net profits of Southern Medical Trade should be no less than RMB 39,880,700, while the 2017 annual net profits should be no less than RMB 47,323,200, and should not less than RMB 55,364,600 in 2018. Net profit refers to the lower one between the after-tax net profit attributable to the owners of parent company planning to invest in the target company and the net profit attributable to the owners of parent company after deducting the	2016-05-31	2018-12-31	Normally implementing

	SunWei; Zhang Zhaohua; Zhang Zhaotang		non-recurring gains and losses. If the actual net profit of the Southern Medical Trade doesn't reach the committed net profit, Fu Yuequn and other 10 natural person will need to compensate according to the stipulations of the "Profit Forecast Compensation Agreement for the Stock Issuance and Assets Purchase."			
	China National Accord Medicines Corporation Ltd.	Performance commitment and compensation arrangement	<p>“Sinopharm Accord made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the net profits attributable to the owners of parent company after deducting the non-recurring gains and losses committed by Zhijun Pharmaceutical in 2016, 2017 and 2018 should be respectively no less than RMB 222,671,700.00, RMB 232,561,600.00, and RMB 241,878,700.00; the net profits attributable to the owners of parent company after deducting the non-recurring gains and losses committed by Zhijun Pharmacy Trade in 2016, 2017 and 2018 should be respectively no less than RMB 2,379,600.00, RMB 2,335,100.00, and RMB 2,345,600.00; the net profits attributable to the owners of parent company after deducting the non-recurring gains and losses committed by Pingshan Pharmaceutical in 2016, 2017 and 2018 should be respectively no less than RMB 39,716,300.00, RMB 43,033,500.00, and RMB 50,325,500.00. If the actual net profits attributable to the owners of parent company after deducting the non-recurring gains and losses of Zhijun Pharmaceutical / Zhijun Pharmacy Trade / Pingshan Pharmaceutical don't reach the committed net profits attributable to the owners of parent company after deducting the non-recurring gains and losses, Sinopharm Accord should compensate in accordance with the stipulations of the Profit Forecast Compensation Agreement for the Stock Issuance and Assets Purchase.”</p>	2016-05-31	2018-12-31	Normally implementing
	China National Accord Medicines Corporation	Other commitments	<p>“The listed company, controlling shareholders, the actual controllers made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock</p>	2016-05-31	Long-term effective	Normally implementing

	n Ltd.; Sinopharm Group Co., Ltd. ;Chin a National Pharmace utical Group Corporatio n		Issuance and Cash Payment that the Company shall not violate the relevant regulations of Article 16 in Securities Issuance and Underwriting Management Approach, and directly or indirectly providing financial assistance or compensation for the subscription objects and its shareholders / partners / clients (if any) of this non-public offering does not exist and will not occur in the future.”			
	Ping’an Assets Managem ent Co., Ltd.	Other commitme nts	“Ping An Asset Management Co., Ltd. has made commitments that the unit intends to utilize Ping An Asset Xinxiang No.3 asset management product and Ping An Asset Xinxiang No.7 asset management product to fund and subscribe some non-public offering of shares of Sinopharm Accord in this major asset restructuring process, and has the ability to subscribe the shares, the relevant capital sources are legitimate, there is no hierarchical income and other structured arrangements, and there is no use of leveraged funds. The unit does not receive financial assistance or compensation from Sinopharm Accord and its controlling shareholders, or the actual controllers. The investors’ structure of above-mentioned products does not change from the issue date of the commitment letter to the end date of the lockup period of the stock that the unit subscribes from Sinopharm Accord.”	2016-03- 24	Long-term effective	Normally implemen ting
	China National Pharmace utical Group Corporatio n	Increase holding commitme nt	“Sinopharm made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that 1. if the stock intraday price of Sinopharm Accord on any trading day of the 30 trading days after the listing of newly increased shares in this transaction is less than the issue price of newly increased shares in this transaction, Sinopharm will accumulatively invest no more than RMB 150 million in these 30 trading days to increase the holding by the stock trading system of the Shenzhen Stock Exchange (this increase of holding) until the earlier one of below two situations occurs: (1) the above-mentioned funds are use up; (2) the intraday	2017-01- 06	2017-02- 24	Normally implemen ting

			price of Sinopharm Accord is no less than the issue price of newly increased shares in this transaction. 2. Sinopharm shall not sell the shares obtained from this increase of holding within 3 years after the end of this increase of holding.”		
	Sinopharm Group Co., Ltd.	Commitments on horizontal competition, relation transaction and capital occupation	<p>“Sinopharm Group made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the Company shall be the controlling shareholder of China National Accord Medicines Corporation Ltd. (hereinafter referred to as Sinopharm Accord) up to the issue date of this commitment letter, after the completion of this major assets reorganization (hereinafter referred to as “this reorganization”), Sinopharm Accord shall no longer hold shares or operate relevant businesses of pharmaceutical industry, the main business will become the national pharmaceutical retail and pharmaceutical distribution business in Guangdong and Guangxi. In order to support the business development of Sinopharm Accord and avoid horizontal competition with Sinopharm Accord and its controlling enterprises, the Company made following irrevocable commitments and promises: 1, after the completion of this reorganization, as for the social retail drugstore assets except for Sinopharm Holding Guoda Drug Store Co., Ltd. and its subsidiaries and branches owned or controlled by the Company, the Company promised to take appropriate measures to solve the horizontal competition problem in the pharmaceutical retail business between the Company and Sinopharm Accord within 5 years since the completion date of this reorganization. 2. The Company's way of resolving horizontal competition problems includes and is not limited to purchasing the social retail drugstore assets subordinated to the Company by Sinopharm Accord, taking the entrusted operation, leasing or contracting operation by Sinopharm Accord and its controlling enterprises in accordance with the methods permitted by national laws to hold or control the social retail drugstore assets, or transferring the controlling stake of the social retail drugstore assets by the Company. 3. If the</p>	Stock of Sinopharm Accord delisting on Shenzhen Stock Exchange	2016-12-28

			<p>shareholders of the social retail drugstore assets (hereinafter referred to as "the third party") of the Company or the enterprises controlled by the Company have or are going to perform the preemptive rights under the same conditions in accordance with relevant laws and corresponding Articles of Association, then the above commitment will not be applicable, but in this case, the Company should try its utmost to urge the third party to waive its preemptive rights. If the Company is unable to urge the third party to give up the preemptive rights, the Company will urge the enterprises controlled by the Company to transfer the social retail drugstore assets to the third party to solve the horizontal competition problem. 4. The pharmaceutical distribution assets currently owned or controlled by the Company are distributed outside Guangdong and Guangxi regions, there is no horizontal competition with Sinopharm Accord, the Company will not engage in the same or similar operation businesses to Sinopharm Accord in Guangdong and Guangxi in the future, if the Company and its holding enterprises obtain the new business opportunities constituting substantial horizontal competition (hereinafter referred to as competitive new business) within the pharmaceutical distribution business scope of Sinopharm Accord in Guangdong and Guangxi, the Company will send written notice to Sinopharm Accord and try its utmost to firstly provide the new business opportunities to Sinopharm Accord or its holding enterprises according to the reasonable and fair terms and conditions so as to avoid the horizontal competition with Sinopharm Accord and its holding enterprises. 5. Since the issue date of this commitment letter, the Company promises to indemnify Sinopharm Accord for all actual losses, damages and expenses caused by the Company in violation of any commitments under this commitment letter. 6.</p>			
	China National Pharmaceutical Group	Commitments on horizontal competition, relation	<p>“Sinopharm made commitments in the Report about China National Accord Medicines Corporation Ltd. Purchasing Assets and Raising Supporting Funds and Related Transactions by Asset Sale, Stock Issuance and Cash Payment that the Company shall be the</p>	2016-12-28	Long-term effective	Normally implementing

	Corporation	transaction and capital occupation	<p>actual controller of China National Accord Medicines Corporation Ltd. (hereinafter referred to as Sinopharm Accord) up to the issue date of this commitment letter, after the completion of this major assets reorganization (hereinafter referred to as "this reorganization"), Sinopharm Accord shall no longer hold shares or operate relevant businesses of pharmaceutical industry, the main business will become the national pharmaceutical retail and pharmaceutical distribution business in Guangdong and Guangxi. In order to support the business development of Sinopharm Accord and avoid horizontal competition with Sinopharm Accord and its controlling enterprises, the Company made following irrevocable commitments and promises: 1, after the completion of this reorganization, as for the social retail drugstore assets except for Sinopharm Group Guoda Pharmacy Co., Ltd. and its subsidiaries and branches owned or controlled by the Company, the Company promised to take appropriate measures to solve the horizontal competition problem in the pharmaceutical retail business between the Company and Sinopharm Accord within 5 years since the completion date of this reorganization. 2. The Company's way of resolving horizontal competition problems includes and is not limited to purchasing the social retail drugstore assets subordinated to the Company by Sinopharm Accord, taking the entrusted operation, leasing or contracting operation by Sinopharm Accord and its controlling enterprises in accordance with the methods permitted by national laws to hold or control the social retail drugstore assets, or transferring the controlling stake of the social retail drugstore assets by the Company. 3. If the shareholders of the social retail drugstore assets (hereinafter referred to as "the third party") of the Company or the enterprises controlled by the Company have or are going to perform the preemptive rights under the same conditions in accordance with relevant laws and corresponding Articles of Association, then the above commitment will not be applicable, but in this case, the Company should try its utmost to urge the third party to waive its preemptive rights. If the Company is unable to</p>			
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			<p>urge the third party to give up the preemptive rights, the Company will urge the enterprises controlled by the Company to transfer the social retail drugstore assets to the third party to solve the horizontal competition problem. 4. The pharmaceutical distribution assets currently owned or controlled by the Company are distributed outside Guangdong and Guangxi regions, there is no horizontal competition with Sinopharm Accord, the Company will not engage in the same or similar operation businesses to Sinopharm Accord in Guangdong and Guangxi in the future, if the Company and its holding enterprises obtain the new business opportunities constituting substantial horizontal competition (hereinafter referred to as competitive new business) within the pharmaceutical distribution business scope of Sinopharm Accord in Guangdong and Guangxi, the Company will send written notice to Sinopharm Accord and try its utmost to firstly provide the new business opportunities to Sinopharm Accord or its holding enterprises according to the reasonable and fair terms and conditions so as to avoid the horizontal competition with Sinopharm Accord and its holding enterprises. 5. This commitment letter terminates when following circumstances occur (subject to the earlier one): (1) the Company is no longer the actual controller of Sinopharm Accord; or (2) the shares of Sinopharm Accord terminate the listing at the stock exchange.”</p>			
Commitments make in initial public offering or re-financing	Sinopharm Holding	Commitment of shareholders	<p>Sinopharm Group made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Avoid Horizontal Competition: “First, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control (in addition to Sinopharm Accord and its controlling enterprises, hereinafter the same) don’t have businesses and operations constituting the substantial horizontal competition to Sinopharm Accord and its controlling enterprises. Second, the Company and the Company’s wholly-owned, controlling or other enterprises with actual control shall not engage, participate in or do businesses and activities in Guangdong and Guangxi which constitute substantial competition to Sinopharm Accord and pharmaceutical</p>	2013-09-05	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder

			<p>business services. Third, the Company and the Company's wholly-owned, controlling or other enterprises with actual control shall not engage, participate in or do businesses and activities which constitute substantial competition to Sinopharm Accord and pharmaceutical industry businesses. Fourth, the Company shall not take advantage of the control to Sinopharm Accord to damage the legitimate rights and interests of Sinopharm Accord and other shareholders (especially medium and small shareholders). This commitment letter takes effect from the issue date, and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord. Within the effective period of the commitment, if the Company violates this commitment and causes a loss to Sinopharm Accord, the Company will timely make full compensation for Sinopharm Accord.”</p>			er and actual controller to fulfill commitments
	Sinopharm Holding	Commitment of shareholders	<p>Sinopharm Group made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Regulate the Related Transactions with China National Accord Medicines Corporation Ltd.: “First, when the Company is controlling Sinopharm Accord, the Company and the companies and enterprises directly and indirectly controlled by the Company (“related party” for short) will strictly regulate the related transactions with Sinopharm Accord and its controlling enterprises. Second, for the related transactions that cannot be avoided or have reasonable reasons to occur, the Company and related party shall sign normative related transaction agreement in accordance with relevant laws with Sinopharm Accord. Sinopharm Accord implements the approval procedures and fulfills the information disclosure obligations of the related transactions according to relevant laws, regulations, rules, other normative documents and the constitutions of Sinopharm Accord. Third, for the related transactions that cannot be avoided or have reasonable reasons to occur, the Company and related party shall abide by the open, fair and just market principles and confirm the price of related transactions in accordance with</p>	2013-09-05	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

			<p>the price that the independent third party without association sets for the same and similar transactions, and ensure the fairness of the price of the related transactions. Fourth, when the board of directors and the general meeting of stockholders of Sinopharm Accord vote on the related transactions involving the Company and other enterprises controlled by the Company, the Company shall fulfill the necessary obligations that the associated directors and associated shareholders abstain from voting in accordance with the relevant provisions, and abide by the legal procedures for approving related transactions and the information disclosure obligations. Fifth, the Company guarantees to participate in the shareholders' general meeting, equally exercise the corresponding rights and take the corresponding obligations in accordance with the constitutions of Sinopharm Accord, not to take advantage of controlling shareholder status to seek improper benefits or utilize related transactions to illegally transfer the funds and profits of Sinopharm Accord, and not to damage the legitimate rights and interests of other shareholders (especially the medium and small shareholders) of Sinopharm Accord. Sixth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord. Within the effective period of the commitment, if the Company violates this commitment and causes a loss to Sinopharm Accord, the Company will timely make full compensation for Sinopharm Accord.”</p>			
	Sinopharm Group	Commitment of actual controller	<p>Sinopharm made commitments in the Commitment Letter About China National Pharmaceutical Group Corporation to Avoid Horizontal Competition with China National Accord Medicines Corporation Ltd.: “First, in the next five years, Sinopharm plans to take appropriate measures (including assets replacement or acquisition, equity reorganization, etc.) to resolve the horizontal competition between Sinopharm Weiqida and Sinopharm Accord. Second, in addition to the past matters and matters disclosed in this commitment letter, the Company and the Company’s wholly-owned, controlling or other enterprises with actual</p>	2013-10-16	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the

			control rights (except for Sinopharm Accord and its controlling enterprises, the same as below) shall not directly engaged in, participate in or do the businesses an activities constituting actual competition to the production and operation of Sinopharm Accord in China. The relevant commitments about avoiding horizontal competition that the Company made in the past still remain in effect. Third, the Company shall not take advantage of the control relationship to Sinopharm Accord to damage the legitimate rights and interests of Sinopharm Accord and its shareholders (especially the medium and small shareholders). Fourth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the controlling shareholder or its related party of Sinopharm Accord.”			controlling shareholder and actual controller to fulfill commitments
	Sinopharm Group	Commitment of actual controller	Sinopharm Group made commitments in the Commitment Letter About Sinopharm Group Co., Ltd. to Regulate the Related Transactions with China National Accord Medicines Corporation Ltd.: “First, when the Company is controlling Sinopharm Accord, the Company and the companies and enterprises directly and indirectly controlled by the Company (“related party” for short) will strictly regulate the related transactions with Sinopharm Accord and its controlling enterprises. Second, for the related transactions that can not be avoided or have reasonable reasons to occur, the Company and related party shall sign normative related transaction agreement in accordance with relevant laws with Sinopharm Accord. Sinopharm Accord implements the approval procedures and fulfills the information disclosure obligations of the related transactions according to relevant laws, regulations, rules, other normative documents and the constitutions of Sinopharm Accord. Third, for the related transactions that cannot be avoided or have reasonable reasons to occur, the Company and related party shall abide by the open, fair and just market principles and confirm the price of related transactions in accordance with the price that the independent third party without association sets for the same and similar transactions, and ensure the fairness of the price of the related	2013-09-22	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

			<p>transactions. Fourth, when the board of directors and the general meeting of stockholders of Sinopharm Accord vote on the related transactions involving the Company and other enterprises controlled by the Company, the Company shall fulfill the necessary obligations that the associated directors and associated shareholders abstain from voting in accordance with the relevant provisions, and abide by the legal procedures for approving related transactions and the information disclosure obligations. Fifth, the Company guarantees not to take advantage of actual controller status to seek improper benefits or utilize related transactions to illegally transfer the funds and profits of Sinopharm Accord, and not to damage the legitimate rights and interests of other shareholders (especially the medium and small shareholders) of Sinopharm Accord. Sixth, this commitment letter comes into force from the issue date and remains in effect for the entire period when the Company acts as the actual controller or its related party of Sinopharm Accord.</p>			
Equity incentive commitment						
Other commitments for medium and small shareholders						
Completed on time (Y/N)	Y					

#### IV. Estimation of operation performance for year of 2017

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

Applicable     Not applicable

#### V. Particular about security investment

Applicable     Not applicable

The Company had no security investment in Period.

## **VI. Particulars about derivatives investment**

Applicable     Not applicable

The Company had no derivatives investment in Period.

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

Applicable     Not applicable

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

## **VIII. Guarantee outside against the regulation**

Applicable     Not applicable

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

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

Applicable     Not applicable

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

## **X. Fulfill the precise social responsibility for poverty alleviation**

Nil

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by China National Accord Medicines Corporation Ltd.

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	3,525,575,302.08	3,519,961,564.93
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable	955,201,414.03	1,504,000,909.21
Accounts receivable	9,773,204,908.31	7,654,225,510.89
Accounts paid in advance	407,576,331.96	424,867,581.80
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	55,855.56	450,722.67
Dividend receivable		
Other receivables	404,173,674.93	478,573,423.62
Purchase restituted finance asset		
Inventories	4,135,298,239.08	4,049,482,529.71
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	70,577,536.15	57,209,263.04
Total current assets	19,271,663,262.10	17,688,771,505.87
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales	13,685,760.00	13,685,760.00

Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	1,554,699,567.29	1,413,034,165.56
Investment property	160,819,580.61	166,715,848.80
Fixed assets	530,984,854.51	487,009,600.10
Construction in progress	28,049,823.55	47,063,868.49
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	330,038,784.01	320,435,400.89
Expense on Research and Development		
Goodwill	826,038,700.05	823,890,174.21
Long-term expenses to be apportioned	217,702,792.23	188,377,725.64
Deferred income tax asset	78,692,345.02	72,914,722.30
Other non-current asset	143,451,112.53	94,649,476.09
Total non-current asset	3,884,163,319.80	3,627,776,742.08
Total assets	23,155,826,581.90	21,316,548,247.95
Current liabilities:		
Short-term loans	1,566,095,413.79	1,512,713,629.95
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	2,416,417,045.77	2,406,642,582.86
Accounts payable	7,887,414,148.86	6,701,558,514.10
Accounts received in advance	149,306,080.04	163,450,365.92
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	164,461,145.23	195,138,079.85
Taxes payable	182,119,097.05	187,043,717.52
Interest payable	6,063,836.86	6,956,463.02

Dividend payable	11,860,238.38	8,483,370.21
Other accounts payable	872,023,017.47	917,193,911.34
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	3,551,734.49	36,411,339.96
Other current liabilities	81,241.59	123,294.77
Total current liabilities	13,259,392,999.53	12,135,715,269.50
Non-current liabilities:		
Long-term loans	31,600,000.00	
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	12,417,420.42	14,616,598.34
Long-term wages payable	2,078,999.89	1,722,599.89
Special accounts payable	800,000.00	800,000.00
Projected liabilities		
Deferred income	124,351,151.78	123,953,462.81
Deferred income tax liabilities	72,771,069.77	76,535,704.01
Other non-current liabilities	45,427,343.31	45,427,343.31
Total non-current liabilities	289,445,985.17	263,055,708.36
Total liabilities	13,548,838,984.70	12,398,770,977.86
Owner's equity:		
Share capital	428,126,983.00	362,631,943.00
Other equity instrument		65,495,040.00
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	3,151,532,012.50	3,152,718,024.92
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	181,315,971.50	181,315,971.50

Provision of general risk		
Retained profit	5,348,351,047.78	4,690,265,884.10
Total owner's equity attributable to parent company	9,109,326,014.78	8,452,426,863.52
Minority interests	497,661,582.42	465,350,406.57
Total owner's equity	9,606,987,597.20	8,917,777,270.09
Total liabilities and owner's equity	23,155,826,581.90	21,316,548,247.95

Legal representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Wang Ying

## 2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	1,149,132,900.28	1,342,041,409.86
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable	17,719,567.69	79,868,867.49
Accounts receivable	718,186,771.61	397,351,577.24
Account paid in advance	311,250.05	2,135,439.82
Interest receivable	1,284,197.98	2,029,125.06
Dividends receivable		
Other receivables	1,121,162,785.03	1,801,567,851.50
Inventories	194,357,165.57	184,708,273.76
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	22,557,723.03	6,937,946.90
Total current assets	3,224,712,361.24	3,816,640,491.63
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	7,076,883,701.98	5,914,542,602.10
Investment property	2,965,826.27	3,571,809.38

Fixed assets	15,521,917.34	16,555,996.92
Construction in progress		
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	1,529,310.63	1,534,730.15
Research and development costs		
Goodwill		
Long-term deferred expenses	5,804,459.23	6,645,211.13
Deferred income tax assets	2,822,137.63	2,869,931.88
Other non-current assets	71,808,611.00	9,859,840.00
Total non-current assets	7,177,335,964.08	5,955,580,121.56
Total assets	10,402,048,325.32	9,772,220,613.19
Current liabilities:		
Short-term borrowings	235,000,000.00	50,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	193,599,229.58	334,383,191.54
Accounts payable	576,220,989.82	391,726,381.93
Accounts received in advance	11,662,242.51	2,997,964.16
Wage payable	23,634,826.54	30,618,183.84
Taxes payable	6,544,100.73	3,308,582.29
Interest payable	339,009.11	37,801.50
Dividend payable		
Other accounts payable	1,040,961,281.05	1,100,143,593.55
Divided into liability held for sale		
Non-current liabilities due within 1 year		31,600,000.00
Other current liabilities	81,241.59	123,294.77
Total current liabilities	2,088,042,920.93	1,944,938,993.58
Non-current liabilities:		
Long-term loans	31,600,000.00	
Bonds payable		

Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	3,000.00	26,000.00
Special accounts payable	800,000.00	800,000.00
Projected liabilities		
Deferred income	2,070,000.00	1,570,000.00
Deferred income tax liabilities	3,773,319.00	3,773,319.00
Other non-current liabilities		
Total non-current liabilities	38,246,319.00	6,169,319.00
Total liabilities	2,126,289,239.93	1,951,108,312.58
Owners' equity:		
Share capita	428,126,983.00	362,631,943.00
Other equity instrument		65,495,040.00
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	4,381,845,619.03	4,381,845,619.03
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	181,315,971.50	181,315,971.50
Retained profit	3,284,470,511.86	2,829,823,727.08
Total owner's equity	8,275,759,085.39	7,821,112,300.61
Total liabilities and owner's equity	10,402,048,325.32	9,772,220,613.19

### 3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	10,753,911,112.98	10,546,794,136.35
Including: Operating income	10,753,911,112.98	10,546,794,136.35
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	10,476,330,643.94	10,222,442,021.78

Including: Operating cost	9,652,629,532.14	9,406,817,499.04
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	27,755,633.18	15,280,250.17
Sales expenses	576,266,856.55	542,282,311.47
Administration expenses	183,065,386.00	225,065,823.77
Financial expenses	35,176,387.62	30,624,659.59
Losses of devaluation of asset	1,436,848.45	2,371,477.74
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	54,961,155.07	13,869,225.74
Including: Investment income on affiliated company and joint venture	54,961,155.07	9,698,032.57
Exchange income (Loss is listed with “-”)		
Other income	4,885,408.95	
III. Operating profit (Loss is listed with “-”)	337,427,033.06	338,221,340.31
Add: Non-operating income	2,623,842.14	15,062,879.07
Including: Disposal gains of non-current asset	36,963.24	6,277,210.79
Less: Non-operating expense	4,855,292.95	666,159.62
Including: Disposal loss of non-current asset	157,337.17	326,134.96
IV. Total Profit (Loss is listed with “-”)	335,195,582.25	352,618,059.76
Less: Income tax expense	68,255,324.72	80,773,254.66
V. Net profit (Net loss is listed with “-”)	266,940,257.53	271,844,805.10
Net profit attributable to owner’s of parent company	246,977,990.75	250,089,224.19
Minority shareholders’ gains and losses	19,962,266.78	21,755,580.91
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net		

defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	266,940,257.53	271,844,805.10
Total comprehensive income attributable to owners of parent Company	246,977,990.75	250,089,224.19
Total comprehensive income attributable to minority shareholders	19,962,266.78	21,755,580.91
VIII. Earnings per share:		
(i) Basic earnings per share	0.577	0.591
(ii) Diluted earnings per share	0.577	0.591

Legal representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institution: Wang Ying

#### 4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	900,080,112.15	804,369,990.93
Less: Operating cost	869,401,788.37	763,434,380.88
Operating tax and extras	784,481.12	392,705.90
Sales expenses	12,874,352.60	11,448,900.12

Administration expenses	16,582,316.33	15,462,047.04
Financial expenses	-6,369,097.36	-13,957,216.00
Losses of devaluation of asset	117,780.84	8,159.82
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	63,018,807.05	12,353,115.35
Including: Investment income on affiliated company and joint venture	60,919,200.32	9,982,976.14
Other income		
II. Operating profit (Loss is listed with “-”)	69,707,297.30	39,934,128.52
Add: Non-operating income	3,387.55	3,250,687.49
Including: Disposal gains of non-current asset		
Less: Non-operating expense	850,000.01	1,267.72
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	68,860,684.84	43,183,548.29
Less: Income tax expense	1,455,763.24	5,849,413.84
IV. Net profit (Net loss is listed with “-”)	67,404,921.60	37,334,134.45
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		

6. Other		
VI. Total comprehensive income	67,404,921.60	37,334,134.45
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

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

In RMB

Item	Current Period	Last Period
I. Total operating income	31,278,718,782.55	31,109,196,184.17
Including: Operating income	31,278,718,782.55	31,109,196,184.17
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	30,399,229,240.83	30,076,896,721.49
Including: Operating cost	28,016,663,982.97	27,653,707,562.73
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
tax and extras	90,941,254.04	73,127,135.79
Sales expenses	1,686,713,794.72	1,608,783,411.62
Administration expenses	523,701,437.11	656,410,497.18
Financial expenses	79,675,166.38	81,346,062.80
Losses of devaluation of asset	1,533,605.61	3,522,051.37
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	201,687,194.97	163,230,848.12
Including: Investment income on affiliated company and joint venture	201,637,194.97	37,305,472.69
Exchange income (Loss is listed with “-”)		
Other income	12,843,902.62	

III. Operating profit (Loss is listed with “-”)	1,094,020,639.31	1,195,530,310.80
Add: Non-operating income	9,258,279.76	32,820,708.36
Including: Disposal gains of non-current asset	616,621.73	10,294,796.43
Less: Non-operating expense	8,508,490.17	2,306,697.95
Including: Disposal loss of non-current asset	534,689.23	917,476.13
IV. Total Profit (Loss is listed with “-”)	1,094,770,428.90	1,226,044,321.21
Less: Income tax expense	228,296,432.35	242,557,382.42
V. Net profit (Net loss is listed with “-”)	866,473,996.55	983,486,938.79
Net profit attributable to owner’s of parent company	803,103,308.94	909,167,447.55
Minority shareholders’ gains and losses	63,370,687.61	74,319,491.24
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	866,473,996.55	983,486,938.79
Total comprehensive income attributable to owners of parent	803,103,308.94	909,167,447.55

Company		
Total comprehensive income attributable to minority shareholders	63,370,687.61	74,319,491.24
VIII. Earnings per share:		
(i) Basic earnings per share	1.876	2.149
(ii) Diluted earnings per share	1.876	2.149

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

In RMB

Item	Current Period	Last Period
I. Operating income	2,558,680,931.11	2,356,711,579.17
Less: Operating cost	2,470,049,377.83	2,257,402,782.98
Operating tax and extras	5,846,798.28	3,124,622.40
Sales expenses	35,718,966.89	33,403,841.97
Administration expenses	41,500,304.54	42,499,745.44
Financial expenses	-43,412,064.91	-44,377,947.23
Losses of devaluation of asset	85,176.13	170,570.38
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	571,379,548.90	631,413,467.10
Including: Investment income on affiliated company and joint venture	216,757,940.77	34,359,982.90
Other income	641,300.00	
II. Operating profit (Loss is listed with “-”)	620,913,221.25	695,901,430.33
Add: Non-operating income	189,006.89	5,486,653.56
Including: Disposal gains of non-current asset	1,087.38	
Less: Non-operating expense	1,861,760.16	255,153.96
Including: Disposal loss of non-current asset		253,886.24
III. Total Profit (Loss is listed with “-”)	619,240,467.98	701,132,929.93
Less: Income tax expense	23,311,778.81	12,644,903.00
IV. Net profit (Net loss is listed with “-”)	595,928,689.17	688,488,026.93
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		

2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	595,928,689.17	688,488,026.93
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	33,680,871,791.23	32,773,677,559.41
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		

Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	7,574,262.64	15,974,903.54
Other cash received concerning operating activities	222,004,857.99	200,532,381.32
Subtotal of cash inflow arising from operating activities	33,910,450,911.86	32,990,184,844.27
Cash paid for purchasing commodities and receiving labor service	30,272,872,617.59	28,982,823,541.94
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,266,243,435.50	1,331,058,354.22
Taxes paid	861,250,651.49	868,655,778.58
Other cash paid concerning operating activities	999,000,769.40	979,330,650.00
Subtotal of cash outflow arising from operating activities	33,399,367,473.98	32,161,868,324.74
Net cash flows arising from operating activities	511,083,437.88	828,316,519.53
II. Cash flows arising from investing activities:		
Cash received from recovering investment		226,000.00
Cash received from investment income	60,167,262.76	37,907,108.34
Net cash received from disposal of fixed, intangible and other long-term assets	585,524.78	26,633,439.68
Net cash received from disposal of subsidiaries and other units		128,845,881.13
Other cash received concerning investing activities	99,261,955.41	1,653,821,353.22
Subtotal of cash inflow from investing activities	160,014,742.95	1,847,433,782.37
Cash paid for purchasing fixed, intangible and other long-term assets	126,571,984.56	173,258,200.83
Cash paid for investment	95,137,145.33	21,860,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained	18,525,000.00	15,910,572.21
Other cash paid concerning investing activities	137,974,010.61	1,209,218,733.31
Subtotal of cash outflow from investing activities	378,208,140.50	1,420,247,506.35
Net cash flows arising from investing activities	-218,193,397.55	427,186,276.02

III. Cash flows arising from financing activities		
Cash received from absorbing investment	10,943,000.00	1,470,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	10,943,000.00	1,470,000.00
Cash received from loans	296,311,793.77	472,079,970.40
Cash received from issuing bonds		
Other cash received concerning financing activities	103,113,564.29	284,435,970.24
Subtotal of cash inflow from financing activities	410,368,358.06	757,985,940.64
Cash paid for settling debts	290,130,072.33	654,947,009.10
Cash paid for dividend and profit distributing or interest paying	255,153,017.01	224,506,445.57
Including: Dividend and profit of minority shareholder paid by subsidiaries	36,992,199.01	34,297,005.34
Other cash paid concerning financing activities	187,628,354.86	288,458,875.34
Subtotal of cash outflow from financing activities	732,911,444.20	1,167,912,330.01
Net cash flows arising from financing activities	-322,543,086.14	-409,926,389.37
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		-405,939.87
V. Net increase of cash and cash equivalents	-29,653,045.81	845,170,466.31
Add: Balance of cash and cash equivalents at the period -begin	3,150,909,425.54	2,164,444,441.33
VI. Balance of cash and cash equivalents at the period -end	3,121,256,379.73	3,009,614,907.64

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,597,564,040.32	2,390,345,398.95
Write-back of tax received		
Other cash received concerning operating activities	26,424,030.63	35,389,468.27
Subtotal of cash inflow arising from operating activities	2,623,988,070.95	2,425,734,867.22
Cash paid for purchasing commodities and receiving labor service	2,572,754,403.03	2,292,749,160.32
Cash paid to/for staff and workers	56,647,266.92	50,167,759.38
Taxes paid	39,084,840.35	34,249,095.66
Other cash paid concerning operating activities	25,300,370.50	13,827,960.38

Subtotal of cash outflow arising from operating activities	2,693,786,880.80	2,390,993,975.74
Net cash flows arising from operating activities	-69,798,809.85	34,740,891.48
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	216,058,026.83	182,678,576.29
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		156,111,000.00
Other cash received concerning investing activities	2,156,269,200.00	1,568,919,415.00
Subtotal of cash inflow from investing activities	2,372,327,226.83	1,907,708,991.29
Cash paid for purchasing fixed, intangible and other long-term assets	6,871,001.07	31,225,572.33
Cash paid for investment	1,045,900,000.00	
Net cash received from subsidiaries and other units	18,525,000.00	4,271,376.10
Other cash paid concerning investing activities	1,691,189,918.90	1,569,935,715.50
Subtotal of cash outflow from investing activities	2,762,485,919.97	1,605,432,663.93
Net cash flows arising from investing activities	-390,158,693.14	302,276,327.36
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	41,600,000.00	80,100,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	11,644,239,507.12	6,379,147,795.59
Subtotal of cash inflow from financing activities	11,685,839,507.12	6,459,247,795.59
Cash paid for settling debts	41,600,000.00	190,995,172.30
Cash paid for dividend and profit distributing or interest paying	146,079,007.62	115,404,664.51
Other cash paid concerning financing activities	11,231,111,506.09	5,979,379,100.93
Subtotal of cash outflow from financing activities	11,418,790,513.71	6,285,778,937.74
Net cash flows arising from financing activities	267,048,993.41	173,468,857.85
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-192,908,509.58	510,486,076.69
Add: Balance of cash and cash equivalents at the period -begin	1,342,041,409.86	429,437,078.35
VI. Balance of cash and cash equivalents at the period -end	1,149,132,900.28	939,923,155.04

## **II. Audit report**

Whether the 3<sup>rd</sup> quarterly report has been audited or not

Yes  No

The 3<sup>rd</sup> quarterly report of the Company has not been audited.