

**China National Accord Medicines Corporation Ltd.**

**First Quarterly Report 2021**

**April 2021**

## **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, Gu Guolin, person in charger of accounting works and Wang Ying, person in charger of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

## Section II. Company profile

### I. Main accounting data and financial indexes

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

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	16,049,966,325.75	12,824,196,278.66	25.15%
Net profit attributable to shareholders of the listed Company (RMB)	328,800,560.24	248,800,655.88	32.15%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	321,593,612.98	241,724,850.95	33.04%
Net cash flows from operating activities (RMB)	-306,748,999.24	-688,273,848.63	55.43%
Basic earnings per share (RMB/Share)	0.77	0.58	32.76%
Diluted earnings per share (RMB/Share)	0.77	0.58	32.76%
Weighted average ROE	2.33%	1.92%	0.41 percentage point up
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	43,020,753,415.92	39,594,533,471.65	8.65%
Net assets attributable to shareholder of listed company (RMB)	14,277,162,387.04	13,948,322,652.33	2.36%

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)	216,388.08	The gains of disposal of the right-of-use assets from store lease surrender and the loss from fixed assets scrapping
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)	9,265,003.74	Various special subsidies and tax rebates received in the Period

Switch back of provision for depreciation of account receivable and contract assets that are individually tested for impairment	78,530.15	
Other non-operating income and expenditure except for the aforementioned items	5,180,996.84	The non-operating income arising from written off the money not required to be paid
Other gains/losses satisfy a definition of extraordinary gains/losses	609,647.62	
Less: Impact on income tax	3,348,453.94	
Impact on minority shareholders' equity (post-tax)	4,795,165.23	
Total	7,206,947.26	--

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	42,431	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned legal person	56.06%	239,999,991	5,505,770		
Hong Kong Securities Clearing Company Ltd	Foreign Corporation	3.55%	15,215,743			
FIRST SENTIER INVESTORS GLOBAL UMBRELLA	Foreign Corporation	2.68%	11,469,644			

FUND PLC - FSSA CHINA GROWTH FUND						
China National Pharmaceutical Foreign Trade Corp.	State-owned legal person	1.24%	5,323,043			
National Social Security Fund- portfolio 413	Domestic non state-owned Corporation	0.97%	4,161,032			
Central Huijin Investment Ltd.	State-owned legal person	0.89%	3,804,400			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign Corporation	0.78%	3,358,761			
CPIC Fund- China Pacific Life Insurance Co., Lt. - participating insurance -CPIC fund PICC Stock Relative Income (guaranteed bonus)single asset management plan	Domestic non state-owned Corporation	0.66%	2,822,801			
Fidelity Investment Management (Hong Kong) Limited - Client's fund	Foreign Corporation	0.54%	2,308,237			
China Construction Bank Co., Ltd. - China Europe Value Discovery Equity Fund	Domestic non state-owned Corporation	0.45%	1,921,921			
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 ordinary shares	234,494,221
Hong Kong Securities Clearing Company Ltd	15,215,743	RMB ordinary shares	15,215,743
FIRST SENTIER INVESTORS GLOBAL UMBRELLA FUND PLC - FSSA CHINA GROWTH FUND	11,469,644	Domestic listed foreign shares	11,469,644
China National Pharmaceutical Foreign Trade Corp.	5,323,043	RMB ordinary shares	5,323,043
National Social Security Fund-portfolio 413	4,161,032	RMB ordinary shares	4,161,032
Central Huijin Investment Ltd.	3,804,400	RMB ordinary shares	3,804,400
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	3,358,761	Domestic listed foreign shares	3,358,761
CPIC Fund- China Pacific Life Insurance Co., Lt. - participating insurance -CPIC fund PICC Stock Relative Income (guaranteed bonus)single asset management plan	2,822,801	RMB ordinary shares	2,822,801
Fidelity Investment Management (Hong Kong) Limited - Client's fund	2,308,237	RMB ordinary shares	2,308,237
China Construction Bank Co., Ltd. - China Europe Value Discovery Equity Fund	1,921,921	RMB ordinary shares	1,921,921
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.		

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Significant Events

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

Applicable Not applicable

1. Receivable financing: a decrease of 973.0057 million Yuan compared with the beginning of the period, with a growth rate of -69.25%, mainly because the bank acceptance bill discount in the Period increased;
2. Short-term borrowings: an increase of 2335.6654 million Yuan compared with the beginning of the period, with a growth rate of 144.88%, mainly because the supply chain financing increased in the Period;
3. Employee benefits payable: a decrease of 115.9978 million Yuan compared with the beginning of the period, with a growth rate of -32.47%, mainly because the salaries and bonus accrued in the previous year are paid in the Period;
4. Other payables: an increase of 499.6124 million Yuan compared with the beginning of the period, with a growth rate of 31.24%, mainly due to the equity consideration payable arising from acquisition of Yunnan Guoda Disheng Drugstore Chain Co., Ltd and Yunnan Guoda Disheng Pharmacy Co., Ltd by subsidiary of the company -Sinopharm Holding Guoda Drugstore Co., Ltd. (hereinafter referred to as Guoda Drugstore), and the factoring return of unrecoverable account receivable increased in the Period;
5. Finance costs: an increase of 21.6634 million Yuan on a year-on-year basis, with a growth rate of 74.67%, mainly because paying a large amount of equity acquisition consideration in 2020, resulting in a reduction in bank deposit, and the interest from bank deposit declined correspondingly, and the interest expenses on supply chain financing increased on a y-o-y basis;
6. Investment income: an increase of 48.6294 million Yuan on a year-on-year basis, with a growth rate of 113.95%, mainly because the investment income from associated enterprise increased from a year earlier;
7. Impairment losses: an increase of 1.8901 million Yuan on a year-on-year basis, with a growth rate of 118.24%, mainly because provision for falling price of inventories increased on a y-o-y basis;
8. Gain on disposal of assets: an increase of 0.5332 million Yuan on a year-on-year basis, with a growth rate of 204.07%, mainly due to the gains of disposal of the right-of-use assets from retail store lease surrender;
9. Non-operating income: an increase of 4.5591 million Yuan on a year-on-year basis, with a growth rate of 251.64%, mainly because written off the money not required to be paid in the Period;
10. Non-operating expenses: a decrease of 1.1396 million Yuan on a year-on-year basis, with a growth rate of -66.63%, mainly because the amercement outlay declined in the Period;
11. Net profit: an increase of 94.4755 million Yuan on a year-on-year basis, with a growth rate of 32.02%, mainly because operation in the Period has a growth performance, soaring operation income makes the gross profit increased and the investment income from associated enterprise increased from a year earlier;
12. Profit or loss from continuing operations: an increase of 94.4755 million Yuan on a year-on-year basis, with a growth rate of 32.02%, mainly because operation in the Period has a growth performance, soaring operation income makes the gross profit increased and the investment income from associated enterprise increased from a year earlier;
13. Net profit attributable to owners of the parent company: an increase of 79.9999 million Yuan on a year-on-year basis, with a growth rate of 32.15 %, mainly because operation in the Period has a growth performance, soaring operation income makes the gross profit increased and the investment income from associated enterprise increased from a year earlier;
14. Net profit attributable to non-controlling interests: an increase of 14.4755 million Yuan on a year-on-year basis, with a growth rate of 31.27%, mainly because the subsidiary Guoda Drugstore's net profit attributable to the owners of the parent company increased year-on-year, correspondingly the minority shareholder's gains/losses attributable to the group's strategic investor Walgreens Boots Alliance (Hong Kong) Investments Limited (hereinafter referred to as "WBA") increased ;

15. Other comprehensive income, net of tax: an increase of 84,503.76 Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly because other comprehensive income of associates changed during the current period;
16. Other comprehensive income attributable to shareholders of owners of the parent, net of tax: an increase of 84,503.76 Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly because other comprehensive income of associates changed during the current period;
17. Other comprehensive income that may be reclassified to profit or loss: an increase of 84,503.76 Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly due to the other comprehensive income available for transfer to profit/loss arising from associates in the Period;
18. Total comprehensive income: an increase of 94.56 million Yuan on a year-on-year basis, with a growth rate of 32.04%, mainly due to the relatively good operating growth in the current period, gross profit increased for the soaring operation income, and the investment income from associates increased on a y-o-y basis;
19. Total comprehensive income attributable to owners of the parent: an increase of 80.0844 million Yuan on a year-on-year basis, with a growth rate of 32.19%, mainly due to the relatively good operating growth in the current period, gross profit increased for the soaring operation income, and the investment income from associates increased on a y-o-y basis;
20. Total comprehensive income attributable to non-controlling interests: an increase of 14.4755 million Yuan on a year-on-year basis, with a growth rate of 31.27%, mainly because the net profit attributable to owners of parent company from subsidiary Guoda Drugstore has an increased from a year earlier, and correspondingly the minority shareholder's gains/losses attributable to the group's strategic investor WBA increased ;
21. Basic earnings per share: an increase of 0.19 Yuan/share on a year-on-year basis, with a growth rate of 32.76%, mainly due to the relatively good operating growth in the current period, gross profit increased for the soaring operation income, and the investment income from associates increased on a y-o-y basis, therefore, the net profit attributable to shareholders of listed company increased 32.15% from a year earlier, basic EPS growth correspondingly with 32.76% up;
22. Diluted earnings per share: an increase of 0.19 Yuan/share on a year-on-year basis, with a growth rate of 32.76%, mainly due to the relatively good operating growth in the current period, gross profit increased for the soaring operation income, and the investment income from associates increased on a y-o-y basis, therefore, the net profit attributable to shareholders of listed company increased 32.15% from a year earlier, diluted EPS growth correspondingly with 32.76% up;
23. Receipts of taxes and surcharges refunds: an increase of 4.8427 million Yuan on a year-on-year basis, with a growth rate of 624.66%, mainly due to the receipt of overpaid corporate income tax rebates in previous years;
24. Other cash receipts relating to operating activities: a decrease of 223.6696 million Yuan on a year-on-year basis, with a growth rate of -51.61%, mainly due to the year-on-year decrease in special reserve funds received in this period;
25. Net cash flows from operating activities: an increase of 381.5248 million Yuan on a year-on-year basis, with a growth rate of 55.43%, mainly due to the increase in operating income, the cash received from the sale of goods and the provision of labor services increased accordingly;
26. Cash receipts from returns of investments: an increase of 2.9974 million Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly because the company received the withdrawal funds from the Sinopharm Zhongjin Medical Industry Fund investment project in the period, and there was no such matter in the same period last year;
27. Cash received from returns on investments: an increase of 3.5996 million Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly because the company received dividends from Sinopharm Zhongjin Medical Industry Fund project investment in the period, and there was no such matter in the same period last year;
28. Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets: an increase of 0.2197 million Yuan on a year-on-year basis, with a growth rate of 204.49%, mainly due to the cash received from the disposal of fixed assets increased in the period;
29. Other cash receipts relating to investing activities: a decrease of 22 million Yuan on a year-on-year basis, with a growth rate of -100.00%, mainly because at same period last year, the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd was combined under the same control by the subsidiary of the company-Guoda Drugstore, and recovery of the balance originally collected in the

cash pool of its original parent company, while there was no such matter in the current period;

30. Total cash inflows from investing activities: a decrease of 15.1833 million Yuan on a year-on-year basis, with a growth rate of -68.68%, mainly because at same period last year, the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd was combined under the same control by the subsidiary of the company-Guoda Drugstore, and recovery of the balance originally collected in the cash pool of its original parent company, while there was no such matter in the current period;

31. Cash payments for investments: an increase of 15.7387 million Yuan on a year-on-year basis, with a growth rate of 138.78%, mainly due to the year-on-year increase in the payment of store redemption fees by Guoda Drugstore, a subsidiary of the company;

32. Net cash payments for acquisition of subsidiaries and other business units: a decrease of 591.7232 million Yuan on a year-on-year basis, with a growth rate of -89.00%, mainly because payment for the acquisition of the subsidiary from Guoda Drugstore in the current period has decreased compared with the same period last year;

33. Other cash payments relating to investing activities: a decrease of 41.3645 million Yuan on a year-on-year basis, with a growth rate of -100.00%, mainly because the payment of equity acquisition for previous year has been paid at same period last year, while there was no such matter in this period;

34. Total cash outflows from investing activities: a decrease of 605.5959 million Yuan on a year-on-year basis, with a growth rate of -78.87%, mainly because payment for the acquisition of the subsidiary from Guoda Drugstore in the current period has decreased compared with the same period last year;

35. Net cash flow from investment activities: an increase of 590.4126 million Yuan on a year-on-year basis, with a growth rate of 79.18%, mainly because payment for the acquisition of the subsidiary from Guoda Drugstore in the current period has decreased compared with the same period last year;

36. Cash proceeds from investments by others: an increase of 5.88 million Yuan on a year-on-year basis, with a growth rate of 100.00%, mainly due to the receipt of investment funds from minority shareholders in this period, while there was no such matter in the same period last year;

37. Cash received from borrowing: an increase of 281.1937 million Yuan on a year-on-year basis, with a growth rate of 98.25%, mainly because the bank loans received during the current period increased;

38. Total cash inflows from financing activities: an increase of 247.4363 million Yuan on a year-on-year basis, with a growth rate of 39.70%, mainly because the bank loans received during the current period increased;

39. Other cash payments relating to financing activities: a decrease of 227.8233 million Yuan on a year-on-year basis, with a growth rate of -48.10%, mainly due to the investment amount paid for merger the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control by the subsidiary of the company-Guoda Drugstore at same period last year, while there was no such matter in the current period;

40. Net cash flows from financing activities: an increase of 445.6404 million Yuan on a year-on-year basis, with a growth rate of 780.23%, mainly because bank loans received in the Period increased and at same period last year, the investment amount are paid for combined the Pudong New Area of Shanghai Pharmaceutical Medicine Ltd under the same control by Guoda Drugstore, there was no such matter in the current period;

41. Effect of exchange rate changes on cash and cash equivalents: a decrease of 2,805.98 Yuan on a year-on-year basis, with a growth rate of -768.34%, mainly due to the impact of exchange rate changes;

42. Net increase in cash and cash equivalents: an increase of 1,417.5751 million Yuan on a year-on-year basis, with a growth rate of 95.07%, mainly due to the increase in operating income, the cash received from the sale of goods and the provision of labor services increased accordingly; and the payment for subsidiary acquisition from subsidiary Guoda Drugstore declined from a year earlier.

43. Cash and cash equivalents at beginning of the year: a decrease of 3,020.9579 million Yuan on a year-on-year basis, with a growth rate of -35.85%, mainly because the company paid a large amount of equity purchase consideration in 2020, resulting in a decrease in the balance of cash and cash equivalents at the beginning of the 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.

## **IV. Financial asset investment**

### **1. Securities investment**

Applicable    Not applicable

No security investment in the Period.

### **2. Derivative investment**

Applicable    Not applicable

No derivative investment in the Period.

## **V. Progress of investment projects with raised funds**

Applicable    Not applicable

## **VI. Prediction of business performance from January – June 2021**

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

## **VII. Major contracts for daily operations**

Applicable    Not applicable

## **VIII. Trust financing**

Applicable    Not applicable

No trust financing in the Period.

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

Applicable Not applicable

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

### **X. 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.

### **XI. 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.

## Section IV. Financial Statement

### I. Financial Statement

#### 1. Consolidate Balance Sheet

Prepared by China National Accord Medicines Corporation Ltd.

March 31, 2021

In RMB

Item	March 31, 2021	December 31, 2020
Current assets:		
Cash and bank balances	5,840,135,730.11	5,998,204,295.87
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Notes receivable	607,883,873.14	622,115,477.04
Accounts receivable	16,780,830,492.03	13,799,971,014.22
Receivable financing	431,981,996.92	1,404,987,700.38
Advances to suppliers	590,101,876.56	480,313,574.71
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	628,399,715.32	535,228,747.69
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	7,219,060,669.89	6,285,010,674.46
Contract assets	15,417,457.50	15,177,731.64
Assets held for sale		
Non-current asset due within one year		
Other current assets	123,484,117.46	121,082,863.45

Total current assets	32,237,295,928.93	29,262,092,079.46
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	2,379,500,628.90	2,287,019,627.99
Other equity instrument investment	99,488,340.28	99,488,340.28
Other non-current financial assets	117,974,908.51	120,972,350.24
Investment properties	125,907,819.38	127,444,379.94
Fixed assets	843,319,270.30	854,191,083.27
Construction in progress	49,119,148.89	46,631,190.23
Productive biological asset		
Oil and gas asset		
Right-of-use assets	2,410,848,611.31	2,356,952,392.99
Intangible assets	722,392,930.27	734,345,179.40
Expense on Research and Development		
Goodwill	2,975,269,022.11	2,747,375,281.11
Long-term prepaid expenses	489,002,945.70	457,705,276.09
Deferred tax assets	97,737,555.41	92,118,767.81
Other non-current asset	472,896,305.93	408,197,522.84
Total non-current asset	10,783,457,486.99	10,332,441,392.19
Total assets	43,020,753,415.92	39,594,533,471.65
Current liabilities:		
Short-term borrowings	3,947,852,429.69	1,612,187,020.12
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Notes payable	6,411,005,653.20	7,520,165,274.69
Accounts payable	9,161,357,988.53	7,697,451,142.50
Receipts in advance	10,089,304.61	12,352,466.64
Contract liabilities	382,788,595.61	368,600,357.14

Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Employee benefits payable	241,214,266.47	357,212,047.10
Tax payable	262,688,620.52	316,867,149.16
Other payables	2,098,779,260.44	1,599,166,881.14
Including: Interest payable	25,916,885.64	35,572,620.82
Dividend payable	6,389,320.96	6,389,320.96
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	767,942,185.69	748,732,059.89
Other current liabilities	27,334,439.97	24,787,078.55
Total current liabilities	23,311,052,744.73	20,257,521,476.93
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	31,637,173.89	31,637,173.89
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities	1,304,731,241.22	1,303,054,163.90
Long-term payables	6,938,189.00	6,938,189.00
Long-term employee benefits payable	1,319,000.00	1,319,000.00
Provisions	68,808,166.79	68,808,166.79
Deferred income	94,199,523.33	89,843,583.37
Deferred tax liabilities	201,334,176.46	205,921,408.66
Other non-current liabilities	675,330,586.26	740,862,989.59
Total non-current liabilities	2,384,298,056.95	2,448,384,675.20
Total liabilities	25,695,350,801.68	22,705,906,152.13

Owner's equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital surplus	4,372,458,724.43	4,372,504,053.72
Less: Inventory shares		
Other comprehensive income	38,567,521.48	38,483,017.72
Reasonable reserve		
Surplus reserve	214,063,491.50	214,063,491.50
Provision of general risk		
Retained earnings	9,223,945,666.63	8,895,145,106.39
Total equity attributable to owners of the parent	14,277,162,387.04	13,948,322,652.33
Non-controlling interests	3,048,240,227.20	2,940,304,667.19
Total equity	17,325,402,614.24	16,888,627,319.52
Total liabilities and equity	43,020,753,415.92	39,594,533,471.65

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Gu Guolin

Person in charge of accounting institute: Wang Ying

## 2. Balance Sheet of Parent Company

In RMB

Item	March 31, 2021	December 31, 2020
Current assets:		
Cash and bank balances	2,918,160,838.33	3,020,909,473.71
Trading financial assets		
Derivative financial assets		
Notes receivable	27,981,836.47	30,984,449.44
Accounts receivable	682,802,750.34	609,575,301.13
Receivables financing	18,049,841.43	30,248,631.32
Advances to suppliers	3,878,976.70	6,722,204.59

Other receivables	3,762,424,972.63	3,562,309,346.07
Including: Interest receivable		
Dividend receivable		
Inventories	217,381,506.64	172,275,777.63
Contract assets	127,994.54	139,154.54
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	39,482.38	39,482.38
Total current assets	7,630,848,199.46	7,433,203,820.81
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	7,965,880,218.99	7,873,668,245.16
Investment in other equity instrument		
Other non-current financial assets	117,974,908.51	120,972,350.24
Investment properties	1,444,115.41	1,452,132.04
Fixed assets	12,387,613.23	13,279,902.76
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets	4,863,467.72	5,142,755.88
Intangible assets	4,687,410.11	4,622,268.00
Research and development costs		
Goodwill		
Long-term deferred expenses	4,102,834.80	4,335,802.92
Deferred tax assets	9,218,485.21	9,025,057.52
Other non-current assets	12,304,025.21	12,967,715.50
Total non-current assets	8,132,863,079.19	8,045,466,230.02
Total assets	15,763,711,278.65	15,478,670,050.83
Current liabilities		
Short-term borrowings	739,174,743.69	157,892,942.24
Trading financial liability		

Derivative financial liability		
Notes payable	295,146,453.96	756,364,719.49
Accounts payable	417,332,303.36	407,275,713.49
Accounts received in advance		
Contract liabilities	8,613,252.72	1,807,562.61
Employee benefits payable	25,041,540.04	36,672,344.48
Tax payables	17,831,732.43	13,975,905.04
Other payables	3,204,307,483.05	3,167,152,583.28
Including: Interest payable	217,961.01	170,214.19
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	1,067,368.38	1,056,120.58
Other current liabilities	1,484,550.54	636,200.63
Total current liabilities	4,709,999,428.17	4,542,834,091.84
Non-current liabilities:		
Long-term borrowings	31,637,173.89	31,637,173.89
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liabilities	4,184,170.00	4,455,967.97
Long-term payables	800,000.00	800,000.00
Long term employee compensation payable		
Accrued liabilities		
Deferred income	715,398.06	827,658.18
Deferred income tax liabilities		
Other non-current liabilities	10,538.58	11,042.52
Total non-current liabilities	37,347,280.53	37,731,842.56
Total liabilities	4,747,346,708.70	4,580,565,934.40
Owners' equity:		
Share capital	428,126,983.00	428,126,983.00
Other equity instrument		
Including: preferred stock		

Perpetual capital securities		
Capital surplus	4,467,946,102.30	4,467,991,431.59
Less: Inventory shares		
Other comprehensive income	-43,529.56	-128,033.32
Special reserve		
Surplus reserve	214,063,491.50	214,063,491.50
Retained earnings	5,906,271,522.71	5,788,050,243.66
Total shareholders' equity	11,016,364,569.95	10,898,104,116.43
Total liabilities and shareholders' equity	15,763,711,278.65	15,478,670,050.83

### 3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating income	16,049,966,325.75	12,824,196,278.66
Including: Operating revenue	16,049,966,325.75	12,824,196,278.66
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	15,663,170,079.60	12,488,521,944.35
Including: Operating cost	14,260,591,404.46	11,370,970,742.96
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	33,744,327.20	29,109,421.79
Selling expenses	1,080,543,941.75	844,624,826.78

Administrative expense	237,615,927.36	214,805,866.61
R&D expense		
Finance costs	50,674,478.83	29,011,086.21
Including: Interest expense	68,683,688.49	60,067,901.98
Interest income	18,058,735.03	29,094,889.11
Add: other income	13,655,624.72	13,133,111.50
Investment income (Loss is listed with “-”)	91,305,476.74	42,676,071.54
Including: Investment income from associates	92,441,826.44	60,020,272.13
Income from the derecognition of financial assets measured at amortised cost (Loss is listed with “-”)	-4,735,905.31	-18,342,866.43
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 “-”)	-17,197,080.80	-16,845,052.13
Impairment losses (Loss is listed with “-”)	-3,488,500.85	-1,598,436.71
Gain on disposal of assets (Loss is listed with “-”)	271,889.26	-261,264.83
III. Operating profit (Loss is listed with “-”)	471,343,655.22	372,778,763.68
Add: Non-operating income	6,370,834.89	1,811,729.05
Less: Non-operating expense	570,737.09	1,710,329.13
IV. Total profit	477,143,753.02	372,880,163.60
Less: Income tax expense	87,580,022.00	77,791,885.48
V. Net profit (Net loss is listed with “-”)	389,563,731.02	295,088,278.12
(i) Classify by business continuity		
1. Profit or loss from continuing operations	389,563,731.02	295,088,278.12

2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owners of the parent	328,800,560.24	248,800,655.88
2. Non-controlling interests	60,763,170.78	46,287,622.24
VI. Other comprehensive income, net of tax	84,503.76	
Other comprehensive income attributable to shareholders of owners of the parent, net of tax	84,503.76	
(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 that may be reclassified to profit or loss	84,503.76	
1. Other comprehensive income using the equity method that may be reclassified to profit or loss	84,503.76	
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	389,648,234.78	295,088,278.12
Total comprehensive income attributable to owners of the parent	328,885,064.00	248,800,655.88
Total comprehensive income attributable to non-controlling interests	60,763,170.78	46,287,622.24
VIII. Earnings per share:		
(i) Basic earnings per share	0.77	0.58
(ii) Diluted earnings per share	0.77	0.58

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Gu Guolin

Person in charge of accounting institute: Wang Ying

#### 4. Profit Statement of Parent Company

In RMB

Item	Current period	Last period
I. Operating revenue	1,031,796,119.30	883,090,683.07
Less: Operating costs	991,971,454.23	850,760,365.77
Taxes and surcharge	1,161,587.51	1,011,193.50
Selling expenses	16,856,699.35	16,302,891.84
Administrative expenses	20,817,040.62	22,374,408.72
R&D expenses		
Finance costs	-29,303,964.67	-22,842,676.94
Including: interest expense	10,689,978.60	9,151,290.82
Interest income	40,183,409.94	32,061,791.21
Add: other income	401,103.90	293,056.51
Investment income (Loss is listed with "-")	95,583,979.88	60,592,685.27

Including: Investment income on affiliated Company and joint venture	92,172,799.36	60,134,457.45
Income from the derecognition of financial assets measured at amortised cost (Loss is listed with “-”)	-188,375.09	-540,438.02
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 “-”)	-561,173.91	217,422.14
Gain on disposal of assets (Loss is listed with “-”)	22,815.68	
II. Operating profit (Loss is listed with “-”)	125,740,027.81	75,613,775.21
Add: Non-operating income	1,645.98	1,578.11
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	125,741,673.79	75,615,353.32
Less: Income tax expense	7,520,394.74	3,620,557.51
IV. Net profit (Net loss is listed with “-”)	118,221,279.05	71,994,795.81
(i) Profit or loss from continuing operations (net loss listed with “-”)	118,221,279.05	71,994,795.81
(ii) termination of net profit (net loss listed with “-”)		
V. Other comprehensive income, net of tax	84,503.76	
(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 that may be reclassified to profit or loss	84,503.76	
1. Other comprehensive income using the equity method that may be reclassified to profit or loss	84,503.76	
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	118,305,782.81	71,994,795.81
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 sales of good or rendering of services	15,194,724,502.12	13,201,992,638.81
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	5,617,976.11	775,261.38
Other cash receipts relating to operating activities	209,745,502.46	433,415,062.71
Total cash inflows from operating activities	15,410,087,980.69	13,636,182,962.90
Cash payments for goods and services	14,094,028,880.65	12,827,089,312.11
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 payments to and on behalf of employees	894,497,321.19	703,922,606.95
Payments of all types of taxes and	354,054,737.85	368,976,475.15

surcharges		
Other cash payments relating to operating activities	374,256,040.24	424,468,417.32
Total cash outflows from operating activities	15,716,836,979.93	14,324,456,811.53
Net cash flows from operating activities	-306,748,999.24	-688,273,848.63
II. Cash flows from investing activities:		
Cash receipts from returns of investments	2,997,441.73	
Cash received from returns on investments	3,599,555.61	
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	327,119.50	107,430.91
Net cash received from disposal of subsidiaries and other units		
Other cash receipts relating to investing activities		22,000,000.00
Total cash inflows from investing activities	6,924,116.84	22,107,430.91
Cash payments to acquire fixed assets, intangible assets and other long-term assets	61,960,648.98	50,207,587.50
Cash payments for investments	27,079,733.00	11,341,032.15
Net increase of mortgaged loans		
Net cash payments for acquisition of subsidiaries and other business units	73,159,498.29	664,882,681.20
Other cash payments relating to investing activities		41,364,521.11
Total cash outflows from investing activities	162,199,880.27	767,795,821.96
Net cash flows from investing activities	-155,275,763.43	-745,688,391.05
III. Cash flows from financing activities		
Cash proceeds from investments by others	5,880,000.00	
Incl: Cash receipts from capital contributions from non-controlling interests of subsidiaries	5,880,000.00	

Cash receipts from borrowings	567,395,696.23	286,202,002.73
Other cash receipts relating to financing activities	297,416,755.19	337,054,182.02
Total cash inflows from financing activities	870,692,451.42	623,256,184.75
Cash repayments for debts	177,254,802.73	142,100,000.00
Cash payments for distribution of dividends or profit and interest expenses	59,139,307.66	64,675,017.27
Incl: Dividends or profit paid to non-controlling shareholders of subsidiaries	555,825.80	1,558,470.71
Other cash payments relating to financing activities	245,774,326.14	473,597,592.59
Total cash outflows from financing activities	482,168,436.53	680,372,609.86
Net cash flows from financing activities	388,524,014.89	-57,116,425.11
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-2,440.78	365.20
V. Net increase of cash and cash equivalents	-73,503,188.56	-1,491,078,299.59
Add: Cash and cash equivalents at beginning of the year	5,405,113,257.99	8,426,071,170.16
VI. Cash and cash equivalents at end of year	5,331,610,069.43	6,934,992,870.57

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current period	Last period
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	1,022,932,449.00	1,062,518,589.11
Write-back of tax received		
Other cash receipts relating to operating activities	14,576,152.93	22,736,474.18
Total cash inflows from operating activities	1,037,508,601.93	1,085,255,063.29

Cash payments for goods and services	1,132,644,884.96	1,207,589,273.35
Cash payments to and on behalf of employees	41,055,249.91	39,968,369.74
Payments of all types of taxes and surcharges	12,594,584.85	20,509,993.91
Other cash payments relating to operating activities	5,207,747.54	14,820,413.79
Total cash outflows from operating activities	1,191,502,467.26	1,282,888,050.79
Net cash flows from operating activities	-153,993,865.33	-197,632,987.50
II. Cash flows from investing activities:		
Cash receipts from returns of investments	2,997,441.73	13,636,447.00
Cash receipts from returns on investments	3,599,555.61	
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	233,663.00	
Net cash received from disposal of subsidiaries and other units		
Other cash receipts relating to investing activities	721,955,173.97	602,709,245.48
Total cash inflows from investing activities	728,785,834.31	616,345,692.48
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	710,954.22	670,760.44
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash payments relating to investing activities	895,600,000.00	792,214,521.11
Total cash outflows from investing activities	896,310,954.22	792,885,281.55
Net cash flows from investing activities	-167,525,119.91	-176,539,589.07
III. Cash flows from financing activities		
Cash received from absorbing		

investment		
Cash receipts from borrowings	210,000,000.00	24,694,789.52
Other cash receipts relating to financing activities	8,801,174,486.16	8,004,663,212.88
Total cash inflows from financing activities	9,011,174,486.16	8,029,358,002.40
Cash repayments for debts	22,594,789.52	12,100,000.00
Cash payments for distribution of dividends, profit or interest expenses	10,931,189.66	9,363,675.10
Other cash payments relating to financing activities	8,758,875,716.34	7,724,025,779.65
Total cash outflows from financing activities	8,792,401,695.52	7,745,489,454.75
Net cash flows from financing activities	218,772,790.64	283,868,547.65
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-2,440.78	365.20
V. Net increase of cash and cash equivalents	-102,748,635.38	-90,303,663.72
Add: Cash and cash equivalents at beginning of the year	3,020,909,473.71	2,894,333,956.38
VI. Cash and cash equivalents at end of year	2,918,160,838.33	2,804,030,292.66

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new leasing rules from 2021

Applicable Not applicable

### 2. Retrospective adjustment of the comparative data for initial new leasing rules from 2021

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

24 April 2021