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**China National Accord Medicines Corporation Ltd.**

**First Quarterly Report 2020**

**April 2020**

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## **Section I. Important Notes**

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

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

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

## Section II. Company profile

### I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes  No

Retrospective adjustment or restatement reasons

Business combination under the same control

	Current Period	Same period of last year		Changes of this period over same period of last year
		Before adjustment	After adjustment	After adjustment
Operating income (RMB)	12,824,196,278.66	11,879,309,078.82	12,071,656,553.13	6.23%
Net profit attributable to shareholders of the listed company (RMB) (note 1)	248,800,655.88	300,149,012.08	299,451,036.34	-16.91%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	241,724,850.95	297,420,355.99	297,420,355.99	-18.73%
Net cash flow arising from operating activities (RMB)	-688,273,848.63	-759,367,352.29	-788,378,287.50	12.70%
Basic earnings per share (RMB/Share) (note 1)	0.58	0.70	0.70	-17.14%
Diluted earnings per share (RMB/Share)	0.58	0.70	0.70	-17.14%
Weighted average ROE (note 1)	1.92%	2.55%	2.52%	0.60 percentage point down
	At the end of the reporting period	At the end of last year		Changes of this period-end over same period-end of last year
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	36,882,640,680.62	30,855,284,546.74	34,030,520,217.82	8.38%
Net assets attributable to shareholder of listed company (RMB)	13,062,640,261.41	11,918,581,615.36	12,911,706,424.61	1.17%

Description on retrospective adjustment:

In this year, the Company acquired 75% equity of Pudong New Area of Shanghai Pharmaceutical Medicine Ltd. under the same control. When preparing the comparative statement of the consolidated statement for Q 1 of 2020, the parties involved in the merger shall be regarded as existing in the current state when the final controlling party starts to implement the control, and the preliminary comparative statement shall be adjusted.

Note 1: Net profit attributable to shareholders of the listed company has 16.91% down compared with same period last year, mainly

because affected by the COVID-19 epidemic, sales growth of the Company slowed down in the first quarter, at the same time, changes in industry policies also led to a narrowing of profit margins; while the basic EPS decreased by 17.14% correspondingly. Weighted average ROE has 0.60 percentage points down compared with same period last year.

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-438,158.53	Mainly for store rent-out and fixed asset disposal losses.
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)	13,645,696.75	Mainly due to the Tax relief and various special grants received in the current period.
Switch back of provision for depreciation of account receivable and contract assets that are individually tested for impairment	72,938.17	
Consigning fee received for consigned operation	961,488.75	
Other non-operating income and expenditure except for the aforementioned items	-491,478.52	
Other gains/losses satisfy a definition of extraordinary gains/losses	257,186.89	
Less: Impact on income tax	3,271,286.58	
Impact on minority shareholders' equity (post-tax)	3,660,582.00	
Total	7,075,804.93	--

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

Applicable  Not applicable

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

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

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

In shares

Total common shareholders at the end of report period	26,399	Total preference shareholders with voting rights recovered at	0
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				end of reporting period (if applicable)		
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned legal person	56.06%	239,999,991	5,505,770		
Hong Kong Securities Clearing Company Ltd	Foreign Corporation	4.55%	19,472,330			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Foreign Corporation	2.68%	11,469,644			
National Social Security Fund-portfolio 118	Domestic non state-owned Corporation	1.82%	7,774,799			
China National Pharmaceutical Foreign Trade Corp.	State-owned Corporation	1.24%	5,323,043			
Fidelity Investment Management (Hong Kong) Limited - Client's fund	Foreign Corporation	1.09%	4,668,607			
Central Huijin Investment Ltd.	State-owned Corporation	0.89%	3,804,400			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign Corporation	0.78%	3,358,761			
Bank of China Co., Ltd.-Harvest Healthcare Equity Securities Investment Fund	Domestic non state-owned Corporation	0.67%	2,862,997			

Basic endowment insurance fund-portfolio 15061	Domestic non state-owned Corporation	0.55%	2,364,393			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sinopharm Group Co., Ltd.	234,494,221	RMB shares	ordinary	234,494,221		
Hong Kong Securities Clearing Company Ltd	19,472,330	RMB shares	ordinary	19,472,330		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	11,469,644	Domestic foreign shares	listed	11,469,644		
National Social Security Fund-portfolio 118	7,774,799	RMB shares	ordinary	7,774,799		
China National Pharmaceutical Foreign Trade Corp.	5,323,043	RMB shares	ordinary	5,323,043		
Fidelity Investment Management (Hong Kong) Limited - Client's fund	4,668,607	RMB shares	ordinary	4,668,607		
Central Huijin Investment Ltd.	3,804,400	RMB shares	ordinary	3,804,400		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	3,358,761	Domestic foreign shares	listed	3,358,761		
Bank of China Co., Ltd.-Harvest Healthcare Equity Securities Investment Fund	2,862,997	RMB shares	ordinary	2,862,997		
Basic endowment insurance fund-portfolio 15061	2,364,393	RMB shares	ordinary	2,364,393		
Explanation on associated relationship among the aforesaid shareholders	It is unknown that there exists no associated relationship or belongs to the consistent person acting in concert among the other tradable shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.					

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

Yes  No

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

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

Applicable  Not applicable

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## Section III. Significant Events

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

√Applicable □Not applicable

1. Notes receivable: a decrease of 264.6581 million Yuan compared with the beginning of the period, with a growth rate of -33.59%, mainly because affected by the GPO policy, the hospital customer procurement model has changed, and the settlement method has also changed;
2. Advances to suppliers: an increase of 387.3169 million Yuan compared with the beginning of the period, with a growth rate of 99.36%, mainly because the prepayment of emergency special reserve materials for the prevention and control of COVID-19 and the increase in the prepayments due on the import letter of credit ;
3. Dividend receivable: a decrease of 834,914.61 Yuan compared with the beginning of the period, with a growth rate of -100.00%, mainly because dividends receivable from Shanghai Dingqun Enterprise Management Consulting Co., Ltd. in the same period of last year, this company has been included in the scope of consolidation in the period, and there is no balance at the consolidation level after internal offset;
4. Intangible assets: an increase of 260.2451 million Yuan compared with the beginning of the period, with a growth rate of 69.37%, mainly because the sales network newly recognized in the period for the acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd by subsidiary Guoda Drugstore;
5. Goodwill: an increase of 503.1178 million Yuan compared with the beginning of the period, with a growth rate of 49.81%, mainly resulted by the acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd by subsidiary Guoda Drugstore in the period;
6. Other non-current assets: an increase of 336.7663 million Yuan compared with the beginning of the period, with a growth rate of 435.35%, mainly because in order to preventing and controlling the COVID-19, to purchase emergency special reserve materials at the request of the government;
7. Short-term borrowings: an increase of 1,332.2357 million Yuan compared with the beginning of the period, with a growth rate of 91.69%, mainly because the supply chain financing and special loans for prevention and control of the COVID-19 epidemic are increased in the Period;
8. Other payables: an increase of 874.467 million Yuan compared with the beginning of the period, with a growth rate of 47.99%, mainly due to the equity consideration payable for acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd by subsidiary Guoda Drugstore in the period and the non-financial institution funds borrowing;
9. Dividend payable: an increase of 37.9886 million Yuan compared with the beginning of the period, with a growth rate of 594.56%, mainly due to the dividend payable to original shareholders of Shanghai Dingqun Enterprise Management Consulting Co., Ltd.- the subsidiary of the Company that included in the consolidate scope in the Period;
10. Deferred tax liabilities: an increase of 61.9156 million Yuan compared with the beginning of the period, with a growth rate of 52.16%, mainly because the value-added for fair value of the assets generated from acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd by Guoda Drugstore in the Period, are recognized to corresponding the deferred income tax liability;
11. Other non-current liabilities: an increase of 318.5282 million Yuan compared with the beginning of the period, with a growth rate of 434.81%, mainly due to the advance payment for purchasing the government emergency special reserve materials in prevention and controlling the COVID-19 epidemic;
12. Finance costs: an increase of 13.411 million Yuan on a year-on-year basis, with a growth rate of 85.97%, mainly due to the



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implementation of new leasing standards;

13. Impairment losses: an increase of 1.0819 million Yuan on a year-on-year basis, with a growth rate of 209.44%, mainly because the provision for inventory decline in prices in the current period increased on a y-o-y basis;

14. Credit impairment losses: an increase of 12.4452 million Yuan on a year-on-year basis, with a growth rate of 282.86%, mainly because the ending account receivable increased from a year earlier for the expansion of sales scale, and at the same time, affected by COVID-19 epidemic, the turnover days of receivables have increased, and the provision for bad debts have increased accordingly.

15. Other incomes: an increase of 12.0434 million Yuan on a year-on-year basis, with a growth rate of 1,105.17%, mainly because the increase of Tax relief and various special grants received in this period;

16. Investment income: a decrease of 22.707 million Yuan on a year-on-year basis, with a growth rate of -34.73%, mainly because the investment income from associates declined from a year earlier;

17. Gain on disposal of assets: a decrease of 247,055.53 Yuan on a year-on-year basis, with a growth rate of -1,738.69%, mainly due to the loss from surrender of retail premises for implementing the new leasing standard, while no such matter occurred last year;

18. Non-operating expenses: an increase of 1.3356 million Yuan on a year-on-year basis, with a growth rate of 356.39%, mainly due to the increase in fines in this period;

19. Other cash receipts relating to operating activities: an increase of 295.9483 million Yuan on a year-on-year basis, with a growth rate of 215.29%, mainly due to the receipt of special reserve funds for the prevention and control of the COVID-19, no such matter in the same period of last year;

20. Cash received from returns on investments: a decrease of 1.053 million Yuan on a year-on-year basis, with a growth rate of -100.00%, mainly because received cash dividends from associates in the same period of last year, while no such matter in the period;

21. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: an increase of 35,352.18 Yuan on a year-on-year basis, with a growth rate of 49.05%, mainly due to the increase in cash received from the disposal of fixed assets during the period;

22. Other cash receipts relating to investing activities: a decrease of 166.5 million Yuan on a year-on-year basis, with a growth rate of -88.33%, mainly because in the period, the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd was merged by subsidiary Guoda Drugstore under the same control, and received an account from the cash pool of former parent company- Sinopharm Group Co., Ltd, and recover the fund originally collected in the cash pool in the period;

23. Sub-total of cash inflows from investing activities: a decrease of 167.5176 million Yuan on a year-on-year basis, with a growth rate of -88.34%, mainly because in the period, the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd was merged by subsidiary Guoda Drugstore under the same control, and received an account from the cash pool of former parent company- Sinopharm Group Co., Ltd, and recover the fund originally collected in the cash pool in the period;

24. Cash payments for investments: a decrease of 8.781 million Yuan on a year-on-year basis, with a growth rate of -43.64%, mainly because the transfer amount paid for retail store acquisition by subsidiary Guoda Drugstore declined from a year earlier;

25. Net cash paid for acquisition of subsidiaries and other business units: an increase of 664.8827 million Yuan on a year-on-year basis, with a growth rate of 100%, mainly due to the net cash paid for acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd from subsidiary Guoda Drugstore, and no such matter in the same period of last year;

26. Other cash payments relating to investing activities: a decrease of 116.5382 million Yuan on a year-on-year basis, with a growth rate of -73.80%, mainly because in the period, the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd was merged by subsidiary Guoda Drugstore under the same control, the cash pool was collected to former parent company- Sinopharm Group Co., Ltd, while no such matter in the period;

27. Sub-total of cash outflows from investing activities: an increase of 535.6961 million Yuan on a year-on-year basis, with a growth rate of 230.80%, mainly due to the net cash paid for acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd from subsidiary Guoda Drugstore, and no such matter in the same period of last year;

28. Net cash flows from investing activities: a decrease of 703.2137 million Yuan on a year-on-year basis, with a growth rate of -1,655.61%, mainly due to the net cash paid for acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd from

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subsidiary Guoda Drugstore, and no such matter in the same period of last year;

29. Cash proceeds from investments by others: a decrease of 4.392 million Yuan on a year-on-year basis, with a growth rate of -100%, mainly because received capital increase from minority shareholders in the same period last year while no such matter in the period;

30. Cash received from borrowings: an increase of 276.202 million Yuan on a year-on-year basis, with a growth rate of 2,762.02%, mainly because received special loan funds for the prevention and control of the COVID-19 in this period, and bank loans increased;

31. Other cash receipts relating to financing activities: an increase of 138.1731 million Yuan on a year-on-year basis, with a growth rate of 69.48%, mainly because the return of money order received in the period has increased from a year earlier, and received funds borrowed from non-financial institutions, while no such matter in the same period of last year;

32. Sub-total of cash inflows from financing activities: an increase of 409.9831 million Yuan on a year-on-year basis, with a growth rate of 192.23%, mainly because received special loan funds for the prevention and control of the COVID-19 in this period, and the money order deposit received in the period increased on a y-o-y basis;

33. Cash repayments for debts: an increase of 75.5384 million Yuan on a year-on-year basis, with a growth rate of 113.49%, mainly due to the increase in repayment of loans in the period;

34. Other cash payments relating to financing activities: an increase of 441.6207 million Yuan on a year-on-year basis, with a growth rate of 1,381.06%, mainly because implement the new leasing standard, and the investment paid for merged of Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control from subsidiary Guoda Drugstore;

35. Sub-total of cash outflows from financing activities: an increase of 497.1017 million Yuan on a year-on-year basis, with a growth rate of 271.24%, mainly because implement the new leasing standard, and the investment paid for merged of Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control from subsidiary Guoda Drugstore;

36. Net cash flows from financing activities: a decrease of 87.1187 million Yuan on a year-on-year basis, with a growth rate of -290.37%, mainly because implement the new leasing standard, and the investment paid for merged of Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control from subsidiary Guoda Drugstore;

37. Effect of foreign exchange rate changes on cash and cash equivalents: a decrease of 239.99Yuan on a year-on-year basis, with a growth rate of -39.66%, mainly due to the impact of exchange rate fluctuations;

38. Net increase of cash and cash equivalents: a decrease of 690.2282 million Yuan on a year-on-year basis, with a growth rate of -86.19%, mainly due to the net cash paid by the acquisition of Shanghai Dingqun Enterprise Management Consulting Co., Ltd. and the investment payment for the merger of Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control from subsidiary Guoda Drugstore, no such matter in the same period of last year.

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

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

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

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#### **IV. Securities investment**

Applicable  Not applicable

No security investment in the Period.

#### **V. Trust financing**

Applicable  Not applicable

No trust financing in the Period.

#### **VI. Derivative investment**

Applicable  Not applicable

No derivative investment in the Period.

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by China National Accord Medicines Corporation Ltd.

In RMB

Items	2020-3-31	2019-12-31
Current assets:		
Cash and bank balances	7,343,918,788.98	8,885,729,250.47
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Notes receivable	523,366,192.20	788,024,326.05
Accounts receivable	12,800,950,512.29	10,712,983,544.18
Receivables financing	488,648,048.49	451,619,951.05
Advances to suppliers	777,145,678.93	389,828,785.54
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	601,307,772.09	501,958,841.43
Including: Interest receivable	-	-
Dividend receivable	-	834,914.61
Buying back the sale of financial assets		
Inventories	5,906,648,659.90	5,063,274,143.26
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	102,839,050.54	102,207,498.20
Total current assets	28,544,824,703.42	26,895,626,340.18

Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	2,148,499,112.76	2,105,114,410.88
Other equity instrument investment	116,021,000.00	116,021,000.00
Other non-current financial assets	140,000,000.00	140,000,000.00
Investment properties	137,294,164.25	138,900,358.30
Fixed assets	705,749,195.67	709,320,467.92
Construction in progress	22,928,901.67	31,582,575.84
Productive biological asset		
Oil and gas asset		
Right-of-use assets	2,067,046,282.85	1,994,757,862.07
Intangible assets	635,390,640.10	375,145,507.81
Expense on Research and Development		
Goodwill	1,513,175,733.86	1,010,057,927.17
Long-term prepaid expenses	359,836,930.28	373,527,968.14
Deferred tax assets	77,752,777.11	63,110,829.12
Other non-current asset	414,121,238.65	77,354,970.39
Total non-current asset	8,337,815,977.20	7,134,893,877.64
Total assets	36,882,640,680.62	34,030,520,217.82
Current liabilities:		
Short-term borrowings	2,785,253,982.80	1,453,018,300.01
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Notes payable	4,680,238,916.43	5,555,697,557.53
Accounts payable	7,674,022,927.20	6,703,967,826.54
Accounts received in advance	-	-
Contract liabilities	310,277,865.26	303,194,940.70

Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Employee benefits payable	191,026,038.97	259,640,813.10
Taxes payable	215,540,339.83	253,379,524.34
Other payables	2,696,831,680.78	1,822,364,637.62
Including: Interest payable	19,775,863.45	23,632,632.90
Dividend payable	44,377,935.76	6,389,320.96
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	619,613,745.74	611,917,847.37
Other current liabilities	810,273.49	749,710.19
Total current liabilities	19,173,615,770.50	16,963,931,157.40
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities	1,261,824,990.27	1,208,453,029.51
Long-term payables	800,000.00	800,000.00
Long-term employee benefits payable	1,433,000.00	1,433,000.00
Accrual liability		
Deferred income	87,487,310.49	88,704,272.88
Deferred tax liabilities	180,619,768.58	118,704,213.68
Other non-current liabilities	391,784,710.75	73,256,514.93
Total non-current liabilities	1,923,949,780.09	1,491,351,031.00
Total liabilities	21,097,565,550.59	18,455,282,188.40

Owner's equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital surplus	4,372,907,637.11	4,470,766,959.44
Less: Inventory shares		
Other comprehensive income	45,909,846.02	45,917,342.77
Reasonable reserve		
Surplus reserves	214,063,491.50	214,063,491.50
Provision of general risk		
Retained earnings	8,001,632,303.78	7,752,831,647.90
Shareholders' equity attributable to shareholders of the parent	13,062,640,261.41	12,911,706,424.61
Non-controlling interests	2,722,434,868.62	2,663,531,604.81
Total shareholders' equity	15,785,075,130.03	15,575,238,029.42
Total liabilities and shareholders' equity	36,882,640,680.62	34,030,520,217.82

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

## 2. Balance Sheet of Parent Company

In RMB

Item	2020-3-31	2019-12-31
Current assets:		
Cash and bank balances	2,822,146,959.33	2,909,417,289.71
Trading financial assets		
Derivative financial assets		
Notes receivable	12,331,708.43	14,900,068.42
Accounts receivable	594,814,676.12	571,544,784.65
Receivable financing	3,377,820.85	30,194,682.11
Advances to suppliers	13,142,791.24	7,996,243.28

Other receivables	2,084,765,484.28	1,928,941,595.38
Including: Interest receivable		
Dividend receivable	834,914.61	834,914.61
Inventories	216,005,001.01	169,422,075.78
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	39,482.38	39,482.38
Total current assets	5,746,623,923.64	5,632,456,221.71
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	7,736,253,202.12	7,698,756,525.83
Investment in other equity instrument		
Other non-current financial assets	140,000,000.00	140,000,000.00
Investment properties	1,476,181.93	1,484,198.56
Fixed assets	13,843,610.76	14,763,656.62
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets	5,937,816.70	6,217,504.50
Intangible assets	5,489,250.88	5,838,737.17
Research and development costs		
Goodwill		
Long-term prepaid expenses	5,620,360.05	6,130,534.55
Deferred tax assets	9,301,194.10	9,327,850.53
Other non-current assets	24,058,875.73	9,000,000.00
Total non-current assets	7,941,980,492.27	7,891,519,007.76
Total assets	13,688,604,415.91	13,523,975,229.47
Current liabilities		
Short-term borrowings	165,998,444.54	121,350,644.36
Trading financial liability		



Derivative financial liability		
Notes payable	451,394,209.68	751,577,900.22
Accounts payable	353,628,404.84	322,436,681.01
Accounts received in advance		
Contract liabilities	11,429,537.40	7,293,184.46
Employee benefits payable	19,083,766.42	30,469,777.88
Taxe payable	11,257,362.50	22,909,124.90
Other payables	2,366,308,945.51	2,120,794,765.05
Including: Interest payable	509,597.78	861,110.53
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	32,651,734.15	32,640,325.77
Other current liabilities	314,047.05	338,196.81
Total current liabilities	3,412,066,452.09	3,409,810,600.46
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liabilities	5,203,186.76	5,461,257.38
Long-term payables	800,000.00	800,000.00
Long term employee compensation payable		
Accrued liabilities		
Deferred income	1,164,438.54	1,276,698.66
Deferred income tax liabilities		
Other non-current liabilities	90,748,869.74	
Total non-current liabilities	97,916,495.04	7,537,956.04
Total liabilities	3,509,982,947.13	3,417,348,556.50
Owners' equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		

Perpetual capital securities		
Capital public reserve	4,468,385,307.32	4,468,385,307.32
Less: Inventory shares		
Other comprehensive income	-133,366.19	-133,366.19
Special reserve		
Surplus reserves	214,063,491.50	214,063,491.50
Retained earnings	5,068,179,053.15	4,996,184,257.34
Total shareholders' equity	10,178,621,468.78	10,106,626,672.97
Total liabilities and shareholders' equity	13,688,604,415.91	13,523,975,229.47

### 3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating revenue	12,824,196,278.66	12,071,656,553.13
Including: operating revenue	12,824,196,278.66	12,071,656,553.13
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating costs	12,488,521,944.35	11,708,131,977.39
Including: Operating cost	11,370,970,742.96	10,734,553,498.15
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 surcharges	29,109,421.79	30,631,231.08
Selling expenses	844,624,826.78	742,825,433.15
Administrative expense	214,805,866.61	184,521,686.12
R&D expense		

Finance costs	29,011,086.21	15,600,128.89
Including: Interest cost	60,067,901.98	44,592,359.04
Interest income	29,094,889.11	29,675,288.29
Add: other incomes	13,133,111.50	1,089,732.58
Investment income (Loss is listed with “-”)	42,676,071.54	65,383,095.99
Including: Investment income from associates	60,020,272.13	81,891,387.17
Income from the derecognition of financial assets measured at amortised cost	-18,342,866.43	-16,508,291.18
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Credit impairment losses (Loss is listed with “-”)	-16,845,052.13	-4,399,838.33
Impairment losses (Loss is listed with “-”)	-1,598,436.71	-516,563.77
Gain on disposal of assets (Loss is listed with “-”)	-261,264.83	-14,209.30
III. Operating profit (Loss is listed with “-”)	372,778,763.68	425,066,792.91
Add: Non-operating income	1,811,729.05	1,840,452.50
Less: Non-operating expenses	1,710,329.13	374,748.81
IV. Total profit (Loss is listed with “-”)	372,880,163.60	426,532,496.60
Less: Income taxes	77,791,885.48	81,751,622.22
V. Net profit (Net loss is listed with “-”)	295,088,278.12	344,780,874.38
(i) Classify by business continuity		
1. Net profit from continuous operation (net loss listed with “-”)	295,088,278.12	344,780,874.38
2. Net profit from discontinued operation (net loss listed with “-”)		
(ii) Classify by ownership		
1. Owners of the parent	248,800,655.88	299,451,036.34

2. Non-controlling interests	46,287,622.24	45,329,838.04
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 of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		

Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	295,088,278.12	344,780,874.38
Total comprehensive income attributable to shareholders of the parent	248,800,655.88	299,451,036.34
Total comprehensive income attributable to non-controlling interests	46,287,622.24	45,329,838.04
VIII. Earnings per share:		
(i) Basic earnings per share	0.58	0.70
(ii) Diluted earnings per share	0.58	0.70

Enterprise combine under the same control in the Period, the combined party realized net profit of -2,057,252.42 Yuan before combination, and realized 1,711,604.94 Yuan at last period for combined party

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

#### 4. Profit Statement of Parent Company

In RMB

Item	Current period	Last period
I. Operating revenue	883,090,683.07	980,473,288.29
Less: Operating costs	850,760,365.77	941,804,760.61
Tax and surcharges	1,011,193.50	1,316,238.98
Selling expenses	16,302,891.84	14,925,549.11
Administrative expenses	22,374,408.72	14,279,164.82
R&D expenses		
Finance costs	-22,842,676.94	-14,512,152.70
Including: Interest cost	9,151,290.82	9,720,694.28
Interest income	32,061,791.21	24,381,516.96
Add: other incomes	293,056.51	193,207.80
Investment income (Loss is listed with "-")	60,592,685.27	87,255,527.95
Including: Investment income from associates	60,134,457.45	87,865,487.39

Income from the derecognition of financial assets measured at amortised cost	-540,438.02	-609,959.44
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Credit impairment losses (Loss is listed with “-”)	-973,888.89	
Impairment losses (Loss is listed with “-”)	217,422.14	-361,970.94
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	75,613,775.21	109,746,492.28
Add: Non-operating income	1,578.11	45,736.26
Less: Non-operating expenses		
III. Total Profit (Loss is listed with “-”)	75,615,353.32	109,792,228.54
Less: Income taxes	3,620,557.51	5,482,579.40
IV. Net profit (Net loss is listed with “-”)	71,994,795.81	104,309,649.14
(i) Net profit from continuous operation (net loss listed with “-”)	71,994,795.81	104,309,649.14
(ii) Net profit from discontinued operation (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		

4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	71,994,795.81	104,309,649.14
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Item	Current period	Last period
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	13,201,992,638.81	11,447,434,730.14
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		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Receipts of taxes and surcharges refunds	775,261.38	-
Other cash receipts relating to operating activities	433,415,062.71	137,466,777.68
Sub-total of cash inflows from operating activities	13,636,182,962.90	11,584,901,507.82
Cash paid for goods and services	12,827,089,312.11	11,082,205,912.68
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to and on behalf of employees	703,922,606.95	594,165,778.91
Cash paid for all types of taxes	368,976,475.15	328,266,367.46
Other cash payments relating to operating activities	424,468,417.32	368,641,736.27



Sub-total of cash outflows from operating activities	14,324,456,811.53	12,373,279,795.32
Net cash flows from operating activities	-688,273,848.63	-788,378,287.50
II. Cash flows from investing activities:		
Cash received from recovering investment		
Cash received from returns on investments		1,053,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	107,430.91	72,078.73
Net cash received from disposal of subsidiaries and other units		
Other cash receipts relating to investing activities	22,000,000.00	188,500,000.00
Sub-total of cash inflows from investing activities	22,107,430.91	189,625,078.73
Cash paid for acquisition of fixed assets intangible assets and other long-term assets	50,207,587.50	54,074,916.12
Cash payments for investments	11,341,032.15	20,122,074.00
Net increase of mortgaged loans		
Net cash paid for acquisition of subsidiaries and other business units	664,882,681.20	
Other cash payments relating to investing activities	41,364,521.11	157,902,761.38
Sub-total of cash outflows from investing activities	767,795,821.96	232,099,751.50
Net cash flows from investing activities	-745,688,391.05	-42,474,672.77
III. Cash flows from financing activities		
Cash proceeds from investments by others		4,392,000.00
Including: Cash proceeds from subsidiary investments by non-controlling shareholders		4,392,000.00
Cash received from borrowings	286,202,002.73	10,000,000.00
Other cash receipts relating to financing activities	337,054,182.02	198,881,105.78

Sub-total of cash inflows from financing activities	623,256,184.75	213,273,105.78
Cash repayments for debts	142,100,000.00	66,561,634.53
Cash payments for distribution of dividends or profit and interest expenses	64,675,017.27	84,732,347.73
Including: Profit and dividends paid to non-controlling shareholders of subsidiaries	1,558,470.71	
Other cash payments relating to financing activities	473,597,592.59	31,976,889.98
Sub-total of cash outflows from financing activities	680,372,609.86	183,270,872.24
Net cash flows from financing activities	-57,116,425.11	30,002,233.54
IV. effect of foreign exchange rate changes on cash and cash equivalents	365.20	605.19
V. Net increase of cash and cash equivalents	-1,491,078,299.59	-800,850,121.54
Add: Cash and cash equivalents at beginning of the year	8,426,071,170.16	7,644,975,994.75
VI. Cash and cash equivalents at end of year	6,934,992,870.57	6,844,125,873.21

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current period	Last period
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	1,062,518,589.11	979,117,418.50
Receipts of taxes and surcharges refunds		
Other cash receipts relating to operating activities	22,736,474.18	8,959,448.01
Sub-total of cash inflows from operating activities	1,085,255,063.29	988,076,866.51
Cash paid for goods and services	1,207,589,273.35	893,485,571.99
Cash paid to and on behalf of employees	39,968,369.74	31,401,584.94

Cash paid for all types of taxes	20,509,993.91	16,046,448.54
Other cash payments relating to operating activities	14,820,413.79	9,310,459.60
Sub-total of cash outflows from operating activities	1,282,888,050.79	950,244,065.07
Net cash flows from operating activities	-197,632,987.50	37,832,801.44
II. Cash flows from investing activities:		
Cash received from recovering investment	13,636,447.00	
Cash received from returns on investments		16,895,775.01
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash receipts relating to investing activities	602,709,245.48	442,400,000.00
Sub-total of cash inflows from investing activities	616,345,692.48	459,295,775.01
Cash paid for acquisition of fixed assets intangible assets and other long-term assets	670,760.44	1,462,422.93
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash payments relating to investing activities	792,214,521.11	629,400,000.00
Sub-total of cash outflows from investing activities	792,885,281.55	630,862,422.93
Net cash flows from investing activities	-176,539,589.07	-171,566,647.92
III. Cash flows from financing activities		
Cash received from absorbing investment		
Cash received from borrowings	24,694,789.52	10,000,000.00
Other cash receipts relating to financing activities	8,004,663,212.88	4,517,196,050.81

Sub-total of cash inflows from financing activities	8,029,358,002.40	4,527,196,050.81
Cash repayments for debts	12,100,000.00	10,000,000.00
Cash payments for distribution of dividends or profit and interest expenses	9,363,675.10	6,245,437.77
Other cash payments relating to financing activities	7,724,025,779.65	4,584,325,273.13
Sub-total of cash outflows from financing activities	7,745,489,454.75	4,600,570,710.90
Net cash flows from financing activities	283,868,547.65	-73,374,660.09
IV. effect of foreign exchange rate changes on cash and cash equivalents	365.20	605.19
V. Net increase of cash and cash equivalents	-90,303,663.72	-207,107,901.38
Add: Cash and cash equivalents at beginning of the year	2,894,333,956.38	1,817,654,598.01
VI. Cash and cash equivalents at end of year	2,804,030,292.66	1,610,546,696.63

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

### 2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

## III. Audit report

Whether the 1<sup>st</sup> quarterly report has been audited or not

Yes No

1Q report of the Company is unaudited.

China National Accord Medicines Corporation Ltd.

Legal representative: Lin Zhaoxiong

25 April 2020