

Section X Financial Reporting

Report of the Auditors

Consolidated financial statements for the six months ended 30 June 2022 haven't been audited.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET

As at 30 June 2022

(Expressed in Renminbi Yuan)

ASSETS	Note V	30 June 2022	31 December 2021
Current assets			
Cash and bank balances	1	5,573,558,436.74	5,126,159,080.94
Notes receivable	2	634,263,913.50	680,196,380.57
Accounts receivable	3	19,066,131,973.48	15,964,603,345.91
Receivable financing	4	632,101,362.15	1,027,226,940.21
Advances to suppliers	5	384,131,138.51	520,930,545.31
Other receivables	6	624,860,452.74	718,089,129.10
Inventories	7	7,905,185,600.35	7,621,541,595.08
Contract Assets	8	28,169,112.57	29,061,159.52
Other current assets	9	119,092,606.71	160,607,355.66
Total current assets		<u>34,967,494,596.75</u>	<u>31,848,415,532.30</u>
Non-current assets			
Long-term equity investments	10	2,471,624,418.24	2,459,832,546.74
Other equity instrument investment	11	62,488,312.99	62,488,312.99
Other non-current financial assets	12	135,974,908.51	135,974,908.51
Investment properties	13	111,752,949.23	113,981,497.23
Fixed assets	14	835,798,833.09	868,626,258.43
Construction in progress	15	34,400,409.22	49,849,506.70
Right-of-use assets	16	2,628,310,313.99	2,575,240,340.00
Intangible assets	17	681,603,209.30	669,926,562.82
Goodwill	18	2,775,645,585.32	2,775,645,585.32
Long-term prepaid expenses	19	603,905,628.79	633,975,441.76
Deferred tax assets	20	184,991,505.33	129,740,169.77
Other non-current assets	21	474,990,153.81	459,985,769.24
Total non-current assets		<u>11,001,486,227.82</u>	<u>10,935,266,899.51</u>
Total assets		<u><u>45,968,980,824.57</u></u>	<u><u>42,783,682,431.81</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2022

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND EQUITY</u>	Note V	30 June 2022	31 December 2021
Current liabilities			
Short-term borrowings	22	3,099,020,701.18	1,930,467,146.38
Notes payable	23	6,390,557,494.64	7,660,216,823.68
Accounts payable	24	11,329,463,911.07	9,057,718,968.14
Receipts in advance	25	18,140,667.15	19,289,567.44
Contract liabilities	26	446,665,021.01	431,303,231.37
Employee benefits payable	27	240,990,407.92	340,197,125.33
Tax payable	28	361,610,782.83	337,164,080.19
Other payables	29	2,248,815,946.18	1,714,746,986.46
Non-current liabilities due within one year	30	858,086,989.55	848,328,648.14
Other current liabilities	31	35,657,330.08	39,585,469.65
Total current liabilities		25,029,009,251.61	22,379,018,046.78
Non-current liabilities			
Long-term borrowings	32	62,633,794.44	71,637,173.89
Lease liabilities	33	1,391,474,612.88	1,375,427,877.28
Long-term payables	34	6,938,189.00	6,938,189.00
Long-term employee benefits payable	35	1,156,000.00	1,202,000.00
Deferred income	36	83,551,934.15	86,917,051.78
Deferred tax liabilities	20	168,518,914.25	175,948,328.93
Other non-current liabilities	37	695,542,286.70	664,381,065.65
Total non-current liabilities		2,409,815,731.42	2,382,451,686.53
Total liabilities		27,438,824,983.03	24,761,469,733.31

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2022

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND EQUITY</u>	Note V	30 June 2022	31 December 2021
Equity			
Share capital	38	428,126,983.00	428,126,983.00
Capital surplus	39	4,371,823,310.21	4,371,802,107.43
Other comprehensive income	40	21,870,425.19	21,874,198.36
Surplus reserve	41	214,063,491.50	214,063,491.50
Retained earnings	42	<u>10,306,410,995.34</u>	<u>9,889,071,272.21</u>
Total equity attributable to owners of the parent		15,342,295,205.24	14,924,938,052.50
Non-controlling interests		<u>3,187,860,636.30</u>	<u>3,097,274,646.00</u>
Total equity		<u>18,530,155,841.54</u>	<u>18,022,212,698.50</u>
Total liabilities and equity		<u><u>45,968,980,824.57</u></u>	<u><u>42,783,682,431.81</u></u>

The accompanying notes form an integral part of these financial statements

The financial statements have been signed by:

Legal representative:

Financial controller:

Head of Accounting Department:

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating revenue	43	36,128,910,049.98	33,163,091,887.39
Less: Operating costs	43	31,939,019,815.60	29,216,837,201.07
Taxes and surcharges	44	95,897,105.33	75,989,854.58
Selling expenses	45	2,486,484,440.79	2,307,485,529.77
Administrative expenses	46	509,456,947.82	492,536,936.71
Finance costs	47	111,202,147.99	107,243,003.15
Inclining: Interest expense		142,860,549.18	147,057,897.99
Interest income		34,626,066.94	38,758,729.78
Add: Other incomes	48	44,158,835.01	47,249,616.26
Investment income	49	48,938,159.28	156,587,066.32
Inclining: Investment income from associates		98,868,662.09	157,696,397.81
Income from the derecognition of financial assets measured at amortised cost		(49,930,502.81)	(7,039,046.60)
Credit impairment losses	50	(44,249,830.99)	(28,664,985.44)
Impairment losses	51	(6,498,659.33)	(416,915.26)
Gain on disposal of assets	52	3,192,821.77	(588,799.55)
Operating profits		1,032,390,918.19	1,137,165,344.44
Add: Non-operating income	53	4,356,528.39	12,493,320.44
Less: Non-operating expenses	54	2,191,998.74	3,237,951.35
Total profit		1,034,555,447.84	1,146,420,713.53
Less: Income tax expenses	55	239,786,355.07	238,426,259.04
Net profit		<u>794,769,092.77</u>	<u>907,994,454.49</u>
Net Profit from continuing operations		<u>794,769,092.77</u>	<u>907,994,454.49</u>
Net profit attributable to owners of the parent		<u>674,215,912.93</u>	<u>741,445,013.25</u>
Profit or loss of non-controlling interests		<u>120,553,179.84</u>	<u>166,549,441.24</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Other comprehensive income, net of tax		(3,773.17)	64,854.90
Other comprehensive income, net of tax, attributable to owners of the parent		(3,773.17)	64,854.90
Other comprehensive income that will be reclassified to profit or loss		(3,773.17)	64,854.90
Other comprehensive income using the equity method that will be reclassified to profit or loss		(3,773.17)	64,854.90
Total comprehensive income		<u>794,765,319.60</u>	<u>908,059,309.39</u>
Incl: Total comprehensive income attributable to owners of the parent		<u>674,212,139.76</u>	<u>741,509,868.15</u>
Total comprehensive income attributable to non-controlling interests		<u>120,553,179.84</u>	<u>166,549,441.24</u>
Earnings per share			
Basic earnings per share		<u>1.57</u>	<u>1.73</u>
Diluted earnings per share		<u>1.57</u>	<u>1.73</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2022	Attributable to owners of the parent					Subtotal	Non-controlling interests	Total equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserves	Retained earnings			
I. Balance at end of prior year	428,126,983.00	4,371,802,107.43	21,874,198.36	214,063,491.50	9,889,071,272.21	14,924,938,052.50	3,097,274,646.00	18,022,212,698.50
II. Balance at beginning of year	<u>428,126,983.00</u>	<u>4,371,802,107.43</u>	<u>21,874,198.36</u>	<u>214,063,491.50</u>	<u>9,889,071,272.21</u>	<u>14,924,938,052.50</u>	<u>3,097,274,646.00</u>	<u>18,022,212,698.50</u>
III. Changes for the year	-	21,202.78	(3,773.17)	-	417,339,723.13	417,357,152.74	90,585,990.30	507,943,143.04
(1) Total comprehensive income	-	-	(3,773.17)	-	674,215,912.93	674,212,139.76	120,553,179.84	794,765,319.60
(2) Owners' contributions and reduction in capital	-	21,202.78	-	-	-	21,202.78	2,700,000.00	2,721,202.78
1. Capital contributions by owners	-	-	-	-	-	-	2,700,000.00	2,700,000.00
2. Others	-	21,202.78	-	-	-	21,202.78	-	21,202.78
(3) Profit distribution	-	-	-	-	(256,876,189.80)	(256,876,189.80)	(32,667,189.54)	(289,543,379.34)
1. Distribution to equity owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(256,876,189.80)</u>	<u>(256,876,189.80)</u>	<u>(32,667,189.54)</u>	<u>(289,543,379.34)</u>
IV. Balance at end of year	<u>428,126,983.00</u>	<u>4,371,823,310.21</u>	<u>21,870,425.19</u>	<u>214,063,491.50</u>	<u>10,306,410,995.34</u>	<u>15,342,295,205.24</u>	<u>3,187,860,636.30</u>	<u>18,530,155,841.54</u>

The accompanying notes form an integral part of these financial statements

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

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

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

The accompanying notes form an integral part of these financial statements

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

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2022	For the six months ended 30 June 2021
1.CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales of good and the rendering of services		36,667,060,800.89	32,800,434,055.12
Receipts of taxes and surcharges refunds		7,086,718.77	9,380,253.27
Other cash receipts relating to operating activities	56	<u>293,598,578.92</u>	<u>368,590,875.46</u>
Total cash inflows from operating activities		<u>36,967,746,098.58</u>	<u>33,178,405,183.85</u>
Cash payments for goods and services		32,450,267,035.88	28,541,885,459.35
Cash payments to and on behalf of employees		1,814,169,897.07	1,708,255,657.44
Payments of all types of taxes and surcharges		950,560,063.59	766,110,586.13
Other cash payments relating to operating activities	56	<u>711,085,042.87</u>	<u>932,780,197.36</u>
Total cash outflows from operating activities		<u>35,926,082,039.41</u>	<u>31,949,031,900.28</u>
Net cash flows from operating activities	57	<u>1,041,664,059.17</u>	<u>1,229,373,283.57</u>
2.CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from returns of investments		-	2,997,441.73
Cash receipts from returns on investments		70,380,000.00	22,643,935.31
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		427,817.93	537,887.38
Other cash receipts relating to investing activities	56	<u>-</u>	<u>54,984.60</u>
Total cash inflows from investing activities		<u>70,807,817.93</u>	<u>26,234,249.02</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2022	For the six months ended 30 June 2021
2.CASH FLOWS FROM INVESTING ACTIVITIES (Continued)			
Cash payments to acquire fixed assets, intangible assets and other long-term assets		145,135,483.28	145,820,319.98
Cash payments for investments		41,189,363.04	70,724,113.00
Net cash payments for acquisition of subsidiaries and other business units		<u>-</u>	<u>100,950,637.41</u>
 Total cash outflows from investing activities		 <u>186,324,846.32</u>	 <u>317,495,070.39</u>
 Net cash flows from investing activities		 <u>(115,517,028.39)</u>	 <u>(291,260,821.37)</u>
3.CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from investments by others		2,700,000.00	15,680,000.00
Incl: Cash receipts from capital contributions from non-controlling interests of subsidiaries		2,700,000.00	15,680,000.00
Cash receipts from borrowings		1,241,724,044.08	915,684,894.52
Other cash receipts relating to financing activities	56	<u>471,834,276.96</u>	<u>104,090,555.62</u>
 Total cash inflows from financing activities		 <u>1,716,258,321.04</u>	 <u>1,035,455,450.14</u>
 Cash repayments for debts		965,274,913.52	511,076,477.58
Cash payments for distribution of dividends or profit and interest expenses		420,470,285.22	492,345,229.08
Incl: Dividends or profit paid to non-controlling shareholders of subsidiaries		32,667,189.54	22,846,959.82
Other cash payments relating to financing activities	56	<u>710,226,995.71</u>	<u>838,045,248.87</u>
 Total cash outflows from financing activities		 <u>2,095,972,194.45</u>	 <u>1,841,466,955.53</u>
 Net cash flows from financing activities		 <u>(379,713,873.41)</u>	 <u>(806,011,505.39)</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2021

(Expressed in Renminbi Yuan)

	Note V	For the six months ended 30 June 2022	For the six months ended 30 June 2021
4.EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		<u>(1,195,457.09)</u>	<u>392,002.63</u>
5.NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	57	545,237,700.28	132,492,959.44
Add: Cash and cash equivalents at beginning of the year		<u>4,733,512,222.35</u>	<u>5,405,113,257.99</u>
6.CASH AND CASH EQUIVALENTS AT END OF YEAR	57	<u>5,278,749,922.63</u>	<u>5,537,606,217.43</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET

As at 30 June 2022

(Expressed in Renminbi Yuan)

<u>ASSETS</u>	<u>Note XIV</u>	30 June 2022	31 December 2021
Current assets			
Cash and bank balances		3,662,982,819.92	3,098,512,437.04
Notes receivable		21,616,001.28	12,015,516.75
Accounts receivable	1	548,802,561.84	592,400,308.87
Receivables financing		5,928,782.68	-
Advances to suppliers		4,017,222.47	11,762,344.40
Other receivables	2	4,612,252,981.71	5,003,805,208.01
Inventories		190,502,982.26	226,490,178.26
Contract Assets		180,503.66	139,021.45
Other current assets		<u>39,482.38</u>	<u>39,482.38</u>
Total current assets		<u>9,046,323,338.20</u>	<u>8,945,164,497.16</u>
Non-current assets			
Long-term equity investments	3	8,058,344,778.15	8,044,896,142.86
Other non-current financial assets		135,974,908.51	135,974,908.51
Investment properties		948,332.68	951,035.32
Fixed assets		13,407,637.52	12,824,750.51
Right-of-use assets		3,448,407.64	4,010,087.19
Intangible assets		5,247,419.44	5,682,864.94
Long-term prepaid expenses		5,593,368.23	6,438,007.85
Deferred tax assets		10,284,646.53	10,017,097.43
Other non-current assets		<u>46,221,235.75</u>	<u>26,652,335.10</u>
Total non-current assets		<u>8,279,470,734.45</u>	<u>8,247,447,229.71</u>
Total assets		<u><u>17,325,794,072.65</u></u>	<u><u>17,192,611,726.87</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET (Continued)

As at 30 June 2022

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	30 June 2022	31 December 2021
Current liabilities		
Short-term borrowings	633,314,095.64	555,138,734.59
Notes payable	472,816,227.54	596,268,853.45
Accounts payable	467,416,626.20	480,059,192.74
Contract liabilities	5,491,416.33	3,231,968.16
Employee benefits payable	33,160,269.44	36,339,296.20
Tax payables	16,372,068.06	14,768,716.45
Other payables	3,902,656,317.48	3,832,642,249.25
Non-current liabilities due within one year	1,194,517.59	1,112,137.32
Other current liabilities	993,932.14	837,570.27
Total current liabilities	<u>5,533,415,470.42</u>	<u>5,520,398,718.43</u>
Non-current liabilities		
Long-term borrowings	31,633,794.44	31,637,173.89
Lease liabilities	2,715,432.43	3,343,830.66
Long-term payables	800,000.00	800,000.00
Deferred income	252,812.52	392,720.10
Other non-current liabilities	40,499,324.62	26,986,064.76
Total non-current liabilities	<u>75,901,364.01</u>	<u>63,159,789.41</u>
Total liabilities	<u>5,609,316,834.43</u>	<u>5,583,558,507.84</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY BALANCE SHEET (Continued)

As at 30 June 2022

(Expressed in Renminbi Yuan)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	30 June 2022	31 December 2021
Shareholders' equity		
Share capital	428,126,983.00	428,126,983.00
Capital surplus	4,467,310,688.08	4,467,289,485.30
Other comprehensive income	(90,613.57)	(86,840.40)
Surplus reserve	214,063,491.50	214,063,491.50
Retained earnings	<u>6,607,066,689.21</u>	<u>6,499,660,099.63</u>
Total shareholders' equity	<u>11,716,477,238.22</u>	<u>11,609,053,219.03</u>
Total liabilities and shareholders' equity	<u>17,325,794,072.65</u>	<u>17,192,611,726.87</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY INCOME STATEMENT

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	<u>Note XIV</u>	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Operating revenue	4	1,980,514,298.33	2,078,370,123.36
Less: Operating costs	4	1,910,062,248.84	1,991,420,311.80
Taxes and surcharges		2,313,767.23	2,488,284.74
Selling expenses		23,051,891.99	35,959,501.73
Administrative expenses		47,471,017.05	46,619,035.09
Finance costs		(63,606,725.90)	(55,486,414.78)
Incl: Interest expense		29,325,391.91	27,864,903.28
Interest income		94,834,264.79	83,409,776.86
Add: Other incomes		610,612.91	1,931,159.58
Investment income	5	317,124,556.93	780,364,601.71
Incl: Investment income from associates		100,525,425.88	157,696,473.52
Income from the derecognition of financial assets measured at amortised cost		(1,781,142.79)	(221,815.32)
Credit impairment losses		702,918.95	(123,032.41)
Impairment losses		(1,174,444.77)	(281,770.77)
Gain on disposal of assets		68,293.81	80,996.38
Operating profits		378,554,036.95	839,341,359.27
Add: Non-operating income		5,834.26	408,885.12
Less: Non-operating expenses		138,036.55	-
Total profit		378,421,834.66	839,750,244.39
Less: Income tax expenses		14,139,055.28	15,144,476.73
Net profit		364,282,779.38	824,605,767.66
Profit or loss from continuing operations		364,282,779.38	824,605,767.66
Other comprehensive income, net of tax		(3,773.17)	64,854.90
Other comprehensive income that will be reclassified to profit or loss		(3,773.17)	64,854.90
Other comprehensive income using the equity method that will be reclassified to profit or loss		(3,773.17)	64,854.90
Total comprehensive income		364,279,006.21	824,670,622.56

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

For the six months ended 30 June 2022	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
I. Balance at end of prior year	428,126,983.00	4,467,289,485.30	(86,840.40)	214,063,491.50	6,499,660,099.63	11,609,053,219.03
II. Changes for the year	-	21,202.78	(3,773.17)	-	107,406,589.58	107,424,019.19
(1) Total comprehensive income	-	-	(3,773.17)	-	364,282,779.38	364,279,006.21
(2) Owners' contributions and reduction in capital	-	21,202.78	-	-	-	21,202.78
1.Others	-	21,202.78	-	-	-	21,202.78
(3) Profit distribution	-	-	-	-	(256,876,189.80)	(256,876,189.80)
1. Distribution to owners	-	-	-	-	(256,876,189.80)	(256,876,189.80)
III. Balance at end of year	<u>428,126,983.00</u>	<u>4,467,310,688.08</u>	<u>(90,613.57)</u>	<u>214,063,491.50</u>	<u>6,607,066,689.21</u>	<u>11,716,477,238.22</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

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

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY CASH FLOW STATEMENT

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sales of good and the rendering of services	2,175,090,561.10	2,051,451,080.04
Other cash receipts relating to operating activities	<u>26,226,243.98</u>	<u>31,548,087.03</u>
Total cash inflows from operating activities	<u>2,201,316,805.08</u>	<u>2,082,999,167.07</u>
Cash payments for goods and services	2,062,445,434.60	1,882,952,590.62
Cash payments to and on behalf of employees	59,034,810.39	61,431,053.37
Payments of all types of taxes and surcharges	33,509,806.69	36,319,473.82
Other cash payments relating to operating activities	<u>9,051,195.66</u>	<u>11,443,446.22</u>
Total cash outflows from operating activities	<u>2,164,041,247.34</u>	<u>1,992,146,564.03</u>
Net cash flows from operating activities	<u>37,275,557.74</u>	<u>90,852,603.04</u>
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	-	2,997,441.73
Cash receipts from returns on investments	135,273,790.51	214,065,210.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	119,999.00	339,163.00
Other cash receipts relating to investing activities	<u>1,658,673,796.47</u>	<u>2,324,825,373.52</u>
Total cash inflows from investing activities	<u>1,794,067,585.98</u>	<u>2,542,227,188.37</u>
Cash payments for acquisition of fixed assets, intangible assets and other long-term assets	1,961,637.93	2,302,398.23
Other cash payments relating to investing activities	<u>1,172,734,389.30</u>	<u>2,155,040,000.00</u>
Total cash outflows from investing activities	<u>1,174,696,027.23</u>	<u>2,157,342,398.23</u>
Net cash flows from investing activities	<u>619,371,558.75</u>	<u>384,884,790.14</u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

COMPANY CASH FLOW STATEMENT (Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi Yuan)

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from borrowings	253,374,494.30	280,000,000.00
Other cash receipts relating to financing activities	<u>25,607,545,958.40</u>	<u>18,653,623,031.33</u>
Total cash inflows from financing activities	<u>25,860,920,452.70</u>	<u>18,933,623,031.33</u>
Cash repayments for debts	280,000,000.00	30,164,821.52
Cash payments for distribution of dividends or profit and interest expenses	283,891,846.04	363,151,913.01
Other cash receipts relating to financing activities	25,388,009,883.18	18,673,121,608.99
Total cash outflows from financing activities	<u>25,951,901,729.22</u>	<u>19,066,438,343.52</u>
Net cash flows from financing activities	<u>(90,981,276.52)</u>	<u>(132,815,312.19)</u>
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(1,195,457.09)	392,002.63
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		
	564,470,382.88	343,314,083.62
Add: Cash and cash equivalents at beginning of the year	<u>3,098,512,437.04</u>	<u>3,020,909,473.71</u>
6. CASH AND CASH EQUIVALENTS AT END OF YEAR		
	<u><u>3,662,982,819.92</u></u>	<u><u>3,364,223,557.33</u></u>

The accompanying notes form an integral part of these financial statements

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements For the six months ended 30 June 2022

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

I Profile of the Company

(1) Historical development and basic information

As approved by the People’s Government of Shenzhen (SFBF (1993) No.356), China National Accord Medicines Corporation Ltd. (hereinafter referred to as the “the Company”), formerly known as Shenzhen Health Mineral Water Corp., Ltd., was registered as a joint stock liability limited company on 1 February 1993 through stock transformation. In March 1993, with the approval from the Shenzhen Branch of the People’s Bank of China, the Company issued 30 million A shares (including 16.50 million public shares, 3.50 million employee shares and 10 million corporation shares) and 20 million B shares. After this issuance, the Company’s share capital was RMB105 million. Through convert capital surplus into share capital, bonus issues and issuance of shares for years, the share capital of the Company increased to RMB428.13 million as at 30 June 2022

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

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

I Profile of the Company (Continued)

(1) Historical development and basic information (Continued)

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

As of 30 June 2022, the total share capital was RMB428.13 million.

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements For the six months ended 30 June 2022

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

I Profile of the Company (Continued)

- (2) The Group’s parent and ultimate parent companies are Sinopharm Group and China National Pharmaceutical Group Corporation (“CNPGC”), respectively.
- (3) These financial statements were authorized for issue by the board of directors of the Company on 30 August 2022.
- (4) Subsidiaries consolidated in the financial statements for the current period and change in the consolidation scope are shown in Note VI.

II Basis of preparation

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

III Summary of significant accounting policies and accounting estimates

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

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

The financial statements of the Company for the year ended 30 June 2022 are in compliance with Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Group and the Company as of 30 June 2022 and the operating results, cash flows and other information for the six months ended 30 June 2022 of the Group and the Company.

(2) Accounting year

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

(3) Business cycle

The Company's operating cycle is 12 months.

(4) Functional currency

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

(5) Business combinations

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

(a) Business combinations involving enterprises under common control

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

(5) Business combinations (Continued)

(b) Business combinations involving enterprises not under common control

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

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

(6) Preparation of consolidated financial statements

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

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

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

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

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements For the six months ended 30 June 2022

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

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

(7) Cash and cash equivalents

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

(8) Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

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

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

(9) Financial instruments

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

Recognition and derecognition

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

(9) Financial instruments (Continued)

Recognition and derecognition (Continued)

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

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

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

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

Classification and measurement of financial assets

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

(9) Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

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

Debt investments measured at amortised cost

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

Debt investments at fair value through other comprehensive income

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

Equity investments at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

(9) Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

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

Classification and measurement of financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

(9) Financial instruments (Continued)

Classification and measurement of financial liabilities (Continued)

Other financial liabilities

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

Impairment of financial assets

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

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

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

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

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

The disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of assets with impaired credit losses, and the assumption of measuring expected credit losses.

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

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

(9) Financial instruments (Continued)

Offsetting of financial instruments

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

Transfer of financial assets

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

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

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

(10) Notes receivables

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

(11) Accounts receivables

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

(12) Receivable financing

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

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

(13) Other receivables

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

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

(14) Inventories

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

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

The Group adopts the perpetual inventory system.

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

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

(15) Contract assets

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

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

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

(16) Assets relating to contract cost

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

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

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

(16) Assets relating to contract cost (Continued)

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

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

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

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

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

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

(17) Long-term equity investments

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

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

(17) Long-term equity investments (Continued)

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

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

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

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

(17) Long-term equity investments (Continued)

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

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

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

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

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

(18) Investment properties

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

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

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

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

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

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

(19) Fixed assets

Recognition criteria

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

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

(19) Fixed assets (Continued)

Depreciation method

	Estimated useful lives	Estimated residual value	Annual depreciation rates
Buildings and constructions	20-35 years	3-5%	2.71-4.85%
Machinery and equipment	5-14 years	3-5%	6.79-19.40%
Motor vehicles	3-10 years	5%	9.50-31.67%
Office equipments	3-10 years	5%	9.50-31.67%
Electronic equipments	3-10 years	0-5%	9.50-33.33%

(20) Construction in progress

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

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

(21) Borrowing costs

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

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

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

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

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

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

(21) Borrowing costs (Continued)

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

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

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

(22) Right-of-use assets

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

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

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

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

(23) Intangible assets

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

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

The useful lives of the intangible assets are as follows:

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

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

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

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

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

(23) Intangible assets (Continued)

Internal research and development project

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

Expenditure for investigation, evaluation and selection of production process and new drug researches is recognised in profit or loss in the period in which it is incurred. Expenditure on the designation, measurement of the final utilization of the production process and new drugs before mass production is capitalised only if all of the following conditions are satisfied:

- (1) development of the production process and new drugs has been fully demonstrated by the technical team;
- (2) management has approved the budget of drug production development and new drugs;
- (3) market research analysis suggests that the products produced by the new production technology are able to be promoted;
- (4) adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

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

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(24) Impairment of long-term assets

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

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

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

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

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

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

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

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

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

(25) Long-term prepaid expenses

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

(26) Contract liabilities

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

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

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

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

(27) Employee benefits

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

Short-term employee benefits

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

Post-employment benefits (defined contribution plans)

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

Post-employment benefits (defined benefit plans)

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

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

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

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

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

(27) Employee benefits (Continued)

Termination benefits

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

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

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

Other long term employee benefits

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

(28) Lease liability

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

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

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

(29) Provisions

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

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

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

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

(30) Share-based payments

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

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

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

(30) Share-based payments (Continued)

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

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

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

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

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For the six months ended 30 June 2022

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

(31) Revenue recognition

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

Contracts for sale of goods

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

Service Contracts

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

Variable consideration

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

Consideration payable to customers

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

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

(31) Revenue recognition (Continued)

Return clauses

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

Significant financing component

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

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

Warranty clauses

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

Reward points program

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

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

(31) Revenue recognition (Continued)

Principal responsible person/proxy

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

(32) Government grants

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

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

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

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

(33) Income tax

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

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

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

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

(33) Income tax (Continued)

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

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

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

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

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

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

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

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

(34) Lease

Identification of leases

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

Identification of separate lease components

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

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

Separating lease components and non-lease components

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

Assessment of the lease term

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

As lessee

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

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

(34) Leases(Continued)

Lease modifications

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

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

(34) Leases(Continued)

Rent concessions under COVID-19

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

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

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

As lessor

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

As lessor of an operating lease

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

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

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

(35) Other significant accounting policies and accounting estimates

1) Medical reserve funds and specially approved reserving materials

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

2) Dividend distribution

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

3) Fair value measurement

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

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

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

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

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

3) Fair value measurement (Continued)

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

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

4) Segment information

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

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

5) Significant accounting judgements and estimates

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

Judgements

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

Operating leases - the Group as lessor

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements

For the six months ended 30 June 2022

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

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

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

5) Significant accounting judgements and estimates(Continued)

Judgements (Continued)

Business models

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

Contractual cash flow characteristics

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

Estimation uncertainty

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

Impairment of financial instruments

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

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

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

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

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

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

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Note V. 13/14/15/16/17.

Impairment of goodwill

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

Deferred tax assets

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

Fair value of unlisted equity investments

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

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For the six months ended 30 June 2022

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

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

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

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

Loyalty points

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

Sales with a right of return

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

Warranties

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

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Notes to financial statements

For the six months ended 30 June 2022

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

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

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

5) Significant accounting judgements and estimates(Continued)

Estimation uncertainty (Continued)

Assessment of constrains on variable consideration

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

Lessee’s incremental borrowing rate

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

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

IV Taxation

1. Main categories and rates of taxes:

Categories	Tax base	Tax rate
Value added tax (“VAT”)	Taxable value added amount (Tax payable is calculated by using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of the current period)	0%, 3%, 5%, 6%, 9%, 13%
City maintenance and construction tax	Amount of VAT	5% or 7%
Corporate income tax (“CIT”)	Taxable income	15%, 20% or 25%
Educational surcharge	Amount of VAT	3%
Local educational surcharge	Amount of VAT	2%

2. Tax preferences

In 2011, the Urumqi Head Office, Changji Branch and Karamay Branch of Sinopharm Holding Xinjiang New & Special Medicines Chain Store Co., Ltd. (“Xinjiang New & Special Medicines”), Ningxia Guoda Pharmacy Chain Co., Ltd. (“Guoda Ningxia”) and Sinopharm Holding Guoda Drugstore Guangxi Chain Co., Ltd. (“Guoda Guangxi”), subsidiaries of the Company, were approved to enjoy a tax concession for Western Development at a reduced CIT rate of 15%. According to the Circular of the Ministry of Finance, the State Administration of Taxation, the General Administration of Customs on Issues Concerning Tax Policies for the Further Development of the Western Regions (Cai shui [2011] No.58) and the Announcement on the continuation of the income tax policy for the enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), enterprises could enjoy a reduced CIT rate of 15% from 1 January 2011 to 31 December 2030.

In 2014, the Company’s subsidiary, Sinopharm Guangxi, Sinopharm Holding Guangxi Logistics Co., Ltd. (“Sinopharm Guangxi Logistics”), Sinopharm Holding Liuzhou Co., Ltd. (“Sinopharm Liuzhou”) and Sinopharm Holding Beihai Co., Ltd. (“Sinopharm Beihai”) were approved to enjoy a tax concession for Western Development at a reduced CIT rate of 15%. According to the Circular of the Ministry of Finance, the State Administration of Taxation, the General Administration of Customs on Issues Concerning Tax Policies for the Further Development of the Western Regions (Cai shui [2011] No.58) and the Announcement on the continuation of the income tax policy for the enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), enterprises above could enjoy a reduced CIT for Western Regions from 1 January 2014 to 31 December 2030.

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Notes to financial statements

For the six months ended 30 June 2022

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

IV Taxation (Continued)

2. Tax preferences(Continued)

In 2015, subsidiaries of the Company, including Sinopharm Holding Guilin Co., Ltd. (“Sinopharm Guilin”), Sinopharm Holding Guigang Co., Ltd. (“Sinopharm Guigang”), Sinopharm Holding Yulin Co., Ltd. (“Sinopharm Yulin”), Sinopharm Holding Baise Co., Ltd. (“Sinopharm Baise”) and Sinopharm Holding Wuzhou Co., Ltd. (“Sinopharm Wuzhou”), were approved to enjoy a tax concession for Western Development at a reduced CIT rate of 15%. According to the Circular of the Ministry of Finance, the State Administration of Taxation, the General Administration of Customs on Issues Concerning Tax Policies for the Further Development of the Western Regions (Cai shui [2011] No.58) and the Announcement on the Continuation of the Income Tax Policy for the Enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), the applicable period is from 1 January 2015 to 31 December 2030.

In 2017, according to Cai Shui [2011] No.58 and the Announcement on the Continuation of the Income Tax Policy for the Enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), Sinopharm holding Guoda pharmacy Inner Mongolia Co., Ltd. (hereinafter referred to as "Guoda Inner Mongolia"), Sinopharm holding Guoda pharmacy Hulunbeier Co., Ltd. (hereinafter referred to as "Guoda Hulunbeier"), Sinopharm holding Guoda pharmacy Bayannaer Co., Ltd. (hereinafter referred to as "Guoda Bayannaer"), Inner Mongolia Guoda Pharmaceutical Co., Ltd could enjoy a reduced CIT rate of 15% from 1 January 2017 to 31 December 2030.

In 2019, according to Cai Shui [2011] No.58 and the Announcement on the Continuation of the Income Tax Policy for the Enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), Sinopharm Holding Qinzhou Co., Ltd. (“Sinopharm Qinzhou”), Sinopharm Holding Hezhou Co., Ltd. (“Sinopharm Hezhou”), Sinopharm Holding Hechi Co., Ltd. (“Sinopharm Hechi”), Guoda Pharmacy (Pu'er) Songmao Co., Ltd. (“Guoda Pu'er”) could enjoy a reduced CIT rate of 15% from 1 January 2019 to 31 December 2030.

In 2021, according to Cai Shui [2011] No.58 and the Announcement on the Continuation of the Income Tax Policy for the Enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), Yunnan Guoda Disheng Pharmacy Chain Co., Ltd. (“Disheng Pharmacy Chain”), Yunnan Guoda Disheng Medicine Co., Ltd. (“Disheng Medicine”), Sinopharm Holding Medical Supply Chain Service (Guangxi) Co., Ltd. could enjoy a reduced CIT rate of 15% from 1 January 2021 to 31 December 2030.

In 2022, according to Cai Shui [2011] No.58 and the Announcement on the Continuation of the Income Tax Policy for the Enterprise in Western Region Development (Cai Zheng Bu [2020] No.23), Inner Mongolia Chengda Fangyuan Pharmaceutical Co., Ltd. (hereinafter referred to as "Inner Mongolia Chengda pharmaceutical"), Inner Mongolia Chengda Fangyuan pharmaceutical chain Co., Ltd. (hereinafter referred to as "Inner Mongolia Chengda chain") could enjoy a reduced CIT rate of 15% from 1 January 2022 to 31 December 2030.

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Notes to financial statements

For the six months ended 30 June 2022

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

IV Taxation (Continued)

2. Tax preferences(Continued)

In 2022, according to the Notice on the Implementation of Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises (Cai Shui [2019] No.13) and Announcement of the Ministry of Finance and the State Administration of Taxation on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households ([2021] No.12), subsidiaries of the Company listed below qualified for the conditions of small low-profit enterprises, which the taxable income of these subsidiaries does not exceed RMB3 million. Hence, for the portion of annual taxable income not exceeding RMB1 million, it shall be included in the taxable income of 12.5%, and enterprise income tax shall be paid at the rate of 20%; for the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, it shall be included in the taxable income of 25%, and enterprise income tax shall be paid at the rate of 20%.

The Company's subsidiaries which qualified for the conditions of small low-profit enterprises including Sinopharm Holding Guigang Pharmacy Co., Ltd. (“Sinopharm Guigang Pharmacy”), Shanghai Guoda Dongsheng Pharmacy Co., Ltd. (“Shanghai Dongsheng”), Shanghai Guoda Ruijing Pharmacy Co., Ltd. (“Shanghai Ruijing”), Sinopharm Holding Guoda Pharmacy Ulanqab Co., Ltd. (“Guoda Ulanqab”), Shanghai Guoda Dongxin Pharmacy Co., Ltd. (“Shanghai Dongxin”), Shanghai Guoda Shanghong Qibao Pharmacy Co., Ltd. (“Shanghai Shanghong”), Shanghai Guodong Traditional Chinese Medicine Clinic Co., Ltd. (“Shanghai Guodong”), Sinopharm Guoda Yongsheng Pharmacy (Shanghai) Co., Ltd. (“Guoda Yongsheng”), Guoda Pharmacy Manchuria Co., Ltd. (“Guoda Manchuria”), Zhejiang Sinopharm Pharmacy Dongshan Pharmacy Co., Ltd. (“Zhejiang Dongshan”), Sinopharm Holding Guoda Pharmacy Guangzhou Chain Co., Ltd. (“Guoda Guangzhou”), Taishan Sinopharm Holding Guoda Qunkang Pharmacy Chain Store Co., Ltd. (“Guoda Taishan”), Guoda Pharmacy (Rizhao) Co., Ltd. (“Guoda Rizhao”), Sinopharm Holding Guoda Pharmacy Hulun Buir Co., Ltd. (“Guoda Hulun Buir”), Sinopharm Holding Guoda Pharmacy Bayannur Co., Ltd. (“Guoda Bayannur”), Sinopharm Holding Baiyi Pharmacy Guangxi Co., Ltd. (“Baiyi Pharmacy”), Sinopharm Accord (Guangzhou) Medicine Co., Ltd. (“Guangzhou Medicine”), Guangxi Guoda Pharmaceutical Consulting Chain Co., Ltd. (“Guangxi Consulting”), Liaoning Guoda Health Pharmacy Co., Ltd. (“Liaoning Health Pharmacy”), Liaoning Huludao Guoda Pharmacy Co., Ltd. (“Liaoning Huludao”), Changzhi Wanmin Drug Store Co., Ltd. (“Changzhi Wanmin”), Shanxi Guoda Wanmin Chain Clinic Management Co., Ltd. (“Wanmin Chain”), Guoda Wanmin Huimin Kangwei Pharmacy Lvliang Co., Ltd. (“Huimin Lvliang”), Shanghai Fumei Xuhui Pharmacy Co., Ltd. (“Fumei Xuhui”), Shanghai Pudong Yanghetang Traditional Chinese Medicine Clinic Co., Ltd. (“Pudong Yanghetang”), Yanji Xianghe Medicine Co., Ltd. (“Yanji Xianghe”), Hebei Chengda Fangyuan Medicine Chain Co., Ltd. (“Hebei Chengda Fangyuan”), Shandong Chengda Fangyuan Medicine Chain Co., Ltd. (“Shandong Chengda Fangyuan”), Liaoning Chengda Fangyuan Technical Training School, and Dalian Zhengda Pharmaceutical Co., Ltd. (“Dalian Zhengda”), etc.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements

1. Cash and bank balances

	30 June 2022	31 December 2021
Cash on hand	8,343,211.00	4,642,730.62
Cash at banks	5,270,406,711.63	4,728,869,491.73
Other monetary funds (Note 1)	294,808,514.11	392,646,858.59
	<u>5,573,558,436.74</u>	<u>5,126,159,080.94</u>

Note 1: Other monetary funds at 30 June 2022 include: Deposits for bank acceptance bills RMB266,643,490.23 (31 December 2021: RMB351,801,571.62), Concessionary reserve funds (medical reserve funds) RMB68,893.25 (31 December 2021: RMB11,456,766.10), and other restricted deposits RMB28,096,130.63 (31 December 2021: RMB29,388,520.87).

As at 30 June 2022 and 31 December 2021, the Group has no cash and bank balances deposited abroad.

Interest income is earned on bank demand deposits at the bank demand deposit rate. Short-term deposits are placed for periods ranging from one to six months, depending on the Group's cash requirements, and earn interest income at the corresponding bank term deposit rates.

2. Notes receivable

The notes receivable by category

	30 June 2022	31 December 2021
Bank acceptance bills	16,250,599.96	32,490,612.49
Commercial acceptance bills	618,013,313.54	647,705,768.08
	<u>634,263,913.50</u>	<u>680,196,380.57</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

2. Notes receivable(Continued)

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

	30 June 2022						31 December 2021			
	Carrying amount		Bad debt provisions		Book Value	Carrying amount		Bad debt provisions		Book Value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Items for which provision for bad debts is recognised by group	634,263,913.50	100.00%	-	-	634,263,913.50	680,196,380.57	100.00%	-	-	680,196,380.57

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

2. Notes receivable(Continued)

Receivables financing endorsed or discounted by the Group to other parties which were not yet due at 30 June 2022 are as follows:

	30 June 2022	
	Derecognised	Not derecognised
Bank acceptance bills	-	11,080,505.71

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

3. Accounts receivable

(1) The accounts receivable by category

	30 June 2022				31 December 2021					
	Gross carrying amount		Provision for bad debt		Gross carrying amount		Provision for bad debt		Gross carrying value	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion		
Items for which provision for bad debt is recognized separately	1,490,397,598.31	7.75%	(80,841,093.80)	5.42%	1,409,556,504.51	1,154,059,084.62	7.17%	(78,449,701.36)	6.80%	1,075,609,383.26
Items for which provision for bad debt is recognized by group	17,747,741,730.74	92.25%	(91,166,261.77)	0.51%	17,656,575,468.97	14,941,966,625.52	92.83%	(52,972,662.87)	0.35%	14,888,993,962.65
	<u>19,238,139,329.05</u>	<u>100.00%</u>	<u>(172,007,355.57)</u>	<u>0.89%</u>	<u>19,066,131,973.48</u>	<u>16,096,025,710.14</u>	<u>100.00%</u>	<u>(131,422,364.23)</u>	<u>0.82%</u>	<u>15,964,603,345.91</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

(1) The accounts receivable by category

Accounts receivable that are individually assessed for provisions

30 June 2022

	Carrying amount	Bad debt provision	Proportion	Assessment for impairment
Receivable of medical insurance	937,864,091.05	(7,467,129.48)	0.80%	The receivable of medical insurance has lower-tier default risk.
Client A	49,805,927.06	(48,809,913.19)	98.00%	Debtor had irregular operations of subject to serious financial difficulties and related to multiple lawsuits, is with lower-tier recoverability.
Client B	11,559,178.29	(11,559,178.29)	100.00%	Debtor had irregular operations of subject to serious financial difficulties and related to multiple lawsuits, is with lower-tier recoverability.
Client C	4,356,479.10	(4,356,479.10)	100.00%	Debtor had irregular operations of subject to serious financial difficulties, and has been placed on a national list of defaulters, with highly risk of going bankruptcy or financial restructuring.
Others	486,811,922.81	(8,648,393.74)	1.78%	Part of the receivable takes longer than usual to recover, and has risk of recoverability.
	<u>1,490,397,598.31</u>	<u>(80,841,093.80)</u>		-

Provision for bad debts by portfolio:

30 June 2022

	Carrying amount	Bad debt provision	Accrual proportion
Combination by credit risk characteristics	17,747,741,730.74	(91,166,261.77)	0.51%

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

30 June 2022

	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	17,105,157,672.43	(42,384,841.44)	0.25%
1 to 2 years	589,640,708.69	(35,101,869.57)	5.95%
2 to 3 years	43,427,304.96	(9,647,875.31)	22.22%
Over 3 years	9,516,044.66	(4,031,675.45)	42.37%
	<u>17,747,741,730.74</u>	<u>(91,166,261.77)</u>	0.51%

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

(1) The accounts receivable by category (Continued)

The aging analysis of accounts receivables

	30 June 2022
Within 1 year	18,562,621,528.82
1 to 2 years	594,968,275.47
2 to 3 years	45,526,410.01
Over 3 years	<u>35,023,114.75</u>
	<u><u>19,238,139,329.05</u></u>

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

Bad debt provision for the current period

	Opening balance	Amount changes in current period				Closing balance
		Increases	Reversal	write-off	Increases in merger	
Accounts receivable bad debt provision	<u>(131,422,364.23)</u>	<u>(52,207,303.59)</u>	<u>11,342,407.45</u>	<u>279,904.80</u>	<u>-</u>	<u>(172,007,355.57)</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

3. Accounts receivable (Continued)

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

Project	Write off amount
Client A	279,904.80

(4) The top five accounts receivable analysed by customer

	Amount	% of the total accounts receivable	Bad debt provision amount
Top 1 Account receivable	283,938,368.98	1.48%	(5,053,456.79)
Top 2 Account receivable	214,102,036.61	1.11%	(3,257,775.75)
Top 3 Account receivable	146,911,017.75	0.76%	(2,922,938.72)
Top 4 Account receivable	133,490,600.58	0.69%	(1,278,035.22)
Top 5 Account receivable	131,400,843.37	0.68%	(119,932.90)
	909,842,867.29	4.72%	(12,632,139.38)

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

From January to June 2022, the Group factored a small portion of accounts receivable at amortised cost to financial institutions. The amount of accounts receivable derecognised was RMB2,958,736,010.02 (January to June 2021: RMB1,045,150,904.52), and the amount of loss recognised through Investment income was RMB49,930,502.81 (January to June 2021: RMB7,039,046.60).

4. Receivable financing

	30 June 2022	31 December 2021
Bank acceptance bills	632,101,362.15	1,027,226,940.21

Receivable financing endorsed or discounted by the Group to other parties which were not yet due at 30 June 2022

	30 June 2022	
	Derecognised	Not Derecognised
Bank acceptance bills	2,284,256,411.05	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

5. Advances to suppliers

(1) The aging of advances to suppliers

	30 June 2022		31 December 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	377,004,053.34	98.14%	519,225,204.09	99.67%
1 to 2 years	7,127,085.17	1.86%	1,705,341.22	0.33%
	<u>384,131,138.51</u>	<u>100.00%</u>	<u>520,930,545.31</u>	<u>100.00%</u>

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

Nil.

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

	Amount	Proportion of total balance
Total amount of top five advances to suppliers	<u>61,294,695.35</u>	<u>15.96%</u>

6. Other receivables

	30 June 2022	31 December 2021
Dividend receivables(Note1)	16,714,220.20	-
Other receivables	<u>608,146,232.54</u>	<u>718,089,129.10</u>
	<u>624,860,452.74</u>	<u>718,089,129.10</u>

Category of Dividends receivable:

	30 June 2022	31 December 2021
Shanghai Shyndec Pharmaceutical Co., Ltd. (Hereinafter referred to as Sinopharm Shyndec)	<u>16,714,220.20</u>	<u>-</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

6. Other receivables (Continued)

(1) Other receivables

(a) Category of other receivables by nature

	30 June 2022	31 December 2021
Deposits	332,966,124.80	294,949,777.43
Receivable of price reduction compensation and purchasing rebates	73,218,459.40	77,286,467.71
Entrusted borrowings	46,334,222.24	46,334,222.24
Receivable of the pharmaceutical electronic trading platform	45,451,842.67	67,123,290.09
Petty cash advance to employees	43,844,397.58	20,107,746.36
Receivable of equity transactions	8,980,000.00	8,980,000.00
Receivable due from related parties	2,427,334.11	2,412,959.70
Pending refunds	-	129,688,000.00
Others	126,644,861.73	139,751,461.64
	<u>679,867,242.53</u>	<u>786,633,925.17</u>

(b) Changes in bad debt provision

	Expected credit losses over the next 12 months	Entire lifetime expected credit losses(No credit impairment occurred)	Entire lifetime expected credit losses(Credit impairment occurred)	Total
Bad debt				
Balance at 1 January 2022	-	2,891,987.95	65,652,808.12	68,544,796.07
Balance at 1 January 2022 during the period				
Provisions during the period	-	4,571,510.17	171,189.88	4,742,700.05
Reversal during the period	-	(336,590.01)	(1,156,175.19)	(1,492,765.20)
Write-off during the period	-	-	(73,720.93)	(73,720.93)
Balance at 30 June 2022	<u>-</u>	<u>7,126,908.11</u>	<u>64,594,101.88</u>	<u>71,721,009.99</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

6. Other receivables (Continued)

The aging analysis of other receivables was as follows:

	30 June 2022
Within 1 year	531,252,348.41
1 to 2 years	49,901,268.10
2 to 3 years	16,763,265.58
Over 3 years	81,950,360.44
	679,867,242.53

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

Provision for bad debts in the current period as follows:

	Opening balance	Provision	Current change amount		Other	Closing balance
			Reversal in the year	Write-off in the year		
Provision for impairment of other receivables	(68,544,796.07)	(4,742,700.05)	1,492,765.20	73,720.93	-	(71,721,009.99)

(d) Actual write-off of other receivables during the period:

	Write-off amount
Client A	73,720.93

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

6. Other receivables (Continued)

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

	Nature	Amount	Age	% of total amount	Provision of bad debt
Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co., Ltd. (Note1)	Entrusted borrowings	46,334,222.24	Over 3 years	6.82%	46,334,222.24
Guangdong Pharmaceutical electronic trading platform	Pharmaceutical trading platform repayment not yet cleared	40,032,801.71	Within 1 year	5.89%	-
Shenzhen Administration of social insurance fund	Deposit	20,434,668.80	Within 1 year	3.01%	-
TCM-Integrated Cancer Center of Southern Medical University	Deposit of logistics extension services project	20,000,000.00	Over 3 years	2.94%	-
Guangdong Provincial Grain and Material Reserve Bureau	Emergency special reserve funds	12,722,553.40	Within 1 year	1.87%	-
		<u>139,524,246.15</u>		<u>20.53%</u>	<u>46,334,222.24</u>

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

As at 31 December 2020, the amount of government grants receivable is analysed below:

	Grants program	Amount	Age	Estimated collection time, amount and basis
Shanghai Pudong Finance Bureau	Financial subsidy	<u>3,364,000.00</u>	Within 1 year	The amount of government grants receivable has been approved and expected to be fully received in 2022.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

7. Inventories

(1) Inventories by category

	30 June 2022			31 December 2021		
	Book value	Provision for declines in value of inventories and impairment of contract performance costs	Net book value	Book value	Provision for declines in value of inventories or impairment of contract performance costs	Net book value
Raw materials	299,854.86	-	299,854.86	3,771,510.04	-	3,771,510.04
Finished goods	7,914,064,584.74	(15,630,957.12)	7,898,433,627.62	7,623,665,381.94	(11,100,942.38)	7,612,564,439.56
Work in progress	107,849.94	-	107,849.94	268,702.16	-	268,702.16
Low cost consumables	6,344,267.93	-	6,344,267.93	4,936,943.32	-	4,936,943.32
	<u>7,920,816,557.47</u>	<u>(15,630,957.12)</u>	<u>7,905,185,600.35</u>	<u>7,632,642,537.46</u>	<u>(11,100,942.38)</u>	<u>7,621,541,595.08</u>

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

	31 December 2021	Increases		Decreases		30 June 2022
		Provision	Addition due to combination	Reversal or write-off	Others	
Finished goods	(11,100,942.38)	(7,345,063.47)	-	1,060,366.90	1,754,681.83	(15,630,957.12)

Note: From January to June 2022, a provision of RMB713,561.33 was reversed for the recovery of value of some inventories and a provision of RMB346,805.57 was reversed for the write-down of inventories due to the sale of inventory goods.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

8. Contract assets

€	30 June 2022			31 December 2021		
	Book Value	Provision	Net Book Value	Book Value	Provision	Net Book Value
Medical devices and equipment guarantee funds	28,624,976.57	(455,864.00)	28,169,112.57	29,571,543.27	(510,383.75)	29,061,159.52

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

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

	30 June 2022		
	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	22,874,864.62	162,208.54	0.71%
1 to 2 years	5,750,111.95	293,655.46	5.11%
	<u>28,624,976.57</u>	<u>455,864.00</u>	<u>1.59%</u>

Changes in provision for contract assets are presented as follows:

Project	30 June 2022			Reason
	Provision in current period	Reversal in current period	write off	
Provision for impairment of contract assets	50,823.48	105,343.23	-	Provision for bad debts of contract assets shall be made according to expected credit losses

9. Other current assets

	30 June 2022	31 December 2021
Input tax to be deducted	113,894,826.33	155,985,552.00
Prepaid corporate income tax	4,721,646.84	3,817,409.16
Others	476,133.54	804,394.50
	<u>119,092,606.71</u>	<u>160,607,355.66</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments

Investee	31 December 2021	Changes in current period				30 June 2022	Provision for impairment
		Profit of loss under equity method	Other comprehensive income adjustment	Other changes in equity	Cash dividend declared by investee		
Associates							
Sinopharm Shyndec (a)	1,398,901,911.62	36,123,491.62	(3,773.17)	21,202.78	(16,714,220.20)	1,418,328,612.65	-
Sinopharm Group Zhijun (Shenzhen) Pharmaceutical Co., Ltd. (“Sinopharm Zhijun”)(a)	496,542,941.16	27,662,634.68	-	-	-	524,205,575.84	-
Sinopharm Group Zhijun (Shenzhen) PingShan Pharmaceutical Co., Ltd. (“Zhijun Pingshan”) (a)	183,906,263.81	5,525,963.98	-	-	-	189,432,227.79	-
Shenzhen Zhijun Pharmaceutical Trade Co., Ltd. (“Zhijun Trade”) (a)	10,377,417.89	220,557.56	-	-	-	10,597,975.45	-
Shenzhen Main Luck Pharmaceutical Inc. (“Main Luck Pharmaceutical”) (b)	340,490,180.80	30,992,778.04	-	-	(70,380,000.00)	301,102,958.84	-
Shanghai Beiyi Guoda Pharmaceutical Co. Ltd. (“Shanghai Beiyi”)(c)	11,285,238.87	(166,672.24)	-	-	-	11,118,566.63	-
Guangdong Jianhui Construction Investment Management Co., Ltd. (“Guangdong Jianhui”) (d)	8,000,000.00	-	-	-	-	8,000,000.00	-
Sinopharm Jienuo Medical Treatment Service Guangdong Co., Ltd. (“Guangdong Jienuo”)(e)	4,353,878.32	(645,876.71)	-	-	-	3,708,001.61	-
Shanghai Renbei Pharmacy Co., Ltd. (“Shanghai Renbei”)(f)	2,503,525.42	-	-	-	-	2,503,525.42	-
Jialong (Hainan) Health Management Group Limited (“Jialong Hainan”) (g)	2,390,105.28	(844,214.84)	-	-	-	1,545,890.44	-
Zhijun Suzhou(h)	-	-	-	-	-	-	(1,857,279.52)
Shanghai Liyi Pharmacy Co., Ltd. (“Shanghai Liyi”) (i)	1,081,083.57	-	-	-	-	1,081,083.57	-
Dongyuan Accord Pharmaceutical Chain Co., Ltd. (“Dongyuan Accord”)(j)	-	-	-	-	-	-	(396,638.32)
	<u>2,459,832,546.74</u>	<u>98,868,662.09</u>	<u>(3,773.17)</u>	<u>21,202.78</u>	<u>(87,094,220.20)</u>	<u>2,471,624,418.24</u>	<u>(2,253,917.84)</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

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

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

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

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

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

(e) On 23 February 2016, the Group jointly established Guangdong Jienuo with Sinopharm Jienuo Medical Treatment Service Co., Ltd. and Guangzhou Jinluo Investment Development Co., Ltd., with the share percentages being 29%, 51% and 20%, respectively. According to the Articles of Association, the board of directors of Guangdong Jienuo was composed of five directors, one of whom was appointed

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

10. Long-term equity investments (Continued)

by the Group, accounting for 20% of voting rights. Therefore, the Group has significant influence over Guangdong Jienuo, and thus, it is considered as an associate of the Group. On 25 July 2019, Group, together with the current shareholders, Sinopharm Jienuo Medical Treatment Service Co., Ltd. and Foshan Jiejianchengfeng Medical Equipment Co., Ltd., increased the capital of Guangdong Jienuo by 29%, 51% and 20% according to the shareholding ratio respectively, and the total amount of the increased capital was RMB6 million.

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

(g) On 9 August 2021, the Group and Hainan Yushan Changxing Health Management Company Limited, jointly invested in the establishment of Jialong Hainan, with each party holding 25% and 75% of the shares respectively, and the registered capital is RMB11,200,000. On January 12, 2022, the Group completed the capital contribution of RMB2,800,000. According to the Articles of Association, the board of directors of Jialong Hainan consists of three directors, one of whom is appointed by the Group, accounting for 33.33% of the voting rights. The voting right of board resolutions is one person, one vote and all board resolutions are passed by a majority of all directors. Therefore, the Group has significant influence over Jialong Hainan, which is recognized as an associate of the Group.

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

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

(j) On 16 June 1999, the Group acquired 45% shares of Dongyuan Accord. According to the company's articles of association, the board of directors of Dongyuan Accord consists of five directors, two of whom are appointed by the Group, accounting for 40% of the voting rights. The voting rights for board resolutions are one person, one vote, and all board resolutions are approved by more than half of all directors. Therefore, the Group has significant influence on Dongyuan Accord, which is an associate of the Group. In 2007, Dongyuan Accord, an associate of the Group, operated in poor conditions and its future operation would be significantly uncertain, so the Group made a full provision for impairment of the long-term equity investment on it.

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

11. Other equity instrument investment

	30 June 2022	31 December 2021
Sinopharm Health Online Co., Ltd.	30,379,638.22	30,379,638.22
Sinopharm Guoda Hubei Co., Ltd.	18,799,104.17	18,799,104.17
Shanghai Chongde Pharmacy Co., Ltd.	8,319,270.22	8,319,270.22
Shanghai Guoren Pharmacy Co., Ltd.	4,720,895.53	4,720,895.53
Hunan Zhongbai Pharmaceutical Investment Co., Ltd.	269,404.85	269,404.85
	<u>62,488,312.99</u>	<u>62,488,312.99</u>

	Recognized dividend income	Accumulated profits	Accumulated Loss	Amount transferred from other comprehensive income to retained earnings	Reasons designated to be measured at fair value with changes included in other comprehensive income
Sinopharm Health Online Co., Ltd.	-	18,379,638.22	-	-	Non tradable equity instruments
Sinopharm Guoda Hubei Co., Ltd.	-	17,799,104.17	-	-	Non tradable equity instruments
Shanghai Chongde Pharmacy Co., Ltd.	-	8,048,510.22	-	-	Non tradable equity instruments
Shanghai Guoren Pharmacy Co., Ltd.	-	4,620,895.53	-	-	Non tradable equity instruments
Hunan Zhongbai Pharmaceutical Investment Co., Ltd.	-	-	(45,595.15)	-	Non tradable equity instruments
	-	<u>48,848,148.14</u>	<u>(45,595.15)</u>	-	

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V Notes to the consolidated financial statements (Continued)

12. Other non-current financial assets

	30 June 2022	31 December 2021
Financial asset measured at fair value through current profit or loss	135,974,908.51	135,974,908.51

On June 30, 2022, the balance of other non-current financial assets was the fair value of the share of Sinopharm CICC Medical Industry Fund (referred to as “the Industry Fund”, Phase I Fund) subscribed by the Company.

The Group's 21st meeting of the 7th Board of Directors held on January 6, 2017 reviewed and approved the proposal of the Company to subscribe for the industry fund and related party transactions. As a limited partner of the Industry Fund (Phase I Fund), the Company plans to invest RMB200 million to subscribe for the share of the Industrial Fund (Phase I Fund), which will be paid in three installments. The Industrial Fund (Phase I Fund) obtained the relevant licenses as well as approvals and started operating in 2018. As of December 31, 2019, the Company had paid a total of RMB 140 million. In June 2020, The Company received the withdraw fund of this project's principal of RMB19,027,649.76 from Qirui Port Investment Center LP of Ningbo Meishan Bonded Port. In January 2021, The Company received the withdraw fund of this project's principal of RMB2,997,441.73 from Qirui Port Investment Center LP of Ningbo Meishan Bonded Port.

At the first meeting of the ninth session of the Board of Directors of the Group held on 16 July 2021, the proposal of the Group to invest in the subscription of the Industrial Fund (Phase II Fund) was considered and approved. The Group, as a limited partner of the Industrial Fund (Phase II Fund), intends to invest RMB60 million to subscribe for the shares of the Industrial Fund (Phase II Fund), which will be paid in three installments. The Group paid the first installment of RMB18 million in August 2021, and as at 30 June 2022, the Group had paid a total of RMB18 million in capital contribution. The Industrial Fund (Phase II Fund) has obtained the relevant approval and commenced operation in 2021.

Since the cash flow obtained by the Company from the investment of the Industry Fund includes both the contractual cash flow generated by the underlying assets during the investment period and the cash flow of the disposal of the underlying assets, the contractual cash flow that does not satisfy the financial assets generated on a specific date is only the payment of interest on the basis of the outstanding principal amount, therefore, the Company classifies the investment of the Industry Fund into financial assets measured at fair value through profit or loss and presented as other non-current financial assets.

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V Notes to the consolidated financial statements (Continued)

13. Investment properties

Subsequent measurement under the cost model:

	Buildings and constructions	Land use right	Total
Original cost			
Opening balance	206,212,210.76	20,963,728.02	227,175,938.78
Increase amount in current period	647,488.61	-	647,488.61
Purchase	-	-	-
Transfer from inventories\fixed assets\construction in progress	647,488.61	-	647,488.61
Decrease amount in current period	(504,706.29)	(37,635.64)	(542,341.93)
Transfer to intangible assets	-	(37,635.64)	(37,635.64)
Transfer to fixed assets	(504,706.29)	-	(504,706.29)
Closing balance	<u>206,354,993.08</u>	<u>20,926,092.38</u>	<u>227,281,085.46</u>
Accumulated depreciation and amortization			
Opening balance	(103,742,730.15)	(8,151,711.40)	(111,894,441.55)
Increase amount in current period	(2,635,774.60)	(151,428.79)	(2,787,203.39)
Provision	(2,426,638.50)	(151,428.79)	(2,578,067.29)
Transfer from fixed assets	(209,136.10)	-	(209,136.10)
Decrease amount in current period	446,835.91	6,672.80	453,508.71
Transfer to intangible assets	-	6,672.80	6,672.80
Transfer to fixed assets	446,835.91	-	446,835.91
Closing balance	<u>(105,931,668.84)</u>	<u>(8,296,467.39)</u>	<u>(114,228,136.23)</u>
Provision for impairment			
Opening balance and Closing balance	<u>(1,300,000.00)</u>	-	<u>(1,300,000.00)</u>
Carrying amount			
At end of the period	<u>99,123,324.24</u>	<u>12,629,624.99</u>	<u>111,752,949.23</u>
At beginning of the period	<u>101,169,480.61</u>	<u>12,812,016.62</u>	<u>113,981,497.23</u>

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V Notes to the consolidated financial statements (Continued)

14. Fixed assets

	30 June 2022	31 December 2021
Fixed assets	<u>835,798,833.09</u>	<u>868,626,258.43</u>

(1) Condition of fixed assets

	Buildings and constructions	Machinery and equipment	Motor vehicles	Office equipments	Electronic equipments	Total
Original cost						
Opening balance	725,861,173.32	371,866,499.22	102,399,414.98	395,148,026.41	157,774,189.87	1,753,049,303.80
Increase amount in current period	3,949,407.97	36,056,191.05	824,217.81	10,822,316.68	3,126,222.99	54,778,356.50
Purchase	-	30,370,031.62	824,217.81	10,822,316.68	3,126,222.99	45,142,789.10
Transfer from construction in progress	3,444,701.68	5,686,159.43	-	-	-	9,130,861.11
Transfer from Investment properties	504,706.29	-	-	-	-	504,706.29
Business combinations	-	-	-	-	-	-
Decrease amount in current period	(1,303,219.54)	(1,429,813.20)	(922,558.32)	(1,909,512.24)	(3,206,557.85)	(8,771,661.15)
Transfer to investment properties	(647,488.61)	-	-	-	-	(647,488.61)
Disposal or retirement	(655,730.93)	(1,429,813.20)	(922,558.32)	(1,909,512.24)	(3,206,557.85)	(8,124,172.54)
Closing balance	<u>728,507,361.75</u>	<u>406,492,877.07</u>	<u>102,301,074.47</u>	<u>404,060,830.85</u>	<u>157,693,855.01</u>	<u>1,799,055,999.15</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

14. Fixed assets (Continued)

(1) Condition of fixed assets (Continued)

	Buildings	Machinery and equipment	Motor vehicles	Office equipments	Electronic equipments	Total
Accumulated depreciation						
Opening balance	(278,578,414.47)	(203,467,575.81)	(58,211,456.82)	(240,594,219.57)	(103,571,378.70)	(884,423,045.37)
Increase amount in current period	(14,497,637.09)	(33,297,572.42)	(5,048,144.47)	(18,256,985.87)	(14,650,876.27)	(85,751,216.12)
Provision	(14,050,801.18)	(33,297,572.42)	(5,048,144.47)	(18,256,985.87)	(14,650,876.27)	(85,304,380.21)
Transfer from Investment properties	(446,835.91)	-	-	-	-	(446,835.91)
Decrease amount in current period	576,231.30	1,275,970.27	678,732.49	1,487,906.36	2,898,255.01	6,917,095.43
Disposal or retirement	367,095.20	1,275,970.27	678,732.49	1,487,906.36	2,898,255.01	6,707,959.33
Transfer to investment properties	209,136.10	-	-	-	-	209,136.10
Closing balance	(292,499,820.26)	(235,489,177.96)	(62,580,868.80)	(257,363,299.08)	(115,323,999.96)	(963,257,166.06)
Carrying amount						
At end of period	436,007,541.49	171,003,699.11	39,720,205.67	146,697,531.77	42,369,855.05	835,798,833.09
At beginning of the period	447,282,758.85	168,398,923.41	44,187,958.16	154,553,806.84	54,202,811.17	868,626,258.43

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

14. Fixed assets (Continued)

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

	Book value	Reason for not obtaining certification of title
Buildings and constructions	23,963,291.00	As at 30 June 2022, the Group had not obtained the title deed of the office building located at No. 53 Nan Shi Zhong Road, Tiexi District, Shenyang, and the transferor, Shenyang Tiexi District State-owned Assets Supervision Bureau, was in the process and had issued the relevant certificate.
Buildings and constructions	37,637,064.10	As at 30 June 2022, the Group had not obtained the title deed of the office building located at No. 53 Nan Shi Zhong Road, Tiexi District, Shenyang, and the transferor, Shenyang Tiexi District State-owned Assets Supervision Bureau, was in the process and had issued the relevant certificate.
Buildings and constructions	291,208.47	As at 30 June 2022, the Group was unable to apply for the title deed of the building located at No. 31 Yihe Road, Kaiyuan City, Tieling City, as the construction area was larger than the approved area, and the Kaiyuan City Planning Bureau had issued a certificate of acceptance for the completion of construction works.
Buildings and constructions	119,844.81	On 30 June 2022, the Group constructed its own simple warehouse located at No. 2 Baiyu Road, Sujiatun District, Shenyang for its own storage needs. The Group was unable to apply for the housing title certificate of the property..

15. Construction in progress

	30 June 2022	31 December 2021
Construction in progress	<u>34,400,409.22</u>	<u>49,849,506.70</u>

(1) Condition of construction in progress

	30 June 2022			31 December 2021		
	Carrying balance	Impairment	Carrying amount	Carrying balance	Impairment	Carrying amount
Supply chain extension project	16,312,910.10	-	16,312,910.10	12,446,732.50	-	12,446,732.50
Warehouse improvement project	7,577,026.92	-	7,577,026.92	3,182,704.49	-	3,182,704.49
Software project	1,199,851.08	-	1,199,851.08	24,794,281.62	-	24,794,281.62
Other construction projects	9,310,621.12	-	9,310,621.12	9,425,788.09	-	9,425,788.09
	<u>34,400,409.22</u>	<u>-</u>	<u>34,400,409.22</u>	<u>49,849,506.70</u>	<u>-</u>	<u>49,849,506.70</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

15. Construction in progress (Continued)

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

Project name	Budget	Opening balance	Increase	Decrease		Closing balance	Proportion of investment to budget	Project progress	Source of funds
				Transferred to fixed assets	Transferred to Long-term prepaid expenses				
Software project	111,131,415.93	24,794,281.62	8,678,559.65	-	(32,272,990.19)	1,199,851.08	30.12%	30.12%	Own capital
Supply chain extension project	46,048,810.28	12,446,732.50	14,383,452.72	(4,774,336.28)	(5,742,938.84)	16,312,910.10	62.73%	62.73%	Own capital
Warehouse improvement project	19,796,189.85	3,182,704.49	9,241,456.14	(4,312,522.81)	(534,610.90)	7,577,026.92	63.09%	63.09%	Own capital
Other construction projects	<u>205,972,125.26</u>	<u>9,425,788.09</u>	<u>260,773.82</u>	<u>(44,002.02)</u>	<u>(331,938.77)</u>	<u>9,310,621.12</u>	4.69%	4.69%	
	<u>382,948,541.32</u>	<u>49,849,506.70</u>	<u>32,564,242.33</u>	<u>(9,130,861.11)</u>	<u>(38,882,478.70)</u>	<u>34,400,409.22</u>			

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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

V Notes to the consolidated financial statements (Continued)

16. Right-of-use assets

	Buildings and constructions	Machinery, transport and office equipment	Others	Total
Original cost				
Opening balance	4,296,673,416.39	4,927,893.76	2,418,809.35	4,304,020,119.50
Increase amount in current period	652,819,420.11	-	-	652,819,420.11
Decrease amount in current period	(467,637,122.34)	(3,671,052.86)	-	(471,308,175.20)
Disposal	(467,637,122.34)	(3,671,052.86)	-	(471,308,175.20)
Closing balance	4,481,855,714.16	1,256,840.90	2,418,809.35	4,485,531,364.41
Accumulated depreciation				
Opening balance	(1,724,656,730.78)	(3,835,582.33)	(287,466.39)	(1,728,779,779.50)
Increase amount in current period	(524,756,629.31)	(378,142.64)	(47,473.92)	(525,182,245.87)
Provision	(524,756,629.31)	(378,142.64)	(47,473.92)	(525,182,245.87)
Decrease amount in current period	393,496,947.51	3,244,027.44	-	396,740,974.95
Disposal	393,496,947.51	3,244,027.44	-	396,740,974.95
Closing balance	(1,855,916,412.58)	(969,697.53)	(334,940.31)	(1,857,221,050.42)
Carrying amount				
At end of the period	2,625,939,301.58	287,143.37	2,083,869.04	2,628,310,313.99
At beginning of the period	2,572,016,685.61	1,092,311.43	2,131,342.96	2,575,240,340.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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

V Notes to the consolidated financial statements (Continued)

17. Intangible assets

	Land use rights	Software	Trademarks and brands use rights	Favorable leases	Distribution network	Franchise	Total
Original cost							
Opening balance	88,719,468.18	231,316,264.13	322,476,925.12	127,486,000.00	283,573,678.24	710,000.00	1,054,282,335.67
Increase amount in current period	37,635.64	44,667,059.40	11,000.00	-	-	-	44,715,695.04
Purchases	-	6,605,281.31	11,000.00	-	-	-	6,616,281.31
Transfer from construction in progress	-	38,061,778.09	-	-	-	-	38,061,778.09
Transfer from investment properties	37,635.64	-	-	-	-	-	37,635.64
Decrease amount in current period	-	(127,963.16)	-	-	-	-	(127,963.16)
Disposal	-	(127,963.16)	-	-	-	-	(127,963.16)
Closing balance	<u>88,757,103.82</u>	<u>275,855,360.37</u>	<u>322,487,925.12</u>	<u>127,486,000.00</u>	<u>283,573,678.24</u>	<u>710,000.00</u>	<u>1,098,870,067.55</u>
Accumulated amortization							
Opening balance	(32,482,133.76)	(136,724,139.35)	(18,520,174.43)	(44,964,482.67)	(76,954,842.64)	(710,000.00)	(310,355,772.85)
Increase amount in current period	(913,725.28)	(14,881,930.03)	(6,908,771.28)	(3,542,977.94)	(6,713,933.85)	-	(32,961,338.38)
Provision	(907,052.48)	(14,881,930.03)	(6,908,771.28)	(3,542,977.94)	(6,713,933.85)	-	(32,954,665.58)
Transfer from investment properties	(6,672.80)	-	-	-	-	-	(6,672.80)
Decrease amount in current period	-	50,252.98	-	-	-	-	50,252.98
Disposal	-	50,252.98	-	-	-	-	50,252.98
Closing balance	<u>(33,395,859.04)</u>	<u>(151,555,816.40)</u>	<u>(25,428,945.71)</u>	<u>(48,507,460.61)</u>	<u>(83,668,776.49)</u>	<u>(710,000.00)</u>	<u>(343,266,858.25)</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2021

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

V Notes to the consolidated financial statements (Continued)

17. Intangible assets (Continued)

	Land use rights	Software	Trademarks and brands use rights	Favorable leases	Distribution network	Franchise	Total
Provision for impairment							
Opening balance	-	-	(43,000,000.00)	-	(31,000,000.00)	-	(74,000,000.00)
Closing balance	-	-	(43,000,000.00)	-	(31,000,000.00)	-	(74,000,000.00)
Carrying amount							
At end of the year	55,361,244.78	124,299,543.97	254,058,979.41	78,978,539.39	168,904,901.75	-	681,603,209.30
At beginning of the year	56,237,334.42	94,592,124.78	260,956,750.69	82,521,517.33	175,618,835.60	-	669,926,562.82

At the end of the period, the proportion of intangible assets formed through internal research and development of the company to the balance of intangible assets was 12.53%.

At 30 June 2022, there were no intangible assets with unfinished title certificates (at 31 December 2021: none).

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

18. Goodwill

(1) Original Book Value of goodwill

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

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

(1) Original Book Value of goodwill (Continued)

Names of the investee or matters of forming goodwill	Opening balance	Increase during this period		Decrease during this period	Closing balance
		Merger of holdings not under common control	Business combinations not under common control		
Sinopharm Holding Hunan Guoda Minshengtang Pharmacy Chain Co., Ltd. (“Hunan Guoda”)	41,165,574.64	-	-	-	41,165,574.64
Quanzhou Guoda Pharmacy Chain Store Co., Ltd. (“Quanzhou Guoda”)	41,298,622.59	-	-	-	41,298,622.59
Sinopharm Holding Guoda Henan Pharmacy Chain Store Co., Ltd. (“Henan Guoda”)	22,666,179.77	-	-	-	22,666,179.77
Guoda Neimenggu	70,485,777.00	-	-	-	70,485,777.00
Sinopharm Guoda Pharmacy Jiangmen Chain Co., Ltd. (“Jiangmen Guoda”)	77,350,000.00	-	-	-	77,350,000.00
Sinopharm Holding Guoda Shanxi Yiyuan Pharmacy Chain Store Co., Ltd. (“Shanxi Guoda Yiyuan”)	9,080,100.00	-	2,818,647.85	-	11,898,747.85
Shenzhen Guanganli Pharmacy Chain Store Co., Ltd. 's Store Acquisition	13,420,000.00	-	-	-	13,420,000.00
Beijing Golden Elephant Pharmacy Medicine Chain Company Limited (“Beijing Golden Elephant”)	64,140,124.36	-	-	-	64,140,124.36
Guoda Taishan	26,826,120.55	-	-	-	26,826,120.55
Taiyuan Tongxinli Pharmacy Co., Ltd. (“Taiyuan Tongxinli”)	2,818,647.85	-	-	2,818,647.85	-
Sinopharm Holding Guoda Yongxingtang Pharmacy Chain Store (Chaoyang) Co., Ltd (“Chaoyang Yongxingtang”)	25,973,399.17	-	-	-	25,973,399.17
Neimenggu Tongren Big Pharmacy Chain Co., Ltd. store acquisition.	13,494,000.00	-	-	-	13,494,000.00
Guoda Pu'er	71,064,684.79	-	-	-	71,064,684.79
Shanghai Pudong New Area Pharmaceuticals Co., Ltd. (“Pudong Pharmaceuticals”)	65,978,042.61	-	-	-	65,978,042.61
Shanghai Dingqun Enterprise Management Consulting Co., Ltd.	520,836,246.17	-	-	-	520,836,246.17
Cheng Dafang Pharmaceutical Group Co., Ltd	1,182,443,676.11	-	-	-	1,182,443,676.11
Liaoning Xianzhen Pharmaceutical Chain Co., Ltd.	34,037,431.66	-	-	-	34,037,431.66
Yunnan Guoda Disheng pharmacy chain Co., Ltd (“Disheng Chain”)	158,492,204.21	-	-	-	158,492,204.21
China Pharmaceutical Holdings Nantong Puji Pharmacy Chain Co., Ltd. store acquisition	11,498,100.00	-	-	-	11,498,100.00
Shanxi Huimin Kangwei Big Pharmacy Chain Co., Ltd. store acquisition	20,970,000.00	-	-	-	20,970,000.00
	<u>2,963,335,585.32</u>	<u>-</u>	<u>2,818,647.85</u>	<u>2,818,647.85</u>	<u>2,963,335,585.32</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

As at 27 January 2022, Taiyuan Tongxinli has completed the business cancellation and the relevant assets were merged into the parent company, Shanxi Guoda Yiyuan, so the carrying value of goodwill was merged into the parent company, Shanxi Guoda Yiyuan. See Note VI.2 for its cancellation information.

(2) Provision of impairment loss

Names of the investee or matters of forming goodwill	Opening balance	Increase	Decrease	Closing balance
Shanghai Dingqun	162,690,000.00	-	-	162,690,000.00
Quanzhou Guoda	25,000,000.00	-	-	25,000,000.00
	<u>187,690,000.00</u>	<u>-</u>	<u>-</u>	<u>187,690,000.00</u>

Information about the asset group or combination of asset groups in which the goodwill is located

Goodwill acquired in a business combination has been allocated to the operating asset group of the relevant subsidiary's main business for goodwill impairment testing. These asset groups are consistent with the asset groups recognized in the goodwill impairment test at the date of purchase and in previous years. The recoverable amount is determined as the present value of the estimated future cash flows from the operating asset group of the principal business of each subsidiary for which goodwill exists. Management estimates future cash flows based on a detailed forecast period of five years and subsequent forecast periods. The projected future cash flows for the detailed forecast period are determined based on the business plan developed by management. The projected future cash flows for the subsequent forecast period are determined based on the level of the last year of the detailed forecast period, taking into account the Group's business plan, industry trends and other factors.

The recoverable amounts of asset groups and asset group combinations are based on budgets approved by management for a five-year period using a cash flow projection methodology, with cash flows beyond that five-year period extrapolated to take into account inflation rates.

The key assumptions made by the Group in determining the cash flow projections for goodwill impairment testing:

- (1) Assuming that the appraised entity continues to operate and there are no significant changes from the current situation in key aspects affecting production and operation, such as the scope of operation, sales model and channels, and management.
- (2) Assuming that no significant changes occur in the socio-economic environment in which the appraised entity is located and that there are no significant changes from the current situation in relevant laws and regulations, etc. in the region in which the company is located.
- (3) Assuming that the appraised entity will continue to improve and perfect its business scope, business methods and management model on the basis of maintaining consistency, and that it will be able to make timely adjustments and innovations in line with economic development.
- (4) Assuming that interest rates and tax rates, within the prescribed normal range, do not change significantly, etc. The following illustrates the key assumptions made by management in determining cash flow projections for the purpose of goodwill impairment testing.

Revenue growth rate: The Group determines the revenue growth rate for the forecasted annual period based on the business plans of each subsidiary, historical experience and forecasts of market developments.

Budgeted gross margin: The basis of determination is based on the average gross margin achieved in the year prior to the budget year, which is appropriately projected based on expected efficiency improvements and expected market development.

Discount rate: The discount rate used is a pre-tax discount rate that reflects the specific risk of the relevant asset group or combination of asset groups.

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

18. Goodwill (Continued)

Assumptions were used to calculate the present value of the expected future cash flows of the pharmaceutical distribution business, the pharmaceutical retail business asset group and the asset group portfolio as at 30 June 2022. The key assumptions made by the Group in determining the cash flow projections when performing the goodwill impairment test are as follows:

	Pharmaceutical distribution	Pharmaceutical retail
Revenue growth rate in the budget period	2.49%-17.00%	-2.25%-14.03%
Sustainable growth rate	3.00%	3.00%
Gross margin	3.34%-6.20%	12.36%-52.00%
Discount rate	12.40%-15.00%	12.58%-15.00%

The Group determines budgeted gross margins and weighted average growth rates based on historical experience and forecasts of market developments, and uses pre-tax rates that reflect the specific risks of the relevant asset groups and asset group combinations as discount rates. The above assumptions are used to analyze the recoverable amounts of the various asset groups and asset group combinations within this business segment.

19. Long-term prepaid expenses

	Opening balance	Additions	Amortization	Other decrease	Closing balance
Fixed asset improvement expenditure	447,915,250.45	51,293,777.88	(65,562,268.99)	(4,460,540.72)	429,186,218.62
Acquisition expenditure to obtain the right to operate	166,013,845.54	11,615,844.52	(17,279,213.79)	(180,000.00)	160,170,476.27
Others	20,046,345.77	284,186.15	(5,781,598.02)	-	14,548,933.90
	<u>633,975,441.76</u>	<u>63,193,808.55</u>	<u>(88,623,080.80)</u>	<u>(4,640,540.72)</u>	<u>603,905,628.79</u>

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V Notes to the consolidated financial statements (Continued)

20. Deferred tax assets/liabilities

(1) Deferred tax assets before offsetting

	30 June 2022		31 December 2021	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	240,866,603.05	57,740,261.96	204,535,469.12	49,334,631.28
Deductible tax loss	247,304,456.76	61,822,956.66	156,999,428.65	39,093,138.09
Impact of lease criteria	121,725,466.63	28,643,999.31	126,166,577.96	29,685,521.43
Accrued expenses	190,689,243.32	46,475,910.83	109,319,247.99	25,802,416.16
Member bonus points	66,314,447.80	15,565,464.51	56,953,502.72	13,804,027.96
Accrued payroll	48,322,321.21	11,593,390.11	59,779,846.77	14,472,633.63
Others	45,278,602.70	10,634,926.40	15,774,146.45	3,884,627.84
	<u>960,501,141.47</u>	<u>232,476,909.78</u>	<u>729,528,219.66</u>	<u>176,076,996.39</u>

(2) Deferred tax liabilities before offsetting

	30 June 2022		31 December 2021	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value adjustment for business combination not involving enterprises under common control	616,370,769.96	154,092,692.50	636,489,820.31	159,122,455.09
One-time deduction for fixed assets under five million yuan	165,372,016.75	41,080,779.44	168,175,688.17	41,874,528.38
Changes in fair value of financial assets through other comprehensive income	48,802,552.97	12,200,638.25	48,802,552.99	12,200,638.25
Division restructuring assets to assess value-added differences	13,780,567.64	3,445,141.91	14,911,259.12	3,727,814.78
Others	24,629,691.32	5,185,066.60	25,604,493.16	5,359,719.05
	<u>868,955,598.64</u>	<u>216,004,318.70</u>	<u>893,983,813.75</u>	<u>222,285,155.55</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

20. Deferred tax assets/liabilities (Continued)

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

	30 June 2022		31 December 2021	
	Deferred tax assets/liabilities - Net	Temporary differences after set-off	Deferred tax assets/liabilities - Net	Temporary differences after set-off
Deferred tax assets	47,485,404.45	184,991,505.33	46,336,826.62	129,740,169.77
Deferred tax liabilities	47,485,404.45	168,518,914.25	46,336,826.62	175,948,328.93

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

	30 June 2022	31 December 2021
Deductible temporary differences	23,200,390.80	11,238,147.54
Deductible loss (Note)	57,788,327.59	59,698,786.44
	80,988,718.39	70,936,933.98

Note: Considering that individual subsidiaries of the Group are still in a loss position and it is highly uncertain whether sufficient taxable income will be available to offset the deductible losses in future periods, the Group has not recognized deferred income tax assets for the accumulated losses of these subsidiaries of RMB 57,788,327.59 that are deductible from taxable income.

(5) The aforesaid unrecognized deductible losses will due:

	30 June 2022	31 December 2021
2022	6,641,123.64	6,641,123.64
2023	7,168,712.20	8,298,591.45
2024	22,902,212.15	23,628,477.37
2025	8,413,580.52	8,439,382.18
2026	12,662,699.08	12,691,211.80
	57,788,327.59	59,698,786.44

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

21. Other non-current assets

	30 June 2022			31 December 2021		
	Carrying balance	Impairment	Carrying amount	Carrying balance	Impairment	Carrying amount
Physical assets reserve specifically authorized	309,205,366.54	(12,592.92)	309,192,773.62	296,930,381.81	(72,444.32)	296,857,937.49
Guarantees	101,512,031.50	(367,467.00)	101,144,564.50	102,026,609.50	(232,467.00)	101,794,142.50
Prepayment for project and equipment	36,856,205.52	-	36,856,205.52	39,854,590.30	-	39,854,590.30
Contract assets	20,159,281.27	(137,829.41)	20,021,451.86	16,743,986.71	(156,301.07)	16,587,685.64
Other	7,775,158.31	-	7,775,158.31	4,891,413.31	-	4,891,413.31
	<u>475,508,043.14</u>	<u>(517,889.33)</u>	<u>474,990,153.81</u>	<u>460,446,981.63</u>	<u>(461,212.39)</u>	<u>459,985,769.24</u>

22. Short-term borrowings

	30 June 2022	31 December 2021
Credit borrowings	2,927,031,189.96	1,930,467,146.38
Pledged borrowings	<u>171,989,511.22</u>	<u>-</u>
	<u>3,099,020,701.18</u>	<u>1,930,467,146.38</u>

Intra-group bills receivable that have been discounted and not yet due are reverted to short-term borrowings at the consolidated level

At 30 June 2022, the annual interest rate for the above borrowings was 1.80%-4.50%(31 December 2021: 0.44%-4.50%).

At 30 June 2022 and 31 December 2021, there were no short-term borrowings of the Group that were overdue but not yet paid.

23. Notes payable

	30 June 2022	31 December 2021
Commercial acceptance bills	78,748,228.70	73,700,292.69
Bank acceptance bills	<u>6,311,809,265.94</u>	<u>7,586,516,530.99</u>
	<u>6,390,557,494.64</u>	<u>7,660,216,823.68</u>

At 30 June 2022, the total amount of notes payable that were due but not yet paid was nil (31 December 2021: nil).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

24. Accounts payable

	30 June 2022	31 December 2021
Payment for goods	<u>11,329,463,911.07</u>	<u>9,057,718,968.14</u>

At 30 June 2022, significant accounts payable aged over one year was analyzed below:

	Amount	Reason
Payment for goods	<u>613,075,167.06</u>	Has not been settled

25. Receipts in advance

	30 June 2022	31 December 2021
Advanced lease payment	<u>18,140,667.15</u>	<u>19,289,567.44</u>

26. Contract liabilities

	30 June 2022	31 December 2021
Contract liabilities	<u>446,665,021.01</u>	<u>431,303,231.37</u>

27. Employee benefits payable

	31 December 2021	Increase	Decrease	30 June 2022
Short-term employee benefits (1)	332,740,724.86	1,552,861,040.78	(1,655,917,366.02)	229,684,399.62
Post-employment benefits (defined contribution plan) (2)	7,263,643.68	161,560,598.74	(157,706,923.22)	11,117,319.20
Termination benefits	<u>192,756.79</u>	<u>185,799.87</u>	<u>(189,867.56)</u>	<u>188,689.10</u>
	<u>340,197,125.33</u>	<u>1,714,607,439.39</u>	<u>(1,813,814,156.80)</u>	<u>240,990,407.92</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

27. Employee benefits payable(Continued)

(1) Short-term employee benefits

	31 December 2021	Increase	Decrease	30 June 2022
Salaries, bonuses, allowances and grants	310,756,231.93	1,349,773,699.68	(1,452,477,822.63)	208,052,108.98
Staff welfare	1,896,079.97	33,725,170.87	(33,305,445.16)	2,315,805.68
Social security contribution	4,668,816.25	88,455,751.60	(90,245,316.02)	2,879,251.83
Incl: Medical insurance	4,556,753.76	83,076,013.05	(84,894,890.20)	2,737,876.61
Work injury insurance	92,574.46	3,495,144.35	(3,451,920.98)	135,797.83
Maternity insurance	19,488.03	1,884,594.20	(1,898,504.84)	5,577.39
Housing funds	1,974,638.71	57,510,906.40	(57,041,543.77)	2,444,001.34
Labor union funds and employee education funds	12,573,136.23	21,959,876.47	(21,411,602.68)	13,121,410.02
Other short-term benefits	871,821.77	1,435,635.76	(1,435,635.76)	871,821.77
	<u>332,740,724.86</u>	<u>1,552,861,040.78</u>	<u>(1,655,917,366.02)</u>	<u>229,684,399.62</u>

(2) Defined contribution plan

	31 December 2021	Increase	Decrease	30 June 2022
Basic pension insurance	2,268,338.29	154,103,723.59	(148,555,950.60)	7,816,111.28
Unemployment insurance	142,603.69	4,712,271.46	(4,460,904.95)	393,970.20
Contribution to pension fund	4,852,701.70	2,744,603.69	(4,690,067.67)	2,907,237.72
	<u>7,263,643.68</u>	<u>161,560,598.74</u>	<u>(157,706,923.22)</u>	<u>11,117,319.20</u>

Note: For the half year of 2022, the Group provided other termination benefits for severing labor relations of RMB149,212.00. For the half year of 2021, the Group provided other termination benefits for severing labor relations of RMB406,814.34. Other termination benefits that were reversed for there was no need to pay for severing labor relations were nil.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

28. Tax payable

	30 June 2022	31 December 2021
Corporate Income taxes	204,963,847.78	178,870,986.61
Value-added tax	115,851,465.78	116,033,746.26
Stamp duty	9,811,058.50	9,920,803.28
Individual income tax	8,094,662.21	7,421,770.17
City maintenance and construction surtax	7,453,512.42	8,285,798.93
Educational surcharge	5,949,470.18	6,128,676.48
Water conservancy fund	1,299,726.77	1,904,421.45
Property tax	1,150,452.87	1,166,484.81
Land use tax	85,943.48	63,985.06
Others	6,950,642.84	7,367,407.14
	<u>361,610,782.83</u>	<u>337,164,080.19</u>

29. Other payables

	30 June 2022	31 December 2021
Interest payable	54,630,796.23	31,587,062.03
Dividend payable	29,976,446.26	30,140,616.33
Other payables	2,164,208,703.69	1,653,019,308.10
	<u>2,248,815,946.18</u>	<u>1,714,746,986.46</u>

(1) Interest payable

	30 June 2022	31 December 2021
Factoring interest on accounts receivable	54,630,796.23	31,587,062.03
	<u>54,630,796.23</u>	<u>31,587,062.03</u>

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

29. Other payables(Continued)

(2) Dividend payable

	30 June 2022	31 December 2021
Jilin Yihe Investment Consulting Co., Ltd	22,635,133.81	22,635,133.81
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (“Fosun Pharm”)	4,835,511.58	4,835,511.58
Dividend payable to Zhang Zhenfang	2,505,800.87	2,505,800.87
Meiluo Pharmaceutical Co., Ltd.	-	164,170.07
	<u>29,976,446.26</u>	<u>30,140,616.33</u>

At 30 June 2022 and 31 December 2021, the Group had no significant dividend aged more than one year and not yet paid.

(3) Other payables

	30 June 2022	31 December 2021
Payables for factoring programs	940,993,604.43	549,837,612.90
Deposit	459,938,698.92	449,660,261.02
Accrued expenses	223,088,290.60	230,547,704.07
Payables for rentals	144,562,565.13	95,330,986.78
Equity payables	122,200,000.00	125,000,000.00
Payables for construction in progress and equipment	42,068,719.87	53,913,827.67
Collection of others	40,821,359.82	28,674,847.66
Payables to individuals	14,288,250.02	17,809,022.64
Temporary loans	10,000,500.00	9,984,512.61
Payables for land transfer payments	7,486,500.00	7,486,500.00
Payables to related parties	294,282.33	596,258.19
Others	158,465,932.57	84,177,774.56
	<u>2,164,208,703.69</u>	<u>1,653,019,308.10</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

29. Other payables(Continued)

At 30 June 2022, significant other payables over 1 year are:

	Amount payable	Reason for outstanding
Deposits	11,183,321.05	Payment conditions not met
Temporary loans	9,800,000.00	Payment conditions not met
Payables for land transfer payments	7,486,500.00	Payment conditions not met
	<u>28,469,821.05</u>	

30. Non-current liabilities due within 1 year

	30 June 2022	31 December 2021
Lease liabilities due within 1 year	852,086,989.55	848,328,648.14
Long-term loans due within 1 year	6,000,000.00	-
	<u>858,086,989.55</u>	<u>848,328,648.14</u>

31. Other current liabilities

	30 June 2022	31 December 2021
Pre-collected VAT	24,266,555.72	27,078,191.86
Output VAT to be recognized	280,714.64	418,081.05
Other	<u>11,110,059.72</u>	<u>12,089,196.74</u>
	<u>35,657,330.08</u>	<u>39,585,469.65</u>

32. Long-term borrowings

	30 June 2022	31 December 2021
Entrusted loans (1)	31,633,794.44	31,637,173.89
Credit loan (2)	<u>31,000,000.00</u>	<u>40,000,000.00</u>
	<u>62,633,794.44</u>	<u>71,637,173.89</u>

(1) At 30 June 2022, the total amount of remaining entrusted loans was RMB31,633,794.44 (31 December 2021: RMB31,637,173.89), which was the loan from Sinopharm Group Finance Co., Ltd entrusted by CNPGC to the group, the weighted average annual interest rate of the entrusted loans was 3.85%(31 December 2021: 3.85%).

(2) At 30 June 2022, the balance of credit borrowings was RMB31,000,000.00 (31 December 2021: RMB 40,000,000.00) from Everbright Bank. The annual interest rate on this credit loan is 4.05% (31 December 2021 : 4.05%).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

33. Lease liabilities

	30 June 2022	31 December 2021
Lease payment	2,243,561,602.43	2,223,756,525.42
Less: Lease liabilities due within 1 year	<u>852,086,989.55</u>	<u>848,328,648.14</u>
	<u>1,391,474,612.88</u>	<u>1,375,427,877.28</u>

34. Long-term payables

	30 June 2022	31 December 2021
Payables for specific projects	<u>6,938,189.00</u>	<u>6,938,189.00</u>

Payables for specific projects:

	31 December 2021	Increase	Decrease	30 June 2022	
Special funds granted by government (1)	800,000.00	-	-	800,000.00	Reasons of derred income Funds granted by government
Medical reserve funds (2)	<u>6,138,189.00</u>	-	-	<u>6,138,189.00</u>	
	<u>6,938,189.00</u>	-	-	<u>6,938,189.00</u>	

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

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

35. Long-term employee benefits payable

	30 June 2022	31 December 2021
Early retirement benefits payable	<u>1,156,000.00</u>	<u>1,202,000.00</u>

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

36. Deferred income

	Opening balance	Increase	Decrease	Closing balance	Reasons of deferred income
Government grants	86,402,219.54	200,701.00	3,382,345.72	83,220,574.82	Government grant
VAT Additional deduction	514,832.24	1,073,499.36	1,256,972.27	331,359.33	VAT additional deduction
	<u>86,917,051.78</u>	<u>1,274,200.36</u>	<u>4,639,317.99</u>	<u>83,551,934.15</u>	

As at 30 June 2022, deferred income from government grants are as follows:

Government grants program	Opening balance	Addition	Amount included in non-operating income	Amount included in other income	Closing balance	Asset related/ income related
Resettlement Compensation (Note)	67,460,215.49	-	1,349,204.28	-	66,111,011.21	Asset related
Construction fund of the modern supply chain system in the central circulation field in 2018	6,760,654.80	-	-	809,950.26	5,950,704.54	Asset related
Logistics project of Nanning Economic Development Zone construction support funds	4,660,159.43	-	-	93,203.22	4,566,956.21	Asset related
Subsidies for pharmaceutical supply chain projects	1,910,004.37	-	-	178,590.60	1,731,413.77	Asset related
Guangzhou logistics standardisation pilot project	1,176,272.03	-	-	273,123.42	903,148.61	Asset related
Funds for the logistics information platform project of the pharmaceutical storage centre	666,666.87	-	-	71,428.56	595,238.31	Asset related
Comprehensive experimental modern service industry subsidies	600,000.00	-	-	150,000.00	450,000.00	Asset related
Special funds for industrial transformation and upgrading in dualised integration projects	392,720.10	-	-	139,907.58	252,812.52	Asset related
Other projects	<u>2,775,526.45</u>	<u>200,701.00</u>	<u>-</u>	<u>316,937.80</u>	<u>2,659,289.65</u>	<u>Asset related/ income related</u>

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

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

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

37. Other non-current liabilities

	30 June 2022	31 December 2021
Governmental medical reserve funds (1)	593,063,888.27	560,495,462.17
Equity payable	71,400,000.00	71,400,000.00
Product promotion accumulative points programme (2)	31,072,257.90	32,479,462.95
Other	6,140.53	6,140.53
	<u>695,542,286.70</u>	<u>664,381,065.65</u>

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

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

38. Share capital

	Movement during the current year				
	31 December 2021	Issue of new share	Others	Subtotal	
Shares	428,126,983.00	-	-	-	428,126,983.00

39. Capital surplus

	31 December 2021	Increase	Decrease	30 June 2022
Share premium	2,118,174,787.27	-	-	2,118,174,787.27
Other capital surplus	2,253,627,320.16	21,202.78	-	2,253,648,522.94
	<u>4,371,802,107.43</u>	<u>21,202.78</u>	<u>-</u>	<u>4,371,823,310.21</u>

Changes in other equity of Shyndec Pharma, an associate of the group, add the book value of long-term equity investment and include it in the capital reserve of RMB 21,202.78.

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Notes to financial statements (Continued)

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V Notes to the consolidated financial statements (Continued)

40. Other comprehensive income

	31 December 2021	Amounts changes in current period		30 June 2022
		Occurrence amount before tax	Attributable to shareholders of owners of the parent	
Other comprehensive income items which will not be reclassified subsequently to profit or loss	21,961,038.76	-	-	21,961,038.76
Incl: Change in the fair value of other equity investments	21,961,038.76	-	-	21,961,038.76
Other comprehensive income that may be reclassified to profit or loss	(86,840.40)	(3,773.17)	(3,773.17)	(90,613.57)
Incl: Other comprehensive income using the equity method that may be reclassified to profit or loss	<u>(86,840.40)</u>	<u>(3,773.17)</u>	<u>(3,773.17)</u>	<u>(90,613.57)</u>
	<u>21,874,198.36</u>	<u>(3,773.17)</u>	<u>(3,773.17)</u>	<u>21,870,425.19</u>

41. Surplus reserve

	31 December 2021	Increase	Decrease	30 June 2022
Statutory surplus reserves	<u>214,063,491.50</u>	<u>-</u>	<u>-</u>	<u>214,063,491.50</u>

42. Retained earnings

	30 June 2022	31 December 2021
Retained earnings at beginning of year before retrospective adjustment and restatement	9,889,071,272.21	8,895,145,106.39
The retrospective adjustment and restatement	-	-
Retained earnings at beginning of year after retrospective adjustment and restatement	9,889,071,272.21	8,895,145,106.39
Add: Net profit attributable to the parent	674,215,912.93	1,336,427,752.22
Less: Dividend payable on common stock	<u>256,876,189.80</u>	<u>342,501,586.40</u>
Retained earnings on June 30, 2020	<u>10,306,410,995.34</u>	<u>9,889,071,272.21</u>

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V Notes to the consolidated financial statements (Continued)

43. Operating revenue and cost

	For the six months ended 30 June 2022		For the six months ended 30 June 2021		
	Revenue	Cost	Revenue	Cost	
Principal operations	35,768,781,930.34	31,831,173,699.03	32,841,264,479.56	29,156,249,513.96	
Other operations	360,128,119.64	107,846,116.57	321,827,407.83	60,587,687.11	
	<u>36,128,910,049.98</u>	<u>31,939,019,815.60</u>	<u>33,163,091,887.39</u>	<u>29,216,837,201.07</u>	
Classification	Head Office	Pharmaceutical distribution	Pharmaceutical retail	Elimination between segments	Total
By product					
Incl:					
Pharmaceuticals	-	20,658,106,818.64	10,518,104,050.65	(477,730,068.50)	30,698,480,800.79
Medical devices and disposables	-	3,889,963,499.47	590,413,492.64	-	4,480,376,992.11
Diagnostic reagents	-	595,036,742.79	-	-	595,036,742.79
Medical equipments	-	131,576,141.49	-	-	131,576,141.49
Others	213,770.00	174,573,822.26	-	(1,336,897.05)	173,450,695.21
By area					
Incl:					
China	213,770.00	25,449,257,024.65	11,108,517,543.29	(479,066,965.55)	36,078,921,372.39
By types of activity					
Incl:					
Pharmaceutical distribution	-	24,045,828,999.99	1,659,820,863.49	(477,730,068.50)	25,227,919,794.98
Retail pharmacy	-	1,228,854,202.40	9,448,696,679.80	-	10,677,550,882.20
Others	213,770.00	174,573,822.26	-	(1,336,897.05)	173,450,695.21
By contract duration					
Incl:					
At a point in time	-	25,274,683,202.39	11,108,517,543.29	(477,730,068.50)	35,905,470,677.18
Over time	213,770.00	174,573,822.26	-	(1,336,897.05)	173,450,695.21
	<u>213,770.00</u>	<u>25,449,257,024.65</u>	<u>11,108,517,543.29</u>	<u>(479,066,965.55)</u>	<u>36,078,921,372.39</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

43. Operating revenue and cost (Continued)

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

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

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

The amount of income corresponding to the obligation that has been signed but has not been fulfilled or has not yet fulfilled is RMB446,665,021.01, which is expected to be recognized within 1 year.

Revenue is as follows:

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Revenue from contracts with customers	36,078,921,372.39	33,120,723,712.62
Rentals	49,988,677.59	42,368,174.77
	<u>36,128,910,049.98</u>	<u>33,163,091,887.39</u>

44. Tax and surcharges

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
City maintenance and construction tax	36,545,739.89	27,877,507.46
Educational surcharge	26,507,011.37	20,257,170.15
Stamp duty	26,135,378.84	21,497,447.37
Property tax	3,982,142.71	4,224,163.72
Land tax	555,653.98	768,836.09
Vehicle and vessel use tax	77,425.33	85,991.96
Others	2,093,753.21	1,278,737.83
	<u>95,897,105.33</u>	<u>75,989,854.58</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

45. Selling expenses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Employees payroll and welfare benefits	1,278,925,403.75	1,197,067,119.97
Depreciation expenses of right-of-use assets	493,729,067.18	479,540,503.22
Technical service fee	128,438,118.24	84,303,596.21
Rentals not included in the measurement of lease liabilities	126,072,784.84	117,046,188.52
Amortization of long-term deferred expenses	76,029,815.38	69,802,526.37
Depreciation expenses	59,591,381.77	56,762,708.30
Utilities	41,148,967.59	39,863,463.73
Office allowances	35,845,328.50	35,013,829.00
Storage expenses	31,793,439.93	25,614,256.09
Promotion and marketing expenses	19,717,109.56	18,804,920.99
Property management fee	18,969,784.07	16,975,156.97
Amortization of intangible assets	17,996,286.89	18,592,881.19
Entertainment expenses	11,743,734.81	14,061,877.53
Repairing fees	8,109,401.16	7,118,061.32
Market development fee	4,432,280.06	8,168,582.42
Travel allowances	1,949,747.55	2,939,453.78
Conference expenses	678,377.12	525,946.12
Others	131,313,412.39	115,284,458.04
	<u>2,486,484,440.79</u>	<u>2,307,485,529.77</u>

46. Administrative expenses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Employees payroll and welfare benefits	380,834,502.76	360,049,901.79
Depreciation expenses	16,984,679.24	17,675,510.90
Office allowances	15,786,794.21	14,281,405.19
Amortization of intangible assets	13,718,107.83	11,402,009.79
Rental expenses	11,610,468.24	16,196,265.77
Depreciation expenses of right-of-use assets	10,566,294.26	12,957,819.94
Amortization of long-term deferred expenses	8,545,345.17	8,283,676.96
Technical service fee	6,861,241.80	6,691,393.49
Entertainment expenses	6,289,130.61	7,342,000.00
Property management fee	6,086,330.72	4,749,071.86
Agency service fee	3,512,785.97	2,841,366.73
Utilities	2,791,313.58	3,107,684.09
Vehicle management expenses	2,540,121.79	3,659,483.25
Repairing fees	2,118,463.79	2,852,529.46
Travel allowances	1,545,821.46	3,444,399.91
Others	19,665,546.39	17,002,417.58
	<u>509,456,947.82</u>	<u>492,536,936.71</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

47. Finance costs

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Interest expenses	142,860,549.18	147,057,897.99
Less: Interest income	34,626,066.94	38,758,729.78
Cash discount	19,130,477.97	18,968,417.81
Exchanges gain/(loss)	3,248,502.79	(415,927.10)
Others	18,849,640.93	18,328,179.85
	<u>111,202,147.99</u>	<u>107,243,003.15</u>

A breakdown for interest income is as follows:

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Cash	<u>34,626,066.94</u>	<u>38,758,729.78</u>

48. Other incomes

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Government grants related to daily operating activities	32,008,641.31	33,665,225.01
VAT reduction for small-scale taxpayers	9,575,400.10	11,566,085.35
VAT additional deduction	1,278,627.33	929,058.98
Taxation service charge refund	1,008,401.70	788,376.92
Self-employed retired soldiers tax benefits	287,764.57	300,870.00
	<u>44,158,835.01</u>	<u>47,249,616.26</u>

49. Investment income

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Long-term equity investment income under the equity method	98,868,662.09	157,696,397.81
Dividend income from other equity investments that are still held	-	2,330,159.50
Investment income from financial assets at fair value through profit or loss	-	3,599,555.61
Investment income from the derecognition of financial assets measured at amortised cost	(49,930,502.81)	(7,039,046.60)
	<u>48,938,159.28</u>	<u>156,587,066.32</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

50. Credit impairment losses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Impairment loss of accounts receivable	(40,864,896.14)	(28,023,731.77)
Impairment loss of other receivables	(3,249,934.85)	(1,464,818.01)
Impairment loss of notes receivables	-	893,564.34
Other non-current assets	(135,000.00)	(70,000.00)
	<u>(44,249,830.99)</u>	<u>(28,664,985.44)</u>

51. Impairment losses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Loss from write-down of inventories	(6,631,502.14)	(318,356.71)
Loss from impairment of contract assets	54,519.75	(60,342.41)
Loss from impairment of other non-current assets	78,323.06	(38,216.14)
	<u>(6,498,659.33)</u>	<u>(416,915.26)</u>

52. Gain on disposal of assets

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Gain on disposal of right-of-use assets	3,297,235.48	(505,084.56)
Gain on disposal of fixed assets	(104,413.71)	(83,714.99)
	<u>3,192,821.77</u>	<u>(588,799.55)</u>

53. Non-operating income

	For the six month ended 30 June 2022	For the six month ended 30 June 2021	Amount classified as non-recurring profit or loss
Gain from writing off the unnecessary payment	1,427,644.86	7,298,605.35	1,427,644.86
Government grants	1,349,204.28	1,349,204.28	1,349,204.28
Gain on disposal of non-current assets	56,872.95	60,184.80	56,872.95
Others	1,522,806.30	3,785,326.01	1,522,806.30
	<u>4,356,528.39</u>	<u>12,493,320.44</u>	<u>4,356,528.39</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

53. Non-operating income(Continued)

Government grants included in current period profit or loss:

Project Name	Government Department	Reasons for Government grants	Type	Affects the profit or loss of this year	Special subsidy	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Related to asset/income
Resettlement Compensation of No. 7 Zhongyao Road	Nanning Economic & Technological Development Area Management Committee	Subsidy	Subsidies from local government for support policies such as attracting investment	Yes	No	1,349,204.28	1,349,204.28	Asset related

54. Non-operating expenses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021	Amount classified as non-recurring profit or loss
Losses arising from damage and obsolescence of non-current assets	677,435.02	273,414.36	677,435.02
Penalty expenses	448,700.72	1,220,928.37	448,700.72
Donation expenses	137,688.00	158,990.50	137,688.00
Others	928,175.00	1,584,618.12	928,175.00
	<u>2,191,998.74</u>	<u>3,237,951.35</u>	<u>2,191,998.74</u>

55. Income tax expenses

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Current income tax	302,467,105.31	248,326,505.55
Deferred income tax	(62,680,750.24)	(9,900,246.51)
	<u>239,786,355.07</u>	<u>238,426,259.04</u>

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

	For the six month ended 30 June 2022
Profit before income tax	<u>1,034,555,447.84</u>
Tax at the applicable tax rate	258,638,861.96
Effect of different tax rates for some subsidiaries	(14,716,366.91)
Adjustments in respect of current tax of previous periods	18,244,499.91
Income not subject to tax	(24,004,868.19)
Expenses not deductible for tax	1,691,854.32
Use of prior years' unrecognized tax losses	(741,527.42)
Unrecognised deductible temporary differences and tax losses	673,901.40
Income tax	<u>239,786,355.07</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

56. Notes to items in the cashflow statement

(1) Other cash receipts relating to operating activities

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Rent income	44,133,350.15	42,368,174.77
Interest income	39,718,910.53	38,758,729.78
Received other government grants except tax refund	14,734,893.65	35,612,619.03
Received emergency medical supplies reserve	18,938,298.44	48,642,430.00
Others	176,073,126.15	203,208,921.88
	<u>293,598,578.92</u>	<u>368,590,875.46</u>

(2) Other cash payments relating to operating activities

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Rental expenses	128,090,072.24	133,233,956.70
Office expenses	55,332,748.84	49,295,234.19
Advertising expenses	23,126,119.78	19,109,323.81
Entertainment expenses	17,350,415.36	21,403,877.53
Bank expenses	15,317,062.81	17,472,673.47
Travel expenses	4,008,620.55	6,383,853.69
Others	467,860,003.29	685,881,277.97
	<u>711,085,042.87</u>	<u>932,780,197.36</u>

(3) Other cash receipts relating to investing activities

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Others	-	54,984.60
	<u>-</u>	<u>54,984.60</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

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

(4) Other cash receipts relating to financing activities

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Payment of financing restricted monetary funds	392,205,448.15	-
Financing restricted monetary funds received	79,628,828.81	34,940,555.62
Received loan provided by minority shareholders	-	69,150,000.00
	<u>471,834,276.96</u>	<u>104,090,555.62</u>

(5) Other cash payments relating to financing activities

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Lease payment	579,615,796.49	536,275,009.28
Payment of financing restricted monetary funds	84,111,199.22	-
Repayment of loans to minority shareholders	46,500,000.00	50,400,000.00
Bank factoring payable	-	251,370,239.59
	<u>710,226,995.71</u>	<u>838,045,248.87</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

57. Supplementary information of cashflow statement

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

	For the six month ended 30 June 2022	For the six month ended 30 June 2021
Net profit	794,769,092.77	907,994,454.49
Add: Provisions for asset impairment	50,748,490.32	29,081,900.70
Depreciation of fixed assets	85,304,380.21	78,401,603.02
Depreciation of right-of-use assets	525,182,245.87	493,632,821.29
Amortization of intangible assets	32,954,665.58	30,503,457.69
Amortization of long-term prepaid expenses	88,623,080.80	79,098,080.34
Gains/(losses) on disposal of fixed assets, intangible assets and other long-term assets	(3,192,821.77)	588,799.55
Gains/(losses) on scrapping of fixed assets	620,562.07	213,229.56
Finance expenses	122,427,202.14	126,395,365.24
Investment losses	(48,938,159.28)	(156,587,066.32)
(Increase)/decrease in deferred tax assets	(56,399,913.39)	(10,036,816.58)
(Decrease)/increase in deferred tax liabilities	(6,280,836.85)	417,984.79
Decrease in inventories	(286,419,338.18)	(868,988,935.78)
Increase in operating receivables items	(2,403,154,727.73)	(3,060,847,945.57)
(Decrease)/increase in operating payable items	2,236,198,043.39	3,561,205,596.30
Others	(90,777,906.78)	18,300,754.85
	1,041,664,059.17	1,229,373,283.57
Net cash generated from operating activities	1,041,664,059.17	1,229,373,283.57

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

57. Supplementary information of cashflow statement (Continued)

(2)	Movement of cash	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	Cash at the end of the period	5,278,749,922.63	5,537,606,217.43
	Less: Cash at the beginning of the period	4,733,512,222.35	5,405,113,257.99
	Net increase in cash	545,237,700.28	132,492,959.44
(3)	Cash and cash equivalent	30 June 2022	31 December 2021
	Cash		
	Inclue: Cash on hand	8,343,211.00	4,642,730.62
	Bank deposits on demand	5,270,406,711.63	4,728,869,491.73
	Ending balance cash and cash equivalent	5,278,749,922.63	4,733,512,222.35

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

V Notes to the consolidated financial statements (Continued)

58. Assets under restricted ownership or right of use

	Book value	Reasons
Cash and bank balances	294,808,514.11	Note 1
Notes receivable that have been endorsed and are outstanding at the balance sheet date	11,080,505.71	Note 2
	305,889,019.82	

Note 1: As at 30 June 2022, the the Group’s cash and bank balances with a book value of RMB 294,808,514.11 (December 31, 2021: RMB 392,646,858.59) are mainly Bankers' acceptances deposits, concessionary reserve funds and other restricted monetary funds etc. (Note V.1)

Note 2: As at 30 June 2022, the Group had notes receivable of RMB11,080,505.71, endorsed but not due (31 December 2021: notes receivable of RMB 31,886,681.19). (Note V.2)

59. Government grants

Type	Amount	Items of financial statements	The amount recorded into profit or loss for the current period
Tax return	18,301,369.35	Other income	18,301,369.35
		Other income/	
Stabilitation allowances	6,891,637.35	Deferred income	6,891,637.35
Guangzhou headquarters enterprises leasing office buildings incentive subsidies in 2019	2,000,000.00	Other income	2,000,000.00
Resettlement Compensation of No. 7 Zhongyu Road	1,349,204.28	Non-operating income /Deferred income	1,349,204.28
Government support fund	1,211,065.88	Other income	1,211,065.88
		Other income/	
Construction fund of the modern supply chain system in the central circulation field in 2018	988,540.86	Deferred income	988,540.86
Government grants for COVID-19	955,282.64	Other income	955,282.64
		Other income	
Enterprise Economic Reward	308,624.96	/Deferred income	308,624.96
Guangzhou Logistics Standardization Pilot Project	273,123.42	Other income/ Deferred income	273,123.42
		Other income/	
Unemployment insurance support for enterprises to stabilize job subsidies	168,625.00	Deferred income	168,625.00
Foshan City reserve drug unit grants	150,000.00	Other income	150,000.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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V Notes to the consolidated financial statements (Continued)

59 Government grants (Continued)

Type	Amount	Items of financial statements	The amount recorded into profit or loss for the current period
Guangzhou Finance Bureau modern service industry comprehensive pilot work of the central financial subsidies in 2013	150,000.00	Other income/Deferred income	150,000.00
Special funds for industrial transformation and upgrading in dualized integration projects	139,907.58	Other income/Deferred income	139,907.58
Logistics project construction support fund from Nanning economic development committee	93,203.22	Other income/Deferred income	93,203.22
Funds for the logistics information platform project of the pharmaceutical storage centre	71,428.56	Other income/Deferred income	71,428.56
Special Fund for the construction of Enterprise Research and development Institutions in Guangzhou	44,705.94	Other income/Deferred income	44,705.94
Shenyang Tiexi District Government Housing Purchase Subsidy	40,561.32	Other income/Deferred income	40,561.32
Industrialization application project of patented incubator for pharmaceutical cold chain	12,499.98	Other income/Finance costs/Administrative/Selling expenses/Deferred income	12,499.98
Medical intelligent supply chain e-commerce service platform technology project subsidy from Guangzhou liwan district	9,861.24	Other income/Deferred income	9,861.24
Guangzhou special subsidy for commerce and trade circulation industry	8,559.36	Other income/Deferred income	8,559.36
Other government grants	189,644.65	Other income/Finance costs/Administrative/Selling expenses/Deferred income	189,644.65

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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VI. Changes in scope of consolidation

1. Establishment of subsidiary

	30 June 2022	For the six month ended 30 June 2022
	Net assets	Net profit
Sinopharm Holding Chongzuo Co., Ltd(“Sinopharm Chongzuo”)	-	-

On June 10 2022, the Group and Guangxi Zhenghao Pharmaceutical Co., Ltd. established Sinopharm Chongzuo, with subscribed registered capitals of RMB24,000,000 and RMB6,000,000 respectively. After the establishment, the Group holds 80% of its equity. On 18 July 2022, the payment has been completed.

2. Cancellation of subsidiaries

Subsidiary	Principal place of business	Place of establishment	Registered capital (RMB0'000)	Nature of business	Shareholding		Reasons
					Indirect	Direct	
Sinopharm Guoda Taiyuan Tongxinli Pharmacy Co., Ltd. ("Taiyuan Tongxinli")	Taiyuan	Taiyuan	560.00	Commercial	-	100.00	Cancellation

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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VII Interests in other entities

1. Interests in subsidiaries

(1) The composition of the Group:

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopharm Holding Shenzhen Logistics Co., Ltd. (hereafter referred as “Sinopharm Shenzhen Logistics”)	Shenzhen	Shenzhen	Services	100.00%	-	Business combinations involving entities under common control
Sinopharm Holding Shenzhen Traditional & Herbal Medicine Co., Ltd. (hereafter referred as “Sinopharm Traditional & Herbal Medicine”)	Shenzhen	Shenzhen	Commercial	100.00%	-	Business combinations involving entities under common control
Sinopharm Shenzhen Jianmin	Shenzhen	Shenzhen	Commercial	100.00%	-	Business combinations involving entities not under common control
Sinopharm Yanfeng Medical Devices (Shenzhen) Co., Ltd. (“Sinopharm Accord Devices”)	Shenzhen	Shenzhen	Commercial	51.00%	-	Business combinations involving entities not under common control
Sinopharm Holding Guangzhou Medical Treatment Co., Ltd.	Guangzhou	Guangzhou	Commercial	60.00%	-	Establishment Business combinations involving entities under common control
Sinopharm Holding Guangyi Health Management (Zhanjiang) Co., Ltd.	Guangzhou	Guangzhou	Commercial	100.00%	-	Establishment
Sinopharm Holding Zhanjiang	Zhanjiang	Zhanjiang	Commercial	-	51.00%	Establishment
Sinopharm Holding Guangzhou Medical Technology Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	60.00%	Establishment
Sinopharm Holding Guangzhou Medical Supply Chain Service Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	51.00%	Establishment Business combinations involving entities not under common control
Sinopharm Holding Heyuan Co., Ltd.(a)	Heyuan	Heyuan	Commercial	-	51.00%	Establishment
Sinopharm Holding Foshan Medical Consumables Supply Chain Co., Ltd.	Foshan	Foshan	Commercial	-	70.00%	Establishment

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Sinopharm Holding Guangzhou Huadu Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	70.00%	Business combinations involving entities not under common control
Sinopharm Meizhou	Meizhou	Meizhou	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Huizhou(b)	Huizhou	Huizhou	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Zhaoqing(c)	Zhaoqing	Zhaoqing	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Jiangmen(d)	Jiangmen	Jiangmen	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Shaoguan Sinopharm Holding Zhongshan Co., Ltd. (hereafter referred as “Sinopharm Zhongshan”)(e)	Shaoguan	Shaoguan	Commercial	-	70.00%	Business combinations involving entities not under common control
Sinopharm Holding Shantou Co., Ltd. (hereafter referred as “Sinopharm Shantou”)(f)	Zhongshan	Zhongshan	Service	-	100.00%	Establishment
Sinopharm Holding Guangdong Hengxing Co., Ltd.	Shantou	Shantou	Commercial	-	100.00%	Business combinations involving entities not under common control
Guangdong Huixin Investment Co., Ltd.	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Holding Foshan Co., Ltd. (hereafter referred as “Sinopharm Foshan”)(g)	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Holding Guangdong Logistics Co., Ltd. (hereafter referred as “Sinopharm Guangdong Logistics”)(h)	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Holding Guangdong Yuexing Co., Ltd. (hereafter referred as “Sinopharm Yuexing”)	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Dongguan(i)	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Zhanjiang	Dongguan	Dongguan	Commercial	-	100.00%	Business combinations involving entities not under common control
Nanhai Pharmaceutical Group Foshan Nanhai Uptodate & Special Medicines Co., Ltd. (hereafter referred as “Foshan Nanhai Uptodate & Special Medicines”)(j)	Zhanjiang	Zhanjiang	Commercial	-	100.00%	Business combinations involving entities under common control
Foshan Nanhai Medicine Co., Ltd. (hereafter referred as “Foshan Nanhai Medicine”)(k)	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Holding Guangdong Special Medicines (hereafter referred as “Sinopharm Guangdong Special Medicines”)(l)	Foshan	Foshan	Commercial	-	100.00%	Business combinations involving entities under common control
	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
South Pharma & Trade(m)	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Zhuhai(n)	Zhuhai	Zhuhai	Commercial	-	100.00%	Business combinations involving entities not under common control
Sinopharm Maoming	Maoming	Maoming	Commercial	-	100.00%	Business combinations involving entities not under common control
Guangzhou Medicine(o)	Guangzhou	Guangzhou	Commercial	-	70.00%	Business combinations involving entities not under common control
Yangjiang Medicine	Yangjiang	Yangjiang	Commercial	-	70.00%	Business combinations involving entities not under common control
Sinopharm Guangxi	Nanning	Nanning	Commercial	100.00%	-	Business combinations involving entities under common control
Guangxi Logistic	Nanning	Nanning	Services	-	100.00%	Business combinations involving entities under common control
Sinopharm Yulin	Yulin	Yulin	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Wuzhou	Wuzhou	Wuzhou	Commercial	-	99.90%	Business combinations involving entities under common control
Sinopharm Baise	Baise	Baise	Commercial	-	100.00%	Establishment
Sinopharm Guilin	Guilin	Guilin	Commercial	-	100.00%	Establishment
Sinopharm Guigang	Guigang	Guigang	Commercial	-	100.00%	Establishment
Sinopharm Beihai	Beihai	Beihai	Commercial	-	100.00%	Establishment
Sinopharm Holding Medical Supply Chain Service (Guangxi) Co., Ltd.	Nanning	Nanning	Commercial	-	30.60%	Establishment
Baiyi Pharmacy	Nanning	Nanning	Commercial	-	51.00%	Establishment
Sinopharm Hezhou	Hezhou	Hezhou	Commercial	-	100.00%	Establishment
Sinopharm Qinzhou	Qinzhou	Qinzhou	Commercial	-	100.00%	Establishment
Sinopharm Hechi	Hechi	Hechi	Commercial	-	100.00%	Establishment
Sinopharm Liuzhou	Liuzhou	Liuzhou	Commercial	-	51.00%	Business combinations involving entities under common control
Guigang Pharmacy	Guigang	Guigang	Commercial	-	100.00%	Establishment
Sinopharm Chongzuo(p)	Chongzuo	Chongzuo	Commercial	-	80.00%	Establishment
Guoda Drugstore	Shanghai	Shanghai	Commercial	60.00%	-	Business combinations involving entities under common control
Shanghai Chain	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Shanghai Dongsheng	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Shanghai Dongxin	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Shanghai Shanghong	Shanghai	Shanghai	Commercial	-	51.00%	Business combinations involving entities under common control
Shanghai Guodong	Shanghai	Shanghai	Medical clinic	-	100.00%	Business combinations involving entities under common control

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Guoda Yongsheng	Shanghai	Shanghai	Commercial	-	55.00%	Establishment
Shanghai Guoda Haohai Pharmacy Co., Ltd.	Shanghai	Shanghai	Commercial	-	51.00%	Establishment
Shanghai Ruijing	Shanghai	Shanghai	Commercial	-	55.00%	Establishment
Yangzhou adesheng	Yangzhou	Yangzhou	Commercial	-	93.68%	Business combinations involving entities under common control
Tianjin Guoda Pharmacy Chain Store Co., Ltd.	Tianjin	Tianjin	Commercial	-	80.00%	Business combinations involving entities under common control
Beijing Guoda Pharmacy Chain Store Co., Ltd.	Beijing	Beijing	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Zhejiang	Hangzhou	Hangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Zhejiang Dongshan Sinopharm Holding Guoda Pharmacy Guangdong Co., Ltd.	Hangzhou	Hangzhou	Commercial	-	51.00%	Business combinations involving entities under common control
	Shenzhen	Shenzhen	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Guangzhou	Guangzhou	Guangzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Sinopharm Guoda Drug Store (Shenzhen) Chain Co., Ltd.	Shenzhen	Shenzhen	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Taishan Sinopharm Holdings Guozhi Pharmacy Chain (Heyuan) Co., Ltd.	Taishan	Taishan	Commercial	-	70.00%	Business combinations involving entities under common control
	Heyuan	Heyuan	Commercial	-	70.00%	Establishment
Guoda Guangxi	Liuzhou	Liuzhou	Commercial	-	100.00%	Business combinations involving entities under common control
Guangxi Consulting	Nanning	Nanning	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Ningxia	Yinchuan	Yinchuan	Commercial	-	70.00%	Business combinations involving entities under common control
Guoda Xinjiang	Urumqi	Urumqi	Commercial	-	51.00%	Business combinations involving entities under common control
Guoda Shenyang Sinopharm Guoda Drug Store Anshan Chain Co., Ltd.	Shenyang	Shenyang	Commercial	-	51.00%	Business combinations involving entities under common control
	Anshan	Anshan	Commercial	-	51.00%	Establishment
Sinopharm holding Guoda pharmacy yongxingtang chain (Chaoyang) Co., Ltd.	Chaoyang	Chaoyang	Commercial	-	51.00%	Establishment
Guoda pharmacy (Chaoyang) Ren'ai pharmacy Co., Ltd.	Chaoyang	Chaoyang	Commercial	-	51.00%	Business combinations involving entities not under common control
Liaoning Guoda Pharmaceutical Co., Ltd.	Shenyang	Shenyang	Commercial	-	100.00%	Establishment
Liaoning Health Liaoning Guoda Pharmacy Chain Co., Ltd.	Shenyang	Shenyang	Commercial	-	100.00%	Establishment
	Dalian	Dalian	Commercial	-	100.00%	Establishment
Liaoning Huludao	Huludao	Huludao	Commercial	-	100.00%	Establishment

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Guoda Nanjing	Nanjing	Nanjing	Commercial	-	60.00%	Business combinations involving entities under common control
Guoda Shandong	Linyi	Linyi	Commercial	-	55.00%	Business combinations involving entities under common control
Guoda Rizhao	Rizhao	Rizhao	Commercial	-	100.00%	Establishment
Guoda Pharmacy (Heze) Co., Ltd. (hereafter referred as “Guoda Heze”) (q)	Heze	Heze	Commercial	-	51.00%	Establishment
Anhui Guoda Pharmacy Chain Store Co., Ltd.	Hefei	Hefei	Commercial	-	60.00%	Business combinations involving entities under common control
Guoda Quanzhou	Quanzhou	Quanzhou	Commercial	-	51.00%	Business combinations involving entities under common control
Guoda Hunan	Hengyang	Hengyang	Commercial	-	51.00%	Business combinations involving entities under common control
Hunan Guoda Pharmacy Pharmaceutical Co., Ltd. (hereafter referred as “Hunan Medicine”) (r)	Hengyang	Hengyang	Commercial	-	100.00%	Establishment
Shanxi Wanmin	Taiyuan	Taiyuan	Commercial	-	85.00%	Business combinations involving entities under common control
Changzhi Wanmin	Changzhi	Changzhi	Commercial	-	51.00%	Business combinations involving entities under common control
Shanxi Tongfeng Pharmacy Logistics Co., Ltd.	Taiyuan	Taiyuan	Commercial	-	100.00%	Business combinations involving entities under common control
Wanmin Chain	Taiyuan	Taiyuan	Medical services	-	100.00%	Business combinations involving entities under common control
Xiaoyi Wanmin	Xiaoyi	Xiaoyi	Commercial	-	70.00%	Business combinations involving entities under common control
Jinzhong Yuci Guoda Wanmin Clinic Co., Ltd.	Jinzhong	Jinzhong	Commercial	-	100.00%	Establishment
Huimin Lvliang	LvLiang	LvLiang	Commercial	-	51.00%	Establishment
Liyang Guoda	Liyang	Liyang	Commercial	-	80.00%	Business combinations involving entities under common control
Guoda Henan	Pingdingshan	Pingdingshan	Commercial	-	60.00%	Business combinations involving entities under common control
Guoda Inner Mongolia	Hohhot	Hohhot	Commercial	-	96.70%	Business combinations involving entities under common control
Guoda Hulun Buir	Hulun Buir	Hulun Buir	Commercial	-	51.00%	Business combinations involving entities under common control
Guoda Ulanqab	Ulanqab	Ulanqab	Commercial	-	60.00%	Establishment
Guoda Manchuria	Manchuria	Manchuria	Commercial	-	51.00%	Establishment
Guoda Bayannur	Bayannur	Bayannur	Commercial	-	80.00%	Establishment
Inner Mongolia Medicine	Hohhot	Hohhot	Commercial	-	100.00%	Establishment
Hebei Lerentang	Shijiazhuang	Shijiazhuang	Commercial	-	60.00%	Business combinations involving entities under common control
Sinopharm Lerentang Shijiazhuang Pharmaceutical Co., Ltd.	Shijiazhuang	Shijiazhuang	Commercial	-	100.00%	Business combinations involving entities under common control

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

VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Guoda Jiangmen(s) Guoda Jianfeng (Jiangmen) Pharmaceutical Chain Co., Ltd.	Jiangmen	Jiangmen	Commercial	-	65.00%	Business combinations involving entities under common control
	Jiangmen	Jiangmen	Commercial	-	51.00%	Establishment
Shanxi Yiyuan Sinopharm Holding Guoda Shanxi Pharmaceutical Co., Ltd.	Taiyuan	Taiyuan	Commercial	-	80.00%	Business combinations involving entities under common control
	Taiyuan	Taiyuan	Commercial	-	100.00%	Business combinations involving entities not under common control
ForMe Medicines	Shanghai	Shanghai	Commercial	-	97.00%	Business combinations involving entities under common control
ForMe Pharmacy Chain Store Shanghai Yutaitang Chinese Traditional Medicine Clinic Co., Ltd.	Shanghai	Shanghai	Commercial	-	99.76%	Business combinations involving entities under common control
	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
ForMe Xuhui	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Beijing Golden Elephant	Beijing	Beijing	Commercial	-	53.13%	Business combinations involving entities under common control
Sanhe Liyang Golden Elephant Pharmacy Co., Ltd. (t)	Langfang	Langfang	Commercial	-	100.00%	Business combinations involving entities under common control
Golden Elephant Guoxing Sinopharm Holding Guoda Pharmacy Zhengzhou Chain Store Co., Ltd	Beijing	Beijing	Commercial	-	100.00%	Business combinations involving entities not under common control
Fujian Guoda Pharmaceutical Co., Ltd.	Zhengzhou	Zhengzhou	Commercial	-	60.00%	Establishment
	Xiamen	Xiamen	Commercial	-	100.00%	Establishment
Guoda Fujian chain	Xiamen	Xiamen	Commercial	-	100.00%	Business combinations involving entities under common control
Guoda Pu'er	Pu'er	Pu'er	Commercial	-	60.00%	Business combinations involving entities not under common control
Shanghai Dingqun	Shanghai	Shanghai	services	-	100.00%	Business combinations involving entities not under common control
Sinopharm Holding Tianhe Jilin Pharmaceutical Co., Ltd.	Changchun	Changchun	Commercial	-	85.00%	Business combinations involving entities not under common control
Jilin Yihe Drug Store Co., Ltd.	Changchun	Changchun	Commercial	-	100.00%	Business combinations involving entities not under common control
Jilin Donglong Yushu City Dinghe Medical Pharmaceutical Technology Co., Ltd.	Changchun	Changchun	Commercial	-	100.00%	Business combinations involving entities not under common control
	Changchun	Changchun	Commercial	-	51.00%	Business combinations involving entities not under common control
Yanji Xianghe	Yanji	Yanji	Commercial	-	51.00%	Business combinations involving entities not under common control
Pudong Medicine	Shanghai	Shanghai	Commercial	-	75.00%	Business combinations involving entities under common control

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

VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	Principal place of business	Place of incorporation	Nature of business	Shareholding		Ways of acquisition
				Direct	Indirect	
Shanghai Yanghetang Pharmaceutical Chain Operation Co., Ltd.	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
Pudong Yanghetang	Shanghai	Shanghai	Commercial	-	100.00%	Business combinations involving entities under common control
CDFY	Shenyang	Shenyang	Commercial	-	100.00%	Business combinations involving entities not under common control
Shandong Chengda Fangyuan	Qingdao	Qingdao	Commercial	-	100.00%	Business combinations involving entities not under common control
Liaoning Chengda Pharmacy Chains	Shenyang	Shenyang	Commercial	-	100.00%	Business combinations involving entities not under common control
Chengda Fangyuan (Liaoning) New and Special Drugs Chain Co., Ltd.	Shenyang	Shenyang	Commercial	-	80.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan Vocational and Technical Training School	Shenyang	Shenyang	services	-	100.00%	Business combinations involving entities not under common control
Liaoning Cdfy Pharm	Shenyang	Shenyang	Commercial	-	100.00%	Business combinations involving entities not under common control
Dalian Zhengda	Dalian	Dalian	Commercial	-	100.00%	Business combinations involving entities not under common control
Hebei Chengda Fangyuan	Qinghuangdao	Qinghuangdao	Commercial	-	100.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan Pharmaceutical Logistics Co., Ltd.	Shenyang	Shenyang	services	-	100.00%	Business combinations involving entities not under common control
Liaoning Chengda Fangyuan Logistics Co., Ltd.	Shenyang	Shenyang	services	-	100.00%	Business combinations involving entities not under common control
Jilin Chengda Fangyuan Pharmaceutical Co., Ltd.	Changchun	Changchun	Commercial	-	80.00%	Business combinations involving entities not under common control
Jilin Chengda Fangyuan Pharmaceutical Chain Co., Ltd.	Changchun	Changchun	Commercial	-	99.00%	Business combinations involving entities not under common control
Inner Mongolia Chengda Fangyuan Medicine Co., Ltd.	Chifeng	Chifeng	Commercial	-	70.00%	Business combinations involving entities not under common control
Inner Mongolia Chengda Fangyuan Pharmaceutical Chain Co., Ltd.	Chifeng	Chifeng	Commercial	-	99.00%	Business combinations involving entities not under common control
Disheng Medicine	Xishuangbanna	Xishuangbanna	Commercial	-	70.00%	Business combinations involving entities not under common control
Disheng Pharmaceutical Chain	Xishuangbanna	Xishuangbanna	Commercial	-	70.00%	Business combinations involving entities not under common control

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For the six months ended 30 June 2022

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Description of shareholding ratio in subsidiaries different from voting ratio:

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

- a. On 27 July 2022, the registered capital of Guoxin Heyuan was changed from RMB13,400,000 to RMB22,000,000, after which the Group contributed RMB15,400,000 to the registered capital and Heyuan Mairui Trading Company Limited contributed RMB6,600,000 to the registered capital, which was completed on 27 July 2022. The Group's shareholding ratio remains unchanged.
- b. On 25 April 2022, the registered capital of Sinopharm Huizhou was changed from the original RMB 38 million to RMB 50 million, after which, the registered capital subscribed by the Group was RMB 50 million. As of 30 June 2022, the payment has been completed.
- c. On 31 March 2022, the registered capital of Sinopharm Zhaoqing was changed from RMB 40 million to RMB 80 million, after which, registered capital subscribed by the Group was RMB 80 million. As of 30 June 2022, the payment has been completed.
- d. On 28 March 2022, the registered capital of Sinopharm Jiangmen was changed from RMB 60 million to RMB 80 million, after which, the registered capital subscribed by the Group was RMB 80 million. As of 30 June 2022, the payment has been completed.
- e. On 1 April 2022, the registered capital of Sinopharm Zhongshan was changed from RMB 30 million to RMB 50 million, after which, the registered capital subscribed by the Group was RMB 50 million. As of 30 June 2022, the payment has been completed.
- f. On 28 March 2022, the registered capital of Sinopharm Shantou was changed from RMB 21 million to RMB 50 million, after which, the registered capital subscribed by the Group was RMB 50 million. As of 30 June 2022, the payment has been completed.
- g. On 1 April 2022, the registered capital of Sinopharm Foshan was changed from RMB 41 million to RMB 50 million, after which, the registered capital subscribed by the Group was RMB 50 million. As of 30 June 2022, the payment has been completed.
- h. On 11 April 2022, the registered capital of Sinopharm Guangdong Logistics was changed from the RMB 13 million to RMB 20 million, after which, the registered capital subscribed by the Group was RMB 20 million. As of 30 June 2022, the payment has been completed.
- i. On 17 May 2022, the registered capital of Sinopharm Dongguan was changed from the RMB 73 million to RMB 100 million, after which, the registered capital subscribed by the Group was RMB 100 million. As of 30 June 2022, the payment has been completed.
- j. On 27 April 2022, the registered capital of Foshan Nanhai Uptodate & Special Medicines was changed from the RMB 40 million to RMB 70 million, after which, the registered capital subscribed by the Group was RMB 70 million. As of 30 June 2022, the payment has been completed.

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For the six months ended 30 June 2022

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

- k. On 27 April 2022, the registered capital of Foshan Nanhai Medicine was changed from the RMB 40 million to RMB 70 million, after which, the registered capital subscribed by the Group was RMB 70 million. As of 30 June 2022, the payment has been completed.
- l. On 13 April 2022, the registered capital of Sinopharm Guangdong Special Medicines was changed from the RMB 50 million to RMB 80 million, after which, the registered capital subscribed by the Group was RMB 80 million. As of 30 June 2022, the payment has been completed.
- m. On 8 April 2022, the registered capital of South Pharma & Trade was changed from the RMB 30 million to RMB 100 million, after which, the registered capital subscribed by the Group was RMB 100 million. As of 30 June 2022, the payment has been completed.
- n. On 19 April 2022, the registered capital of Sinopharm Zhuhai was changed from the RMB 30 million to RMB 50 million, after which, the registered capital subscribed by the Group was RMB 50 million. As of 30 June 2022, the payment has been completed.
- o. On 29 June 2022, the registered capital of Guangzhou Medicine was changed from the RMB 2 million to RMB 8 million, after which, the registered capital subscribed by the Group was RMB 8 million. As of 30 June 2022, the payment has been completed.
- p. On 10 June 2022, the Group and Guangxi Zhengzheng Pharmaceutical Co., Ltd. established Sinopharm Chongzuo, with subscribed registered capitals of RMB 24 million and RMB 6 million respectively. After the establishment, the Group holds 80% of its equity. On 18 July 2022, the payment has been completed.
- q. On 10 September 2021, the Group and Shandong Luzhong Investment Co., Ltd. (“Shandong luzhong”) accumulatively invested RMB 5.1 million and RMB 4.9 million to set up Guoda Heze respectively. After the establishment, the Group held 51% of its equity interest in the company. As of 30 June 2022, the payment has been completed.
- r. On 31 December 2021, the Group contributed capital for the establishment of Hunan Medicine with a subscribed registered capital of RMB2,800,000. As of June 30, 2022, the capital contribution has been completed
- s. On 14 January 2022, Sinopharm holding Guoda pharmacy Jiangmen Chain Co., Ltd. was renamed as Sinopharm United Guoda (Jiangmen) Co., Ltd.
- t. On 6 July 2022, Sanhe Liyang Golden Elephant Pharmacy Co., Ltd. has completed the industrial and commercial cancellation, and the cancellation announcement period was from May 16, 2022 to June 30, 2022.

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For the six months ended 30 June 2022

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

(2) Important non-wholly owned subsidiary

Subsidiaries	Minority shareholding ratio	Profit or loss attributable to minority shareholders in the current period	Dispatch of dividends to minority shareholders in the current period	Minority shareholders' equity
Guoda Pharmacy	40.00%	38,685,894.70	-	2,002,600,094.57

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

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VII Interests in other entities (Continued)

1. Interests in subsidiaries (Continued)

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

Subsidiaries	30 June 2022						31 December 2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guoda Pharmacy	9,413,155,933.96	6,932,043,431.25	16,345,199,365.21	9,086,807,541.64	1,465,637,180.61	10,552,444,722.25	9,093,088,349.46	6,890,746,889.09	15,983,835,238.55	8,912,034,922.32	1,389,487,840.12	10,301,522,762.44

Subsidiaries	For the six months ended 30 June 2022				For the six months ended 30 June 2021			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Guoda Pharmacy	11,149,016,465.15	141,089,231.46	141,089,231.46	629,652,996.63	10,841,326,194.08	263,262,365.37	263,262,365.37	786,526,215.87

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VII. Interests in other entities (Continued)

2. Interests in associates

	Principal place of business	Place of incorporation	Nature of business	Shareholding(%)		Accounting
				Direct	Indirect	
Associates						
Main Luck Pharmaceutical	Shenzhen	Shenzhen	Manufacturing	35.19%	-	Equity
Zhijun Suzhou	Suzhou	Suzhou	Manufacturing	33.00%	-	Equity
Sinopharm Zhijun	Shenzhen	Shenzhen	Manufacturing	49.00%	-	Equity
Zhijun Trade	Shenzhen	Shenzhen	Commercial	49.00%	-	Equity
Zhijun Pingshan	Shenzhen	Shenzhen	Manufacturing	49.00%	-	Equity
			Business service			
Sinopharm Shyndec (a)	Shanghai	Shanghai	industry	16.28%	-	Equity
Shanghai Beiyi	Shanghai	Shanghai	Commercial	-	26.00%	Equity
Shanghai Liyi	Shanghai	Shanghai	Commercial	-	35.00%	Equity
Guangdong Jienuo	Guangzhou	Guangzhou	Commercial	-	29.00%	Equity
Dongyuan accord	Heyuan	Heyuan	Commercial	-	45.00%	Equity
Shanghai Renbei	Shanghai	Shanghai	Commercial	-	30.00%	Equity
Guangdong Jianhui (b)	Zhanjiang	Zhanjiang	Commercial	-	10.00%	Equity
Jialong Hainan	Chengmai	Chengmai	Commercial	-	25.00%	Equity

(a) Shyndec Pharma set up a board of directors that was responsible for the shareholders' meeting, with a total of nine members, among which, one was appointed by the Group. Each director has one vote on the board, taking 11.11% of the voting rights. Except for special resolutions adopted by half of the board of directors. The Group has significant influence over Shyndec Pharma.

(b) According to the Articles of Association, the board of directors of Guangdong Jianhui was composed of five directors, one of whom was appointed by the Group, accounting for 20.00% of voting rights. The voting right of resolutions of the board of directors is one vote for one person. Except for some special matters, other resolutions of the board of directors are approved by more than two-thirds of all directors. Therefore, the Group has significant influence over Guangdong Jianhui.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VII. Interests in other entities (Continued)

2. Interests in associates (Continued)

Main financial information of important associates:

	30 June 2022/ For the six months ended			1 January 2021/ For the six months ended		
	Sinopharm Sh yndec	30 June 2022 Zhijun Medicine	Main Luck Pharmaceutical	Sinopharm S hyndec	30 June 2021 Zhijun Medicine	Main Luck Pharmaceutical
Current assets	11,143,064,232.15	1,449,663,154.08	949,215,595.83	10,886,446,261.52	1,435,210,018.93	1,084,994,896.84
Non-current assets	7,957,423,245.78	257,044,526.31	189,445,706.55	8,183,515,130.93	261,609,950.81	161,776,731.97
Total assets	19,100,487,477.93	1,706,707,680.39	1,138,661,302.38	19,069,961,392.45	1,696,819,969.74	1,246,771,628.81
Current liabilities	5,560,462,826.88	626,917,615.54	268,401,326.35	6,842,570,937.46	671,896,297.56	264,584,338.32
Non-current liabilities	3,027,055,232.60	9,982,767.18	14,610,760.83	1,857,531,965.46	11,570,731.00	14,610,760.83
Total liabilities	8,587,518,059.48	636,900,382.72	283,012,087.18	8,700,102,902.92	683,467,028.56	279,195,099.15
Non-controlling interests	1,797,915,657.60	-	-	1,777,094,904.67	-	-
Shareholders' equity attributable to shareholders of the parent	8,715,053,760.85	1,069,807,297.67	855,649,215.20	8,592,763,584.86	1,013,352,941.18	967,576,529.66
Portion of net assets calculated by shareholding ratio	1,418,328,612.65	524,205,575.84	301,102,958.84	1,398,901,911.62	496,542,941.16	340,490,180.80
Carrying value of equity investment in joint ventures	1,418,328,612.65	524,205,575.84	301,102,958.84	1,398,901,911.62	496,542,941.16	340,490,180.80
Operating revenue	6,387,024,045.16	696,481,359.17	473,188,187.20	7,632,136,688.61	746,410,222.02	476,292,028.69
Net profit	330,017,532.36	56,454,356.49	88,072,685.53	541,049,057.92	57,257,762.64	98,308,111.37
Other comprehensive income	(23,176.75)	-	-	398,371.61	-	-
Total comprehensive income	329,994,355.61	56,454,356.49	88,072,685.53	541,447,429.53	57,257,762.64	98,308,111.37
Dividends received from joint ventures this period	-	-	70,380,000.00	16,714,220.20	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VII. Interests in other entities (Continued)

2. Interests in associates (Continued)

Summary financial information of unimportant joint ventures and associated enterprises:

	30 June 2022/ For the six months ended 30 June 2022	1 January 2021/ For the six months ended 30 June 2021
associated enterprises:		
Carrying value of equity investment	227,987,270.91	223,897,513.16
Net profit	4,089,757.75	25,668,595.57
Total comprehensive income	4,089,757.75	25,668,595.57

Excess losses incurred by joint ventures or associates:

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments

1. Classification of financial instruments

30 June 2022:

Financial assets	Financial assets at fair value through profit or loss		Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Mandatorily required			Mandatorily required	Designated	
Cash and bank balances	-	5,573,558,436.74	-	-	-	5,573,558,436.74
Notes receivable	-	634,263,913.50	-	-	-	634,263,913.50
Accounts receivable	-	19,066,131,973.48	-	-	-	19,066,131,973.48
Receivable financing	-	-	632,101,362.15	-	-	632,101,362.15
Other receivables	-	624,860,452.74	-	-	-	624,860,452.74
Other non-current financial assets	135,974,908.51	-	-	-	-	135,974,908.51
Other equity instrument investment	-	-	-	62,488,312.99	-	62,488,312.99
	<u>135,974,908.51</u>	<u>25,898,814,776.46</u>	<u>632,101,362.15</u>	<u>62,488,312.99</u>	<u>26,729,379,360.11</u>	

Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	3,099,020,701.18
Notes payable	6,390,557,494.64
Accounts payable	11,329,463,911.07
Other payables	2,248,815,946.18
Non-current liabilities due within 1 year	858,086,989.55
Lease liabilities	1,391,474,612.88
Long-term borrowings	62,633,794.44
Other non-current liabilities	71,400,000.00
	<u>25,451,453,449.94</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

1. Classification of financial instruments (Continued)

31 December 2021:

Financial assets	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Mandatorily required		Mandatorily required	Designated	
Cash and bank balances	-	5,126,159,080.94	-	-	5,126,159,080.94
Notes receivable	-	680,196,380.57	-	-	680,196,380.57
Accounts receivable	-	15,964,603,345.91	-	-	15,964,603,345.91
Receivable financing	-	-	1,027,226,940.21	-	1,027,226,940.21
Other receivables	-	718,089,129.10	-	-	718,089,129.10
Other non-current financial assets	135,974,908.51	-	-	-	135,974,908.51
Other equity instrument investment	-	-	-	62,488,312.99	62,488,312.99
	<u>135,974,908.51</u>	<u>22,489,047,936.52</u>	<u>1,027,226,940.21</u>	<u>62,488,312.99</u>	<u>23,714,738,098.23</u>

Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	1,930,467,146.38
Notes payable	7,660,216,823.68
Accounts payable	9,057,718,968.14
Other payables	1,714,746,986.46
Non-current liabilities due within 1 year	848,328,648.14
Lease liabilities	1,375,427,877.28
Long-term borrowings	71,637,173.89
Other non-current liabilities	71,400,000.00
	<u>22,729,943,623.97</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2022, the carrying value of the commercial acceptances endorsed by the Group to the suppliers for settlement of accounts payable was RMB0.00 (31 December 2021: RMB0.00); the carrying value of the banker's acceptances endorsed to the suppliers for settlement of accounts payable was RMB11,080,505.71 (December 31, 2021: RMB31,886,681.19). As at 30 June 2022, the carrying value of the Group's commercial acceptances that have been discounted to banks was RMB0.00 (31 December 2021 : Nil). The Group considers that it retains substantially all of its risks and rewards, including the risk of default associated with it, and therefore continues to recognize its and its settled accounts payable related to it in full. After the transfer, the Group no longer retains the right to use it, including the right to sell, assign or pledge it to other third parties.

As at 30 June 2022, the carrying value of the Group's accounts payable settled by it totaled RMB11,080,505.71 (31 December 2021: RMB31,886,681.19).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

2. Transfer of financial assets (Continued)

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

As at 30 June 2022, the Group had endorsed bank acceptance bills (the "Endorsed Bills") with a carrying amount of RMB900,427,092.54 (31 December 2021: RMB1,222,202,123.45) to certain of its suppliers to settle accounts payable due to such suppliers. As at 30 June 2022, the Group had discounted bank acceptance bills (the "Discounted Bills") with a carrying amount of RMB1,383,829,318.51 (31 December 2021: RMB984,152,993.81) to banks. As at 30 June 2021, those Bills had a maturity of 1 to 12 months at the end of the reporting period. In accordance with the Law of Negotiable Instruments, the holders of the derecognised bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to those Bills. Accordingly, it has derecognised the full carrying amounts of those Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised bills and the undiscounted cash flows to repurchase these derecognised bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the derecognised bills are not significant.

During 2022, the Group has not recognised any gain or loss on the date of transfer. No gain or loss was recognised from derecognised financial assets in which the Continuing Involvement exists, both during the year or cumulatively. Endorsements occurred in a roughly balanced manner during the year.

During 2022, the Group has not recognised any gain or loss on the date of transfer of the receivable financing. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments

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

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

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

Credit risk

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

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Credit risk (Continued)

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

Determination of significant increase in credit risk

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

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

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

Definition of credit-impaired financial assets

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Credit risk (Continued)

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Liquidity risk

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

	30 June 2022				Total
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Short-term borrowings	3,139,880,724.05	-	-	-	3,139,880,724.05
Long-term borrowings	-	33,096,683.33	30,974,783.33	-	64,071,466.67
Notes payable	6,390,557,494.64	-	-	-	6,390,557,494.64
Accounts payable	11,329,463,911.07	-	-	-	11,329,463,911.07
Other payables	2,248,815,946.18	-	-	-	2,248,815,946.18
Non-current liabilities due within 1 year	938,401,136.67	-	-	-	938,401,136.67
Lease liabilities	-	661,584,530.34	696,510,155.34	136,301,920.54	1,494,396,606.22
Other non-current liabilities	-	71,400,000.00	-	-	71,400,000.00
	<u>24,047,119,212.61</u>	<u>766,081,213.67</u>	<u>727,484,938.67</u>	<u>136,301,920.54</u>	<u>25,676,987,285.49</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Liquidity risk (Continued)

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

	31 December 2021				Total
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	
Short-term borrowings	1,947,231,588.48	-	-	-	1,947,231,588.48
Long-term borrowings	-	34,379,752.78	40,881,388.89	-	75,261,141.67
Notes payable	7,660,216,823.68	-	-	-	7,660,216,823.68
Accounts payable	9,057,718,968.14	-	-	-	9,057,718,968.14
Other payables	1,714,746,986.46	-	-	-	1,714,746,986.46
Non-current liabilities due within 1 year	984,474,954.40	-	-	-	984,474,954.40
Lease liabilities	-	671,938,054.49	727,760,496.55	19,832,053.23	1,419,530,604.27
Other non-current liabilities	-	71,400,000.00	-	-	71,400,000.00
	<u>21,364,389,321.16</u>	<u>777,717,807.27</u>	<u>768,641,885.44</u>	<u>19,832,053.23</u>	<u>22,930,581,067.10</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

VIII Risks related to financial instruments (Continued)

3. Risks of financial instruments (Continued)

Market risk

Interest rate risk

The Group's interest rate risk arises from long-term borrowings from banks. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 30 June 2022, if the floating interest rates of the long-term interest-bearing borrowings increased or decreased by 50 base points, while other factors did not change, the Group's net income would decrease or increase by RMB 58,438.36 (31 December 2021: if the floating interest rates of the long-term interest-bearing borrowings increased or decreased by 50 base points, while other factors did not change, the Group's net income would increase or decrease by RMB118,500.00).

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowings and the interest expenses with respect to the Group's outstanding floating rate borrowings and, therefore, could have a material adverse effect on the Group's financial position. The Group's management layer would make adjustments with reference to the latest market conditions which are interest rate swap agreements to mitigate its exposure to interest rate risk. During 2022 and 2021, the Group had not entered into any interest rate swap agreements.

For the year ended 30 June 2022, the Group has long-term interest-bearing borrowings with floating interest rates amounting to RMB62,600,000.00 (31 December 2021: RMB71,600,000.00).

Currency risk

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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VIII Risks related to financial instruments (Continued)

4. Capital management

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

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

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

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

	30 June 2022	31 December 2021
Gearing ratio	<u>59.69%</u>	<u>57.88%</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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IX. Disclosure of fair value

1. Assets and liabilities at fair value

30 June 2022:

	Input applied in the measurement of fair value			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Continuous measurement of fair value				
Receivable financing	-	632,101,362.15	-	632,101,362.15
Other investment in equity instruments	-	62,488,312.99	-	62,488,312.99
Other non-current financial assets	-	-	135,974,908.51	135,974,908.51
	-	694,589,675.14	135,974,908.51	830,564,583.65

31 December 2021

	Input applied in the measurement of fair value			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Continuous measurement of fair value				
Receivable financing	-	1,027,226,940.21	-	1,027,226,940.21
Other investment in equity instruments	-	62,488,312.99	-	62,488,312.99
Other non-current financial assets	-	-	135,974,908.51	135,974,908.51
	-	1,089,715,253.20	135,974,908.51	1,225,690,161.71

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

IX. Disclosure of fair value(Continued)

2. Assets and liabilities disclosed at fair value

30 June 2022:

	Input applied in the measurement of fair value			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Long-term borrowings	-	62,633,794.44	-	62,633,794.44

31 December 2021:

	Input applied in the measurement of fair value			Total
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Long-term borrowings	-	71,637,173.89	-	71,637,173.89

3. Estimation of fair value

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

	Carrying amount		Fair value	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Financial liabilities	-	-	-	-
Long-term borrowings	62,633,794.44	71,637,173.89	62,633,794.44	71,637,173.89

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

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

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

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

IX. Disclosure of fair value(Continued)

3. Estimation of fair value(Continued)

The fair values of short-term and long-term borrowings, and long-term payables have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 30 June 2022, the Group’s own non-performance risk for short-term and long-term borrowings was assessed to be insignificant.

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

4. Unobservable inputs

Other non-current financial assets were the fund shares of Qirui Port Investment Center LP of Ningbo Meishan Bonded Port subscribed by the Group. For the determination of the fair value of the investment, after referring to the net assets of Qirui Port Investment Center LP of Ningbo Meishan Bonded Port on 30 June 2022, which has implemented the new financial instrument standards, the result was calculated and determined according to the fund share proportion owned by the company.

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

5. Transfers between levels of fair value measurement

At 30 June 2022 and 31 December 2021, there were no transfers of fair value measurements between Level 1 and Level 2.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions

1. Parent

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

The ultimate controlling party of the Company is CNPGC.

2. Subsidiaries

Refer to Note VII 1 for details of subsidiaries.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

3. Associates

Refer to Note VII 2 for details of associates.

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

Please refer to Note X 5 for details.

4. Other related parties

<u>Company name</u>	<u>Related party relationships</u>
Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	Controlled by CNPGC
China National of Traditional & Herbal Medicine Co., Ltd.	Controlled by CNPGC
Huayi Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Beijing Huamiao Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sichuan Jiangyou Zhongba Aconiti Science and Technology Development Co., Ltd.	Controlled by CNPGC
Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Fengliaoxing (Foshan) Medicines Co., Ltd.	Controlled by CNPGC
Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Fengliaoxing (Foshan) Pharmaceutical Drugs Co., Ltd.	Controlled by CNPGC
Foshan Winteam Pharmaceutical Group Ltd.	Controlled by CNPGC
Sinopharm Dezhong (Foshan) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chengdu Rongsheng Pharmacy Co., Ltd.	Controlled by CNPGC
Lanzhou Biotechnology Development Co., Ltd.	Controlled by CNPGC
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Controlled by CNPGC
Shanghai Shangsheng Biological Products Co., Ltd.	Controlled by CNPGC
Shantou Jinshi Powder Injection Co., Ltd.	Controlled by CNPGC
Chengdu Institute of Biological Products Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Industry Co., Ltd.	Controlled by CNPGC
Sinopharm Weiqida Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Controlled by CNPGC
Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	Controlled by CNPGC
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	Controlled by CNPGC

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

<u>Company name</u>	<u>Related party relationships</u>
Sinopharm Wuhan Zhonglian Siyao Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm ChuanKang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Financial Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Foreign Trade Corporation.	Controlled by CNPGC
Sinopharm Foreign Trade (Beijing) Co., Ltd.	Controlled by CNPGC
Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	Controlled by CNPGC
Sinopharm Fengliaoxing Medical Hospital Co., Ltd.	Controlled by CNPGC
Guangdong Yifang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Yixin Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm ChangChun A-THINK Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Sanyi Medicine (Wuhu) Co., Ltd.	Controlled by CNPGC
Sinopharm Wuhan Blood Products Co., Ltd.	Controlled by CNPGC
Wuhan Zhongsheng Yujin Biomedical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Fengliaoxing Medical Hospital (Foshan Nanhai) Co., Ltd.	Controlled by CNPGC
Fujian Tianjiang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chongqing Tianjiang Yifang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Group Fengliaoxing Pharmacy (Foshan) Co., Ltd.	Controlled by CNPGC
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Hubei Sinopharm Zhonglian Medicine Co., Ltd.	Controlled by CNPGC
Taiji Group Co., Ltd.	Controlled by CNPGC
Taiji Group Chongqing Fuling Pharmaceutical Factory Co., Ltd.	Controlled by CNPGC
Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chongqing Tongjunge Co., Ltd.	Controlled by CNPGC
Taiji Group Chongqing No.2 Traditional Chinese Medicine Factory Co., Ltd.	Controlled by CNPGC
Chongqing Taiji Group TongJunGe Pharmaceutical Co. Ltd.	Controlled by CNPGC
Sichuan Taiji Pharmacy Chain Co., Ltd.	Controlled by CNPGC
Southwest Pharmaceutical Co., Ltd.	Controlled by CNPGC
Gansu Tianshui Zhangjiachuan Donkey-hide Gelatin Factory	Controlled by CNPGC
Zhejiang Dongfang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	Controlled by CNPGC
Taiji Group Sichuan Tiancheng Pharmaceutical Co., Ltd.	Controlled by CNPGC
Sinopharm Shanghai Plasma-derived Biotherapies Co., Ltd.	Controlled by CNPGC

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Cohealta(Beijing) Co., Ltd.	Controlled by CNPGC
Changchun Institute of Biological Products Co., Ltd.	Controlled by CNPGC
Chongqing Taiji Industry (Group) Co., Ltd.	Controlled by CNPGC
Zhejiang Yinuo Pharmaceutical Co., Ltd.	Controlled by CNPGC
Chongqing Prepared Herbal Medicine Factory Co., Ltd.	Controlled by CNPGC
Guangxi Fangning Pharmaceutical Co., Ltd.	Controlled by CNPGC
China National Pharmaceutical Group Shanxi Rfl Pharmaceutical Co., Ltd.	Associate of CNPGC
Changchun Changsheng Gene Pharmaceutical Co., Ltd.	Associate of CNPGC
China Otsuka Pharmaceutical Co., Ltd.	Associate of CNPGC
Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	Associate of CNPGC
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Linfen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Co., Ltd.	Controlled by Sinopharm Group
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Southwest Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Tianjin Binhai) Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shenyang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Special Drug Store Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anshan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Liaoning Medical Equipment Distribution Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shaanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shaanxi Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shaanxi Medical Consumables Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Hubei) Hankou Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Wuhan Guoda Pharmacy Chain Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Group Hubei Yukang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hubei Hongyuan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Shanxi Linfen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Medicine Logistic Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medicine Holding Chenzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Controlled by Sinopharm Group
China National Medicines Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guorui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Beijing Huahong co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhejiang Co., Ltd.	Controlled by Sinopharm Group
Shanghai Tongyu Information Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Sub Marketing Center Co., Ltd.	Controlled by Sinopharm Group
Shanghai Shengxin Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Henan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiaozuo Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shangqiu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Pingdingshan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuhu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Lunan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Linyi Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jinan Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Dezhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Liaocheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding (Shandong) Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yunnan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Pu'er Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Honghe Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chuxiong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Kunming Co., Ltd.	Controlled by Sinopharm Group
Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hainan Hongyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guanai Yuankang Pharmacy (Haikou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Gansu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Fujian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Putian Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Longyan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zhangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningde Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Quanzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xiamen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanping Newforce Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ningxia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Xinyu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anshun Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tongren Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Zunyi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qianxinan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Inner Mongolia Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Tongliao Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Baotou Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Ulanqab Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Bayannur Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chifeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hulun Buir Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Ordos Co., Ltd.	Controlled by Sinopharm Group
Sinopharm In Inner Mongolia Medical Instrument Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Xinjiang Baitong Property Service Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinte Yili Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Professional Pharmacy Songyuan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wenzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jiangsu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Biological Products Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Taizhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nantong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Wuxi Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changzhou Medical Logistics Center Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xuzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Yancheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Heilongjiang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Medicine Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Chengde Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Shijiazhuang Traditional Chinese Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Hengshui Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Handan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Cangzhou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Xintai Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Shijiazhuang Medical Management Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Qinghai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Shanghai Merro Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chongqing Taimin Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Chongqing Health Management Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Chengdu Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Dalian Hecheng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changsha Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
China National Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument Guizhou Qiannan Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou (Zunyi) Medical Equipment Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm (Tianjin) Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
China Medical Equipment Shandong Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Controlled by Sinopharm Group
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guangdong Medical Examination Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Shenzhen Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Instruments (Jiangmen) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument (Foshan) Co., Ltd.	Controlled by Sinopharm Group
China National Medical Device (Hui Zhou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Liaoning Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Guangxi Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medical Instrument (Hainan) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Guangxi Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Anhui Pharmaceutical Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changxing Professional Pharmacy (Haikou) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Langfang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang (Langfang) Pharmaceutical Trade Co., Ltd.	Controlled by Sinopharm Group
Shanghai International Pharmaceutical Trade Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Guizhou Yitong Medicine Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Zhuanye Pharmacy (Dongfang) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Kangfu (Tengzhou) Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Xinye (Hubei) Medicine Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Shanghai Guoda Shengxin Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Baise Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Shengshi (Guangdong) Medical Technology Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Tangshan Pharmacy Chain Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Cangzhou Pharmaceutical Trading Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Baoding Trading Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Professional Pharmacy Chain (Hainan) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Benxi Co., Ltd.	Controlled by Sinopharm Group
Shanghai Guodaai Pharmacy Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Lerentang Zhangjiakou Pharmaceutical Trading Co., Ltd.	Controlled by Sinopharm Group
Shaanxi National Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Anhui Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Equipment Supply Chain Service (Liaoning) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Hebei Medicine Co., Ltd.	Controlled by Sinopharm Group
Guorun Medical Supply Chain Service (Shanghai) Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Guang'an Co., Ltd.	Controlled by Sinopharm Group
Sinopharm JI LIN MEDICAL Device Co., Ltd.	Controlled by Sinopharm Group
Qinghai Guoyao Holding Pharmaceutical Chain Co., Ltd.	Controlled by Sinopharm Group
Qinghai Guoyao Holding Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medicine Holding Yantai Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Henan MEDICAL Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Lu'an Co., Ltd.	Controlled by Sinopharm Group
Sinopharm(Zhaoqing) Medical Equipment Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Guizhou Medical Supply Chain Service Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Chaoyang Co., Ltd.	Controlled by Sinopharm Group
Korla Medicine Co., Ltd., Xinjiang Pharmaceutical Group	Controlled by Sinopharm Group
Sinopharm Medicine Holding Jining Co., Ltd.	Controlled by Sinopharm Group

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Sinopharm Holding Weifang Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Hubei Medical Instrument Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Jiangxi MEDICAL Instrument Supply CHAIN Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Group Ganzhou Medical Trade Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Haoyang Mianyang Pharmaceutical Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Wuhan Hengfeng Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Chongqing Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holding Jilin Medical Device Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Medicine Holding Suzhou Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Huai'an Co., Ltd.	Controlled by Sinopharm Group
Sinopharm Holdings Chuangke Medical Technology (Shenzhen) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Holding Chuangke Medical Technology (Guangxi) Co., Ltd.	Associate of Sinopharm Group
Yichang Humanwell Pharmaceutical Co., Ltd.	Associate of Sinopharm Group
Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Associate of Sinopharm Group
Shanghai Guoda Lingyun Pharmacy Co., Ltd.	Associate of Sinopharm Group
Sinopharm Health Industry (Shanghai) Co., Ltd.	Associate of Sinopharm Group
Sinopharm Holding (China) Financing Lease Co., Ltd.	Associate of Sinopharm Group
Sinopharm Health Online Co., Ltd.	Associate of Sinopharm Group
Sinopharm Group Anhui Great Health Industry Co., Ltd.	Associate of Sinopharm Group
Gongqingcheng Qixin	A partnership in which an associate of Sinopharm Group acts as executive partner
Shenzhen Wanwei Medicine Trading Co., Ltd.	Subsidiary of Main Luck Pharmaceutical
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Sichuan Hexin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Guilin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Chaohui Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Tibet Yaoyou Medicines Co., Ltd.	Subsidiary of Fosun Pharm
Shenyang Hongqi Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Transfusion Technology Co., Ltd.	Subsidiary of Fosun Pharm
Suzhou Laishi Transfusion Equipment Co., Ltd.	Subsidiary of Fosun Pharm
Shanghai Henlius Biopharmaceuticals Co., Ltd.	Subsidiary of Fosun Pharm
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Chongqing Haisiman Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jinzhou Avanc Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Dalian Aleph Biomedical Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Dongting Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Chancheng Central Hospital of Foshan City	Subsidiary of Fosun Pharm
Foshan Chanyixing Medicine Development Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Chancheng Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Jiangsu Huanghe Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Suzhou Erye Pharmaceutical Limited Company	Subsidiary of Fosun Pharm
Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	Subsidiary of Fosun Pharm
Shenzhen Chindex Medical Beauty Clinic	Subsidiary of Fosun Pharm
Shenzhen Hengsheng Hospital	Subsidiary of Fosun Pharm
Jinzhou Avanc Medicine Co., Ltd.	Subsidiary of Fosun Pharm
Jiangxi Erye Medicine Marketing Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Shunde Lecong Supply and Marketing Group Shunketang Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Glaxosmithkline Pharmaceuticals (Suzhou) Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Yaoyou Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Shandong Skyway Pharmaceutical Sales Co., Ltd.	Subsidiary of Fosun Pharm
Foshan Chanyun Medical Clinic Co., Ltd.	Subsidiary of Fosun Pharm
Fresenius Kabi(Wuhan)Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Fosun Kite Biotechnology Co., Ltd.	Subsidiary of Fosun Pharm
Shenzhen Xinsheng Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Breas (Shanghai) Medical Technology Co., Ltd.	Subsidiary of Fosun Pharm
Wanbang Biopharmaceuticals	Subsidiary of Fosun Pharm
Fosun Health Technology (Jiangsu) Co., Ltd.	Subsidiary of Fosun Pharm
Guangzhou Xinshi Hospital Co., Ltd.	Subsidiary of Fosun Pharm
Hainan Fucong Health Management Co., Ltd.	Subsidiary of Fosun Pharm
Hebei Wanbang Fulin Pharmaceutical Co., Ltd.	Subsidiary of Fosun Pharm
Hunan Minshengtang Biotechnology Co., Ltd.	Minority shareholders of a subsidiary
Taishan Qunkang Pharmacy Co., Ltd.	Minority shareholders of a subsidiary
Shenzhen Jiufeng Investment Co., Ltd.	Minority shareholders of a subsidiary
Shenyang Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Zhang Zhenfang	Minority shareholders of a subsidiary
Pingdingshan Pusheng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Lerentang Investment Group Co., Ltd.	Minority shareholders of a subsidiary
Guangdong Jiyuantang Development Co., Ltd.	Minority shareholders of a subsidiary
Shanghai Baizhong Business Development (Group) Co., Ltd.	Minority shareholders of a subsidiary
Beijing Huafang Investment Co., Ltd.	Minority shareholders of a subsidiary
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Gu Haiqun	Minority shareholders of a subsidiary
Pu'er Songmao Medicine Group Co., Ltd.	Minority shareholders of a subsidiary
Jilin Province Yihe Investment Consulting Co., Ltd.	Minority shareholders of a subsidiary
Zhang Haiyan	Minority shareholders of a subsidiary
Shenyang Shengdiou Trading Co., Ltd.	Minority shareholders of a subsidiary
Xiong Xinyuan	Minority shareholders of a subsidiary
Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Xishuangbanna Disheng Pharmaceutical Co., Ltd.	Minority shareholders of a subsidiary
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Taishan Xiangranhui Trade Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Nanjing Yuanguang Trading Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	Companies owned by minority shareholders of a subsidiary
Zhang Guitang	Family members of minority shareholders of a subsidiary
Yangjiang Kangmin Pharmaceutical Co., Ltd.	Family members of the actual controller of minority shareholders of a subsidiary
Jilin Ronghe Real Estate Development Co., Ltd.	Companies with subsidiary directors, supervisors and senior executives serving as key management personnel
Zhongshan Kangyue Medical Instrument Co., Ltd.	Company invested by family member of the director and supervisor of a subsidiary
Jilin Tianheke Industry and Trade Co., Ltd.	Company influenced by key management personnel of a subsidiary
Gu Jinhua	The actual controller of minority shareholders of a subsidiary
Li Fang	The actual controller of minority shareholders of a subsidiary
Zhang Kai	The actual controller of minority shareholders of a subsidiary
Wang Yixuan	Major investor of minority shareholders of a subsidiary
Wang Yang	Family members of the actual controller of minority shareholders of a subsidiary

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

4. Other related parties (Continued)

Company name	Related party relationships
Zhang Yechuan	Family members of the actual controller of minority shareholders of a subsidiary
Guangzhou Tianren Pharmaceutical Co., Ltd.	Company owned by family member of the actual controller of the non-controlling shareholder of a subsidiary
Naton Biotechnology (Beijing) Co., Ltd.	Subsidiary of Naton
Zhao Xiaoxiao	Family members of key management personnel of a subsidiary
Zheng Jing	Family members of key management personnel of a subsidiary
Beijing Natong Shichuang Investment Management Co., Ltd.	Subsidiary of Naton
Guangzhou Tianren Pharmacy Chain Co., Ltd.	Company owned by family member of the actual controller of the non-controlling shareholder of a subsidiary
Liu Zhiping	The actual controller of minority shareholders of a subsidiary

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

5. Major transactions between the Group and its related parties

(1) Related party transactions - goods and services

Purchase of goods and receiving of services from related parties

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Holding Sub Marketing Center Co., Ltd.	Purchase of goods	577,218,337.71		NO	567,957,995.48
China National Medicines Co., Ltd.	Purchase of goods	357,017,451.57		NO	378,976,943.17
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods	318,234,860.84		NO	291,169,816.86
Sinopharm Holding Shenyang Co., Ltd.	Purchase of goods	263,886,903.84		NO	218,687,438.90
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Purchase of goods	227,667,440.04		NO	132,068,068.87
Sinopharm Group Co., Ltd.	Purchase of goods	188,443,291.91		NO	130,357,912.20
Sinopharm Holding Shanxi Co., Ltd.	Purchase of goods	183,978,057.29		NO	204,598,556.55
Sinopharm Lerentang Medicine Co., Ltd.	Purchase of goods	156,176,948.57		NO	212,774,916.08
Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	Purchase of goods	98,144,275.79		NO	80,954,984.16
Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	Purchase of goods	84,213,549.45	10,355,000,000.00	NO	83,397,212.70
Sinopharm Holding Yangzhou Co., Ltd.	Purchase of goods	65,335,420.07		NO	51,592,777.55
Shanghai Henlius Biopharmaceuticals Co., Ltd.	Purchase of goods	58,704,238.04		NO	26,663,502.35
Sinopharm Holding Inner Mongolia Co., Ltd.	Purchase of goods	56,241,823.58		NO	40,632,946.46
Sinopharm Holding Jilin Co., Ltd.	Purchase of goods	51,845,516.71		NO	30,157,192.13
Chongqing Yaoyou Pharmaceutical Co., Ltd.	Purchase of goods	49,193,013.03		NO	37,011,667.64
Lanzhou Biotechnology Development Co., Ltd.	Purchase of goods	48,118,083.19		NO	68,090,371.68
Southwest Pharmaceutical Co., Ltd.	Purchase of goods	47,785,194.97		NO	17,542,194.64
Sinopharm Holding Lunan Co., Ltd.	Purchase of goods	37,955,700.50		NO	40,999,864.55
Sinopharm Holding Shandong Co., Ltd.	Purchase of goods	33,385,817.37		NO	22,619,090.27
Taiji Group Chongqing Fuling Pharmaceutical Co., Ltd.	Purchase of goods	32,364,005.17		NO	5,323,305.69

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Foshan Winteam Pharmaceutical Group Ltd.	Purchase of goods	31,572,384.22		NO	23,659,412.81
Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	Purchase of goods	28,799,500.16		NO	9,851,650.37
Sinopharm Holding Tongliao Co., Ltd.	Purchase of goods	24,457,147.31		NO	16,039,594.19
Main Luck Pharmaceutical	Purchase of goods	23,968,456.02		NO	25,917,861.73
Sinopharm Holding Henan Co., Ltd.	Purchase of goods	23,222,605.65		NO	22,693,352.04
Taiji Group Chongqing Tongjunge Pharmaceutical Co., Ltd.	Purchase of goods	23,042,443.58		NO	3,955,453.47
Sinopharm Holding Fujian Co., Ltd.	Purchase of goods	22,959,844.44		NO	26,242,880.93
Sinopharm Yixin Pharmaceutical Co., Ltd.	Purchase of goods	21,537,832.07		NO	28,345,022.18
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Purchase of goods	21,515,638.38		NO	45,696,541.00
Shenzhen Wanwei Medicine Trading Co., Ltd.	Purchase of goods	21,288,696.68	10,355,000,000.00	NO	13,151,952.24
Sinopharm Holding Changzhou Co., Ltd.	Purchase of goods	20,341,776.01		NO	10,160,654.93
Sinopharm Holding Beijing Co., Ltd.	Purchase of goods	19,925,755.17		NO	17,360,821.15
China National Pharmaceutical Foreign Trade Corporation	Purchase of goods	18,962,586.42		NO	31,428,461.51
Sinopharm Holding Hunan Co., Ltd.	Purchase of goods	18,117,814.44		NO	13,204,231.22
Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	Purchase of goods	17,920,014.27		NO	17,310,598.75
Sinopharm Group Guorui Medicine Co., Ltd.	Purchase of goods	16,175,927.81		NO	15,180,518.65
Sinopharm Holding Jiangsu Co., Ltd.	Purchase of goods	16,084,288.10		NO	16,730,745.30
Sinopharm Zhijun	Purchase of goods	15,640,952.26		NO	15,931,558.84
Sinopharm Holding Lerentang Pharmaceutical Co., Ltd.	Purchase of goods	15,292,974.45		NO	19,472,073.81

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Hubei MEDICAL Device Co., Ltd.	Purchase of goods	14,883,132.80		NO	-
China Otsuka Pharmaceutical Co., Ltd.	Purchase of goods	14,659,161.80		NO	11,763,554.47
Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	Purchase of goods	14,639,605.08		NO	36,421,939.26
Sinopharm Holding Jinzhou Co., Ltd.	Purchase of goods	13,151,698.93		NO	8,931,064.40
Yichang Humanwell Pharmaceutical Co., Ltd.	Purchase of goods	12,930,498.02		NO	12,457,905.62
Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	Purchase of goods	12,290,194.84		NO	4,529,929.13
Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	Purchase of goods	11,889,393.76		NO	9,191,104.74
Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	Purchase of goods	11,646,928.19		NO	5,932,515.36
Sinopharm Holding Xiamen Co., Ltd.	Purchase of goods	11,547,313.21	10,355,000,000.00	NO	11,957,608.14
Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	Purchase of goods	11,112,225.74		NO	9,697,409.23
Sinopharm Holding Pingdingshan Co., Ltd.	Purchase of goods	10,999,809.50		NO	11,979,529.78
Chengdu Rongsheng Pharmacy Co., Ltd.	Purchase of goods	10,903,730.00		NO	14,584,099.03
Shanghai Chaohui Pharmaceutical Co., Ltd.	Purchase of goods	10,733,383.55		NO	7,770,056.47
Tibet Yaoyou Medicines Co., Ltd.	Purchase of goods	10,602,831.41		NO	14,011,950.98
Sinopharm Holding Ningxia Co., Ltd.	Purchase of goods	10,485,536.70		NO	7,527,437.99
Jiangxi Erye Medicine Marketing Co., Ltd.	Purchase of goods	9,965,371.14		NO	6,315,288.30
Sinopharm Holding Anshan Co., Ltd.	Purchase of goods	9,751,585.88		NO	7,386,999.04
Jinzhou Avanc Pharmaceutical Co., Ltd.	Purchase of goods	9,739,150.30		NO	11,829,570.34
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Purchase of goods	8,913,461.47		NO	6,568,011.43

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	Purchase of goods	8,073,472.28		NO	2,917,177.22
Sinopharm holdings Hubei Co., Ltd.	Purchase of goods	7,949,628.05		NO	531,440.87
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	Purchase of goods	7,048,662.52		NO	6,180,889.71
Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	Purchase of goods	6,375,613.27		NO	2,350,922.70
Hunan Dongting Pharmaceutical Co., Ltd.	Purchase of goods	6,251,679.06		NO	1,673,060.75
Sinopharm Holding Wuxi Co., Ltd.	Purchase of goods	6,106,247.58		NO	2,439,252.13
Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	Purchase of goods	6,000,694.22		NO	14,889,163.04
Sinopharm holdings Beijing Huahong Co., Ltd.	Purchase of goods	5,961,645.59	10,355,000,000.00	NO	471,946.23
Zhijun Pingshan	Purchase of goods	5,629,313.91		NO	10,838,947.13
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Purchase of goods	5,354,207.36		NO	4,477,305.68
Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Purchase of goods	5,023,580.83		NO	12,051,455.59
Shaanxi National Medical Equipment Co., Ltd.	Purchase of goods	5,002,539.81		NO	-
Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	Purchase of goods	4,900,064.15		NO	5,438,916.55
Jinzhou Avanc Medicine Co., Ltd.	Purchase of goods	4,893,043.53		NO	265,412.37
Sinopharm Holding Jinan Co., Ltd.	Purchase of goods	4,852,942.46		NO	5,593,031.01

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Wonder Dream Pharmaceutical (Xiamen)	Purchase of goods	4,799,825.30		NO	-
Sinopharm Holding Hulun Buir Co., Ltd.	Purchase of goods	4,584,675.34		NO	2,425,267.22
China National Pharmaceutical Industry Co., Ltd.	Purchase of goods	4,055,984.31		NO	1,658,893.69
Sinopharm Chuankang Pharmaceutical Co., Ltd.	Purchase of goods	3,546,481.54		NO	1,292,333.10
Taiji Group	Purchase of goods	3,103,599.64		NO	166,678.24
Sinopharm Holding Tianjin Co., Ltd.	Purchase of goods	3,064,838.26		NO	2,113,934.18
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Purchase of goods	3,029,923.97		NO	4,051,307.75
Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	Purchase of goods	3,022,449.03		NO	1,922,967.49
Guangdong Global Pharmaceutical	Purchase of goods	2,955,096.51	10,355,000,000.00	NO	-
Sichuan Hexin Pharmaceutical Co., Ltd.	Purchase of goods	2,679,383.32		NO	3,903,635.62
Sinopharm Shanghai Plasma-derived Biotherapies Co., Ltd.	Purchase of goods	2,655,771.84		NO	-
Sinopharm Holding Heilongjiang Co., Ltd.	Purchase of goods	2,616,750.02		NO	2,700,433.59
Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	Purchase of goods	2,610,337.20		NO	4,230,984.00
Taiji Group Zhejiang Dongfang Pharmaceutical Co., Ltd.	Purchase of goods	2,567,421.22		NO	79,709.72
Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	Purchase of goods	2,512,845.00		NO	1,537,349.20
Fresenius Kabi (Wuhan) Pharmaceutical Co., Ltd.	Purchase of goods	2,493,312.53		NO	-
Sinopharm Holding Yunnan Co., Ltd.	Purchase of goods	2,429,262.58		NO	805,065.42

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Shanghai International Pharmaceutical Trade Co., Ltd.	Purchase of goods	2,375,683.11		NO	3,215,831.81
Sinopharm Holding Taizhou Co., Ltd.	Purchase of goods	2,316,838.25		NO	(350.45)
Sinopharm Holding Dalian Co., Ltd.	Purchase of goods	2,085,255.89		NO	1,618,603.64
Chongqing Taiji Industry (Group) Co., Ltd.	Purchase of goods	2,069,070.40		NO	-
Sinopharm Holding Chifeng Co., Ltd.	Purchase of goods	1,895,142.57		NO	347,527.93
Sinopharm Weiqida Pharmaceutical Co., Ltd.	Purchase of goods	1,827,299.52		NO	690,157.52
Sinopharm Holding Benxi Co., Ltd.	Purchase of goods	1,777,546.43		NO	559,188.59
Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	Purchase of goods	1,713,228.93		NO	497,209.07
Jiangxi National Medical Equipment Co., Ltd.	Purchase of goods	1,446,991.15		NO	-
Guangdong Yifang Pharmaceutical Co., Ltd.	Purchase of goods	1,384,459.85	10,355,000,000.00	NO	-
Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	Purchase of goods	1,360,791.79		NO	2,321,886.33
Sinopharm Group Fengliaoqing (Foshan) Pharmaceutical Co., Ltd.	Purchase of goods	1,360,654.87		NO	-
Sinopharm Holding Fuzhou Co., Ltd.	Purchase of goods	1,267,923.77		NO	1,152,589.16
Sinopharm Holding Yancheng Co., Ltd.	Purchase of goods	1,191,411.93		NO	1,355,193.79
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Purchase of goods	1,180,223.35		NO	984,816.68
Sinopharm Advanced (Shanghai) Medicine Device Co., Ltd.	Purchase of goods	1,141,738.72		NO	4,359,697.01
Sinopharm Group Shanxi Ruifulai Co., Ltd.	Purchase of goods	1,096,614.36		NO	404,922.04

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Fosun Kite Biotechnology Co., Ltd.	Purchase of goods	1,046,946.90		NO	-
Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	Purchase of goods	1,010,998.93		NO	1,342,043.34
Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	Purchase of goods	986,032.47		NO	781,575.58
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Purchase of goods	940,244.05		NO	1,017,142.82
Sinopharm Fengliaoxing (Foshan) Pharmaceutical Drugs Co., Ltd.	Purchase of goods	939,969.76		NO	3,765,974.30
Chengdu Institute of Biological Products Co., Ltd.	Purchase of goods	790,713.15		NO	562,767.00
Sinopharm Xinjiang Pharmaceutical Co., Ltd.	Purchase of goods	753,761.98		NO	341,818.02
Glaxosmithkline Pharmaceuticals (Suzhou) Co., Ltd.	Purchase of goods	703,316.38		NO	1,312,782.80
Sinopharm Holding Xinjiang Special Drugs Karamay Pharmaceutical Co., Ltd.	Purchase of goods	686,893.15	10,355,000,000.00	NO	1,801,633.72
Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	Purchase of goods	659,496.99		NO	1,553,305.70
Sinopharm Holding Quanzhou Co., Ltd.	Purchase of goods	658,072.27		NO	662,423.54
Taiji Group Chongqing No.2 Traditional Chinese Medicine Factory Co., Ltd.	Purchase of goods	640,017.30		NO	-
Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	Purchase of goods	636,169.31		NO	781,581.70
Sinopharm Holding Hainan Co., Ltd.	Purchase of goods	614,233.58		NO	13,042.99
Foshan Chancheng Pharmaceutical Co., Ltd.	Purchase of goods	603,709.11		NO	-
Shanghai Transfusion Technology Co., Ltd.	Purchase of goods	587,033.20		NO	667,699.12
Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	Purchase of goods	573,344.72		NO	1,156,691.29
Sinopharm Group Ganzhou Medical Trade Co., Ltd.	Purchase of goods	558,630.18		NO	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	Purchase of goods	552,129.24		NO	371,264.92
Shanghai Shangsheng Biological Products Co., Ltd.	Purchase of goods	547,184.16		NO	3,748,316.28
Guilin Pharmaceutical Co., Ltd.	Purchase of goods	544,088.50		NO	491,568.15
Wuhan Zhongsheng Yujin Biological Medicine Co., Ltd.	Purchase of goods	530,656.00		NO	354,016.00
Gansu Tianshui Zhangjiachuan Donkey-hide Gelatin Factory	Purchase of goods	526,205.33		NO	-
Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	Purchase of goods	477,543.09		NO	110,206.77
Sinopharm Liaoning Medical Equipment Co., Ltd.	Purchase of goods	462,208.86		NO	1,610,762.20
Sinopharm Group Linfen Co., Ltd.	Purchase of goods	456,010.04		NO	8,257.25
Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	Purchase of goods	450,058.48	10,355,000,000.00	NO	773,057.14
Sinopharm Holding Zhejiang Co., Ltd.	Purchase of goods	430,796.23		NO	317,534.11
Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	Purchase of goods	415,373.53		NO	48,842.47
Sinopharm Holdings Kangfu (Tengzhou) Pharmaceutical Co., Ltd.	Purchase of goods	371,055.96		NO	-
Sinopharm Inner Mongolia Medical Instrument Co., Ltd.	Purchase of goods	357,851.47		NO	35,000.88
Shanghai Merro Pharmaceutical Co., Ltd.	Purchase of goods	339,760.00		NO	542,162.94
Sinopharm Baise Device Co., Ltd.	Purchase of goods	323,893.80		NO	-
Sinopharm Holding Yangzhou Biological Products Co., Ltd.	Purchase of goods	316,700.00		NO	1,850.00
Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	Purchase of goods	284,655.56		NO	682,560.86

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Jiangxi Co., Ltd.	Purchase of goods	275,462.40		NO	-
Suzhou Erye Pharmaceutical Limited Company	Purchase of goods	266,017.70		NO	1,942,102.86
Breas (Shanghai) Medical Technology Co., Ltd.	Purchase of goods	265,486.72		NO	-
Sinopharm Holding Anhui Medical Device Co., Ltd.	Purchase of goods	265,486.71		NO	-
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Purchase of goods	250,059.82		NO	-
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Purchase of goods	241,761.13		NO	408,296.15
Sinopharm Holding Bayannur Co., Ltd.	Purchase of goods	235,284.80		NO	234,878.49
Beijing Natong Shichuang Investment Management Co., Ltd.	Purchase of goods	165,366.00		NO	-
Sinopharm Holding Putian Co., Ltd.	Purchase of goods	164,764.21		NO	257,643.78
Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	Purchase of goods	160,710.75		NO	536,821.03
Sichuan Jiangyou Zhongba Aconiti Science and Technology Development Co., Ltd.	Purchase of goods	157,830.27	10,355,000,000.00	NO	142,201.82
Sinopharm Holdings Longyan Co., Ltd.	Purchase of goods	157,571.03		NO	-
Sinopharm Holding Anhui Co., Ltd.	Purchase of goods	142,752.12		NO	180,725.82
Sinopharm Holding Xinye (Hubei) Medicine Co., Ltd.	Purchase of goods	131,697.05		NO	101,222.21
Sinopharm Holdings Haoyang Mianyang Pharmaceutical Co., Ltd.	Purchase of goods	114,857.52		NO	-
Sinopharm Cohealta(Beijing) Co., Ltd.	Purchase of goods	113,274.00		NO	-
Sinopharm Holding Puer Co., Ltd.	Purchase of goods	112,870.04		NO	296,085.02
Sinopharm Shanxi Linfen Co., Ltd.	Purchase of goods	107,642.27		NO	-
Sinopharm Holding Nanping Newforce Co., Ltd	Purchase of goods	106,618.64		NO	105,027.03
Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	Purchase of goods	100,871.54		NO	18,751.86

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Shandong Skyway Pharmaceutical Sales Co., Ltd.	Purchase of goods	94,364.59		NO	-
Sinopharm Equipment Supply Chain Service (Liaoning) Co., Ltd.	Purchase of goods	94,037.61		NO	-
Sinopharm Wuhan Blood Products Co., Ltd.	Purchase of goods	88,400.00		NO	281,200.00
Sinopharm Holding Ordos Co., Ltd.	Purchase of goods	88,150.98		NO	35,001.77
Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	Purchase of goods	86,639.80		NO	607,344.52
Sinopharm Group Dezhong(Foshan)Pharmaceutical Co., Ltd.	Purchase of goods	77,861.95		NO	-
Sinopharm Holding Sanyi Medicine (Wuhu) Co., Ltd.	Purchase of goods	73,645.12		NO	37,095.80
Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	Purchase of goods	70,318.58		NO	-
Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	Purchase of goods	60,977.01	10,355,000,000.00	NO	136,860.13
Sinopharm Holding Nantong Co., Ltd.	Purchase of goods	50,647.43		NO	697,002.20
Hainan Fucong Health Management Co., Ltd.	Purchase of goods	44,814.15		NO	-
Sinopharm Holding Changde Co., Ltd.	Purchase of goods	40,566.37		NO	48,318.59
Changchun Institute of Biological Products Co., Ltd.	Purchase of goods	40,294.80		NO	-
Sinopharm Jingfang (Anhui) Pharmaceutical Co., Ltd.	Purchase of goods	37,711.49		NO	20,306.19
Shantou Jinshi Powder Injection Co., Ltd.	Purchase of goods	35,470.80		NO	351,589.74
Sinopharm Holding Hainan Hongyi Co., Ltd.	Purchase of goods	34,899.26		NO	258,280.38
Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	Purchase of goods	29,305.51		NO	1,591,292.21
Sinopharm Holdings Wuhan Hengfeng Co., Ltd.	Purchase of goods	29,203.54		NO	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Group Hebei Medicine Co., Ltd.	Purchase of goods	28,949.12		NO	-
Sinopharm Holding Changsha Co., Ltd.	Purchase of goods	27,499.47		NO	84,558.36
Jiangsu Huanghe Pharmaceutical Co., Ltd.	Purchase of goods	26,506.67		NO	162,782.30
Sinopharm Medical Instrument (Huizhou) Co., Ltd.	Purchase of goods	22,204.44		NO	10,618.77
Sinopharm Shengshi (Guangdong) Medical Technology Co., Ltd.	Purchase of goods	20,616.36		NO	-
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Purchase of goods	19,557.52		NO	19,340,530.98
Shenyang Hongqi Pharmaceutical Co., Ltd.	Purchase of goods	19,430.09		NO	653,104.18
Sinopharm Group Southwest Medicine Co., Ltd.	Purchase of goods	17,770.83		NO	2,313,721.29
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Purchase of goods	15,707.97	10,355,000,000.00	NO	-
China National Medical Device Co., Ltd.	Purchase of goods	10,667.09		NO	2,866,958.60
Zhejiang Yinuo Pharmaceutical Co., Ltd.	Purchase of goods	7,412.39		NO	-
Sinopharm Holding Dalian Hecheng Co., Ltd.	Purchase of goods	2,831.85		NO	17,404.47
Sinopharm Holding Xinjiang Special Drugs Yili Pharmaceutical Co., Ltd.	Purchase of goods	2,207.85		NO	68,861.47
Guangxi Fangning Pharmaceutical Co., Ltd.	Purchase of goods	2,108.68		NO	-
Suzhou Laishi Transfusion Equipment	Purchase of goods	509.73		NO	1,019.47
Sinopharm Shyndec	Purchase of goods	69.95		NO	36,180.53
Sinopharm Holding Chuangke Medical Technology (Guangxi) Co., Ltd.	Purchase of goods	-		NO	3,741,777.16
Huayi Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	1,266,831.84
Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	Purchase of goods			NO	753,274.35

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	295,539.81
Sinopharm Group Hubei Yukang Co., Ltd.	Purchase of goods	-		NO	260,747.00
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	253,894.16
Hunan Yaoyou Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	121,513.28
Sinopharm Holdings Kunming Co., Ltd.	Purchase of goods	-		NO	58,396.46
Sinopharm Group Medicine Logistic Co., Ltd.	Purchase of goods	-		NO	9,450.54
Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	Purchase of goods	-		NO	9,380.53
Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	Purchase of goods	-		NO	9,026.54
Sinopharm Device (Guangdong) Medical Technology Co., Ltd.	Purchase of goods	-		NO	6,578.33
Sinopharm Liaoning Medical Equipment Distribution Co., Ltd.	Purchase of goods	-	10,355,000,000.00	NO	4,424.78
Sinopharm Holding Zhangzhou Co., Ltd.	Purchase of goods	-		NO	2,835.40
Naton Biotechnology (Beijing) Co., Ltd.	Purchase of goods	-		NO	63.72
Sinopharm Holding Baotou Co., Ltd.	Purchase of goods	-		NO	(88.50)
Sinopharm Group Shanghai Medicine Device Co., Ltd.	Purchase of goods	-		NO	(209.96)
Sinopharm Holding Guang'an Co., Ltd.	Purchase of goods	-		NO	(6,594.69)
China Medical Equipment Shandong Co., Ltd.	Purchase of goods	(160.97)		NO	(2,177.00)
Sinopharm Holding Dezhou Co., Ltd.	Purchase of goods	(223.18)		NO	(223.18)
Guangzhou Tianren Pharmaceutical Co., Ltd.	Purchase of goods	(1,452.72)		NO	-
Guangzhou Tianren Pharmacy Chain Co., Ltd.	Purchase of goods	(8,880.53)		NO	-
Sinopharm Holdings Linyi Medical Instrument Co., Ltd.	Purchase of goods	(13,074.33)		NO	-
Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	Purchase of goods	(1,091,450.68)		NO	2,654,950.93

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

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

Related party	Type of transaction	For the six months ended 30 June 2022	Approved trading quota	whether the transaction limit is exceeded	For the six months ended 30 June 2021
Sinopharm Wuhan ZhongLian SiYao Pharmaceutical Co., Ltd.	Purchase of goods	-	10,355,000,000.00	NO	124,447.86
Sinopharm Group Medicine Logistic Co., Ltd.	receiving of services	6,181,245.42		NO	9,631,686.33
China Pharmaceutical Health Online Co., Ltd.	receiving of services	5,493,166.49		NO	-
Sinopharm Group Guangdong Medicine Device Co., Ltd.	receiving of services	591,995.39		NO	34,651.32
Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	receiving of services	476,689.66		NO	518,400.00
Puer Songmao Medicine Group Co., Ltd.	receiving of services	177,474.52		NO	-
Shanghai Tongyu Information Technology Co., Ltd.	receiving of services	172,998.92		NO	476,169.82
Sinopharm Foreign Trade(Beijing) Co., Ltd.	receiving of services	64,159.31		NO	141,592.92
Sinopharm Group Xiamen Co., Ltd.	receiving of services	39,471.70	80,000,000.00	NO	-
Guorun Medical Supply Chain Service (Shanghai) Co., Ltd.	receiving of services	25,000.00		NO	49,056.60
Sinopharm Group Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	receiving of services	-		NO	2,269,577.44
Sinopharm Holding Henan Co., Ltd.	receiving of services	-		NO	658,831.86
China National Pharmaceutical Foreign Trade Corporation	receiving of services	-		NO	106,046.95
Xinjiang Baitong Property Service Co., Ltd.	receiving of services	-		NO	68,938.05
Sinopharm Holding Jilin Co., Ltd.	receiving of services	-		NO	1,150.44
		-		NO	109.23

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Sub Marketing Center Co., Ltd.	Sale of goods	238,596,646.39	6,713,774.05
Foshan Chancheng Pharmaceutical Co., Ltd.	Sale of goods	77,447,659.74	68,883,280.00
Sinopharm Holding Jilin Co., Ltd.	Sale of goods	71,947,999.61	2,942,030.47
Sinopharm Group	Sale of goods	69,911,174.65	139,234,971.54
Sinopharm Holding Hainan Co., Ltd.	Sale of goods	57,956,239.22	56,647,385.55
Shanghai Beiyi Guoda Pharmaceutical Co. Ltd.	Sale of goods	46,179,339.42	51,633,689.10
Fosun Health Technology (Jiangsu) Co., Ltd.	Sale of goods	37,288,929.85	-
Sinopharm Holding Hubei Co., Ltd.	Sale of goods	22,714,690.22	5,725,139.41
Sinopharm Holding Hainan Hongyi Co., Ltd.	Sale of goods	18,242,777.80	19,732,331.43
China National Medical Device(Hai Nan) Co., Ltd.	Sale of goods	18,053,097.39	-
Sinopharm Lerentang Medicine Co., Ltd.	Sale of goods	17,485,730.43	30,299,085.61
Sinopharm Holding Wenzhou Co., Ltd.	Sale of goods	16,867,572.83	16,294,606.34
China National Medicines Co., Ltd.	Sale of goods	12,374,758.53	1,269,341.13
Shenzhen Hengsheng Hospital	Sale of goods	12,151,223.36	13,376,757.25
Sinopharm Holding Shandong Co., Ltd.	Sale of goods	11,793,989.32	14,001,108.69
Sinopharm Holding Beijing Co., Ltd.	Sale of goods	10,434,145.19	20,211,375.98
Guangzhou Xinshi Hospital Co., Ltd.	Sale of goods	10,167,494.98	-
Sinopharm Holding Hunan Co., Ltd.	Sale of goods	9,017,405.14	2,170,058.36
Sinopharm Holding Jinzhou Co., Ltd.	Sale of goods	8,680,234.86	7,182,756.92
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Sale of goods	8,598,128.73	10,239,238.49
Foshan Chancheng Central Hospital Co., Ltd.	Sale of goods	8,590,171.60	12,092,528.87
Sinopharm Holding Henan Co., Ltd.	Sale of goods	8,051,806.62	12,870,576.33

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	Sale of goods	7,838,724.33	15,169,815.63
Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	Sale of goods	6,891,131.97	6,709,036.12
Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	Sale of goods	6,420,700.27	5,801,373.68
Sinopharm Sichuan Pharmaceutical Co., Ltd.	Sale of goods	5,607,836.62	2,270,896.31
Sinopharm Holding Tianjin Co., Ltd.	Sale of goods	5,311,089.13	2,941,625.35
Sinopharm Holding Nantong Co., Ltd.	Sale of goods	5,064,569.46	8,373,035.18
Sinopharm Holding Jiangxi Co., Ltd.	Sale of goods	4,989,683.59	1,230,819.17
Sinopharm holdings Beijing Huahong Co., Ltd.	Sale of goods	4,956,666.30	10,138,011.45
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	Sale of goods	4,940,793.86	8,887,736.05
Sinopharm Holding Yangzhou Co., Ltd.	Sale of goods	4,872,460.21	5,243,275.79
Sinopharm Group Shanxi Co., Ltd.	Sale of goods	4,784,858.35	6,114,523.08
Sinopharm Holding Shanxi Co., Ltd.	Sale of goods	4,378,032.64	2,569,451.46
Sinopharm Group Southwest Medicine Co., Ltd.	Sale of goods	3,866,348.67	1,686,783.92
Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	Sale of goods	3,842,969.83	13,521,643.14
Foshan Chanyixing Medicine Development Co Ltd.	Sale of goods	3,648,580.51	4,356,266.82
Sinopharm Holding Anshan Co., Ltd.	Sale of goods	3,188,314.96	1,410,135.08
Sinopharm Holding Yunnan Co., Ltd.	Sale of goods	2,309,599.26	2,197,412.02
Sinopharm Holding Anhui Co., Ltd.	Sale of goods	2,281,078.42	1,714,909.94
Shanghai Merro Pharmaceutical Co., Ltd.	Sale of goods	2,134,114.96	2,858,507.18
Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	Sale of goods	2,122,792.57	2,280,410.62
Sinopharm Holding Gansu Co., Ltd.	Sale of goods	2,021,033.82	863,189.43

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Benxi Co., Ltd.	Sale of goods	1,868,638.73	134,235.92
Shanghai Guoda Shengxin Pharmacy Co., Ltd.	Sale of goods	1,839,197.93	-
Shanghai Guodaai Pharmacy Co., Ltd.	Sale of goods	1,707,215.39	-
Sinopharm Holding Guizhou Co., Ltd.	Sale of goods	1,581,548.88	836,038.24
Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	Sale of goods	1,511,909.50	1,732,284.48
Shanghai Liyi Pharmacy Co.,Ltd	Sale of goods	1,240,869.94	1,102,980.44
Sinopharm Holding Qinghai Co., Ltd.	Sale of goods	1,231,518.56	262,068.06
Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	Sale of goods	1,217,108.90	585,023.94
Sinopharm Holding Dalian Co., Ltd.	Sale of goods	1,058,459.12	1,505,999.43
Sinopharm Holding Inner Mongolia Co., Ltd.	Sale of goods	1,035,028.89	150,193.67
Sinopharm Holding Fujian Co., Ltd.	Sale of goods	975,376.99	992,070.43
Shenzhen Xinsheng Pharmaceutical Co., Ltd.	Sale of goods	911,275.84	-
Sinopharm Holding Ningxia Co., Ltd.	Sale of goods	880,530.27	766,385.82
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Sale of goods	845,414.06	1,152,047.45
Sinopharm Holding Shanghai Biomedicine Co., Ltd.	Sale of goods	833,628.33	367,752.21
Sinopharm Holding Chongqing Taimin Pharmaceutical Co., Ltd.	Sale of goods	826,951.45	675,555.69
Sinopharm Holding Xuzhou Co., Ltd.	Sale of goods	751,604.04	1,108,631.54
Sinopharm Holding Guizhou (Zunyi) Medical Equipment Co., Ltd.	Sale of goods	654,444.32	551,323.97
Sinopharm Holding Fuzhou Co., Ltd.	Sale of goods	592,328.15	93,210.07
Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	Sale of goods	571,105.16	3,311,038.77
Sinopharm Holding Jiangsu Co., Ltd.	Sale of goods	529,772.51	526,573.72
Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	Sale of goods	518,561.98	3,187,482.23

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm JI LIN MEDICAL Device Co., Ltd.	Sale of goods	486,725.67	-
Sinopharm Holding Tongren Co., Ltd.	Sale of goods	474,993.63	608,054.18
Sinopharm Larentang Qinhuangdao Medicine Co., Ltd.	Sale of goods	441,747.49	352,417.43
Sinopharm Holding Dalian Hecheng Co., Ltd.	Sale of goods	429,081.72	440,610.07
Sinopharm Holding Shenyang Co., Ltd.	Sale of goods	361,934.64	839.65
Sinopharm Holding Shanxi Co., Ltd.	Sale of goods	361,219.35	1,759,444.55
Sinopharm Inner Mongolia Medical Instrument Co., Ltd.	Sale of goods	343,274.36	-
Sinopharm Larentang Hengshui Medicine Co., Ltd.	Sale of goods	318,299.30	1,541,096.39
Sinopharm Holdings Qianxinan Co., Ltd.	Sale of goods	290,137.09	-
Sinopharm Holdings Chongqing Health Management Co., Ltd.	Sale of goods	288,059.85	-
Qinghai Guoyao Holding Pharmaceutical Chain Co., Ltd.	Sale of goods	272,448.67	-
Sinopharm Fengliaoqing Medical Hospital Co., Ltd.	Sale of goods	239,306.13	123,210.38
Sinopharm Larentang Tangshan Medicine Co., Ltd.	Sale of goods	225,301.22	3,561,044.84
Sinopharm Larentang Chengde Medicine Co., Ltd.	Sale of goods	223,046.99	129,707.75
Sinopharm Holding Shanxi Pharmacy Co., Ltd.	Sale of goods	209,204.51	274,021.65
Sinopharm Holding Wuhu Co., Ltd.	Sale of goods	201,936.94	483,333.34
Sinopharm Larentang Tangshan Medicine Co., Ltd.	Sale of goods	197,644.06	330,239.40
Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	Sale of goods	194,712.99	2,986,283.70
Sinopharm Holding Wuxi Co., Ltd.	Sale of goods	190,797.73	651,490.72
Sinopharm Holdings Chongqing Medical Device Co., Ltd.	Sale of goods	190,118.94	-
Shenzhen Chindex Medical Beauty Clinic	Sale of goods	178,088.61	388,613.67
Sinopharm Holding Honghe Co., Ltd.	Sale of goods	174,758.78	233,627.39
Sinopharm Qinghai Medical Equipment Co., Ltd.	Sale of goods	159,292.04	-
Sinopharm Medicine Holding Yantai Co., Ltd.	Sale of goods	150,483.19	-
Sinopharm Henan Medical Device Co., Ltd.	Sale of goods	146,720.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Guangdong Medical Examination Co., Ltd.	Sale of goods	139,317.87	134,910.79
Sinopharm Holding Chuxiong Co., Ltd.	Sale of goods	138,537.63	185,415.94
Sinopharm Holding Chaoyang Co., Ltd.	Sale of goods	116,930.27	-
Sinopharm Baise Device Co., Ltd.	Sale of goods	110,713.27	328,663.72
Sinopharm Holding Lu'an Co., Ltd.	Sale of goods	102,654.87	-
Sinopharm Group Guangdong Medicine Device Co., Ltd.	Sale of goods	98,426.61	48,348.50
Sinopharm Medical Instrument Guizhou Qiannan Co., Ltd.	Sale of goods	89,931.94	70,346.37
Sinopharm Zhijun	Sale of goods	86,066.90	54,493.27
Sinopharm Holding Tianjin North Medicine Co., Ltd.	Sale of goods	74,867.26	165,577.13
Sinopharm Holding Professional Pharmacy (Hainan) Co., Ltd.	Sale of goods	69,744.72	40,146.37
Sinopharm(Zhaoqing) Medical Equipment Co., Ltd.	Sale of goods	69,412.34	-
Guoyao Lerentang Shijiazhuang Medical Management Co., Ltd.	Sale of goods	59,030.87	169,490.24
Sinopharm Holding Nanjing Wende Pharmaceutical Co.,Ltd.	Sale of goods	58,348.67	175,046.02
China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	Sale of goods	55,569.04	25,022.45
Sinopharm Medicine Holding Chenzhou Co., Ltd.	Sale of goods	50,370.27	-
Chongqing Tongjunge Co., Ltd.	Sale of goods	36,293.81	19,289.52
Sinopharm Lerentang Handan Medicine Co., Ltd.	Sale of goods	33,197.66	69,991.28
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Sale of goods	29,666.49	55,499.70
Sinopharm Lerentang Shijiazhuang Medicine Co., Ltd.	Sale of goods	29,082.57	135,104.03
Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	Sale of goods	28,065.45	35,758.14

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Zunyi Co., Ltd.	Sale of goods	27,609.03	497,385.52
Sinopharm Holdings Guizhou Medical Supply Chain Service Co., Ltd.	Sale of goods	23,787.61	-
Sinopharm Lerentang Xingtai Medicine Co., Ltd.	Sale of goods	22,837.84	224,344.53
Guangxi Fangning Pharmaceutical Co., Ltd.	Sale of goods	21,512.75	-
Foshan Chanyun Medical Clinic Co., Ltd.	Sale of goods	20,056.28	-
Sinopharm Holding Taizhou Co., Ltd.	Sale of goods	14,587.16	5,834.87
Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	Sale of goods	13,196.79	16,629.61
Sinopharm Holding Anshun Co., Ltd.	Sale of goods	12,418.33	637,336.24
Sinopharm Group Feng Liao Xing (Foshan) Medicinal Material & Slices Co., Ltd.	Sale of goods	11,705.22	-
Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	Sale of goods	9,884.60	4,862.18
Sinopharm Group Fengliaoqing Medical Hospital (Foshan Nanhai) Co., Ltd.	Sale of goods	7,619.07	3,939.20
Korla Medicine Co., Ltd., Xinjiang Pharmaceutical Group	Sale of goods	4,353.98	-
Sinopharm Holding Zhuanye Pharmacy (Dongfang) Co., Ltd.	Sale of goods	2,766.78	14,607.52
Sinopharm Holding Guizhou Medical Device Co., Ltd.	Sale of goods	2,499.47	2,506,974.27
Sinopharm Medicine Holding Jining Co., Ltd.	Sale of goods	1,577.34	-
Sinopharm Medical Instrument (Jiangmen) Co., Ltd.	Sale of goods	579.65	884.96
Sinopharm Group Quanzhou Co., Ltd.	Sale of goods	185.85	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Group Heilongjiang Co., Ltd.	Sale of goods	119.47	-
Sinopharm Holding Suzhou Co., Ltd.	Sale of goods	106.02	3.54
Sinopharm Holding Longyan Co., Ltd.	Sale of goods	88.96	87,410.63
Sinopharm Group Nanping New Power Limited	Sale of goods	50.44	-
Sinopharm Holding Ningde Co., Ltd.	Sale of goods	44.24	10,083.19
Sinopharm Holding Weifang Co., Ltd.	Sale of goods	23.36	-
Sinopharm Holding Tongliao Co., Ltd.	Sale of goods	12.74	45.14
Sinopharm Holding Changzhou Co., Ltd.	Sale of goods	2.83	21,218.05
Shanghai Guoda Lingyun Pharmacy Co., Ltd.	Sale of goods	-	1,444,193.49
Sinopharm Holding (Hubei) Hankou Pharmacy Co., Ltd.	Sale of goods	-	1,164,258.24
Sinopharm Holding Shangqiu Co., Ltd.	Sale of goods	-	1,039,646.02
Shanghai Shengxin Pharmacy Co., Ltd.	Sale of goods	-	352,446.68
Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	Sale of goods	-	253,856.26
Sinopharm Holding Jiaozuo Co., Ltd.	Sale of goods	-	220,106.10
Sinopharm Holding Anhui Pharmaceutical Chain Co., Ltd.	Sale of goods	-	190,577.18
Sinopharm Holding Chongqing Co., Ltd.	Sale of goods	-	157,390.71
Sinopharm Lerentang Cangzhou Pharmaceutical Trading Co., Ltd.	Sale of goods	-	143,767.71
Sinopharm Holding Pingdingshan Co., Ltd.	Sale of goods	-	121,061.94
Sinopharm Group Guangxi Medical Device Co., Ltd.	Sale of goods	-	110,309.74
Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	Sale of goods	-	107,011.95

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Lerentang Langfang Pharmaceutical Co., Ltd.	Sale of goods	-	88,799.03
Sinopharm Holding Hubei Hongyuan Co., Ltd.	Sale of goods	-	74,265.48
Sinopharm Holding Wuhan Guoda Pharmacy Co., Ltd.	Sale of goods	-	66,101.95
Sinopharm Lerentang Baoding Medicine Co., Ltd.	Sale of goods	-	57,943.93
Sinopharm Holding Putian Co., Ltd.	Sale of goods	-	26,888.49
Sinopharm Holding Yancheng Co., Ltd.	Sale of goods	-	25,340.97
Sichuan Taiji Pharmacy Chain Co., Ltd.	Sale of goods	-	18,141.59
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Sale of goods	-	13,825.24
Sinopharm Holding Changxing Professional Pharmacy (Haikou) Co., Ltd.	Sale of goods	-	6,978.32
Sinopharm Guanai Yuankang Pharmacy (Haikou) Co., Ltd.	Sale of goods	-	2,902.65
Sinopharm Holding Dalian Special Drugs Pharmaceutical Co., Ltd.	Sale of goods	-	2,831.86
Sinopharm Group Shanxi Medical Devices Co., Ltd.	Sale of goods	-	2,795.57
Sinopharm Holding (Shandong) Medicine Device Co., Ltd.	Sale of goods	-	2,492.03
Sinopharm Holding Professional Pharmacy Songyuan Co., Ltd.	Sale of goods	-	1,231.86
Sinopharm Holding Xinyu Co., Ltd.	Sale of goods	-	632.94
Lecong Supply and Market Group Shunketang Medicine Co., Ltd.	Sale of goods	-	58.41
Sinopharm Holding Chengdu Co., Ltd.	Sale of goods	-	(20,800.88)
Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	Sale of goods	(2,946.27)	107,351.54
Foshan Chengnan Fengliaoqing Medicial Hospital Co., Ltd.	Sale of goods	(4,998.99)	134,895.13
Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	Sale of goods	(6,009.23)	2,371,766.36

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Larentang Cangzhou Medicine Co., Ltd.	Sale of goods	(88,198.75)	441,107.97
Sinopharm Larentang Qinhuangdao Pharmaceutical Trading Co., Ltd	Sale of goods	(103,082.20)	2,637,455.35
Sinopharm Larentang (Langfang) Pharmaceutical Trade Co., Ltd.	Sale of goods	(137,280.72)	4,540,492.31
Sinopharm Larentang Baoding Trading Co., Ltd.	Sale of goods	(429,303.50)	2,386,692.15
Sinopharm Group Medicine Logistic Co., Ltd.	rendering of services	5,441,080.56	4,729,519.50
China National Medicines Co., Ltd.	rendering of services	4,504,022.67	1,658,616.64
Sinopharm Holding Sub Marketing Center Co., Ltd.	rendering of services	2,387,853.65	404,513.64
Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	rendering of services	475,699.61	498,556.31
Shenzhen Xinsheng Pharmaceutical Co., Ltd.	rendering of services	317,734.86	-
Sinopharm Medical Instrument Guangxi Medical Technology Co., Ltd.	rendering of services	297,578.29	135,813.29
Sinopharm Group Guangdong Medicine Device Co., Ltd.	rendering of services	201,052.12	1,523.21
Wanbang Biopharmaceuticals	rendering of services	182,950.57	-
Dalian Aleph Biomedical Co., Ltd.	rendering of services	168,251.54	-
Sinopharm Baise Device Co., Ltd.	rendering of services	114,133.20	104,923.15
Sinopharm Group Guangxi Medical Device Co., Ltd.	rendering of services	112,186.46	25,173.94
Sinopharm Holding Larentang Hebei Pharmaceutical Co., Ltd.	rendering of services	110,799.52	50,471.71

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	rendering of services	102,102.06	102,102.49
Sinopharm Holding Shenyang Co., Ltd.	rendering of services	78,800.39	2,452.83
Zhijun Pingshan	rendering of services	64,164.13	83,186.24
Sinopharm Shengshi (Guangdong) Medical Technology Co., Ltd.	rendering of services	60,625.67	19,777.54
Sinopharm Medical Instrument (Foshan) Co., Ltd.	rendering of services	46,593.49	89,941.38
Sinopharm Holding Shanxi Co., Ltd.	rendering of services	43,018.86	31,886.79
Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Lt	rendering of services	33,584.90	51,415.10
Jiangsu Huanghe Medical Co., Ltd.	rendering of services	1,981.14	-
Foshan Winteam Pharmaceutical Group Ltd.	rendering of services	1,981.13	-
Sinopharm Holding Chongqing Taimin Medicine Co., Ltd.	rendering of services	1,886.79	-
Sinopharm Shenzhen MEDICAL Equipment Co., Ltd.	rendering of services	1,332.45	-
Sinopharm Holdings Chuangke Medical Technology (Shenzhen) Co., Ltd.	rendering of services	1,098.87	-
Sinopharm Medical Instrument (Huizhou) Co., Ltd.	rendering of services	915.07	173.96
Sinopharm Holding Benxi Co., Ltd.	rendering of services	849.06	-
Sinopharm Holdings Anshan Co., Ltd.	rendering of services	587.91	-
China National Scientific INSTRUMENTS&MATERIALS I&E Shenzhen Co., Ltd.	rendering of services	63.40	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

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

Sale of goods and rendering of services (Continued)

Related Party	Type of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Zhijun	rendering of services	-	1,299,722.86
	rendering of services		
Guangdong Jienuo		-	252,229.35
Zhijun Trade	rendering of services	-	157,142.88
Sinopharm Group Southwest Medicine Co., Ltd.	rendering of services	-	79,480.00
Sinopharm Holding Jilin Co., Ltd.	rendering of services	-	26,000.00
Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	rendering of services	-	15,377.36

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Group Hubei Co., Ltd.	Sinopharm Holding Guoda Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	In principle, the term of equity custody starts from January 1, 2022 to December 31, 2024. At the same time, the term of custody of the target company shall be when the entrusting party or its related parties no longer hold the equity of the target company or the pharmaceutical of the target company. The retail business ceases to compete with Guoda Pharmacy in the social retail pharmacy industry (whichever is earlier).	Custodial agreement	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting (Continued)

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Holding Huzhou Ltd.	Zhejiang Int'l Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	Termination upon the occurrence of any of the following circumstances: (1) the entrusted party or its affiliates no longer hold equity interests in the subject company; (2) the subject company's pharmaceutical retail business no longer competes with the entrusted party in the same industry as social retail pharmacies.	Custodial agreement	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting (Continued)

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Huangshi Co., Ltd.	Sinopharm Holding Guoda Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	In principle, the term of equity custody starts from January 1, 2022 to December 31, 2024. At the same time, the term of custody of the target company shall be when the entrusting party or its related parties no longer hold the equity of the target company or the pharmaceutical of the target company. The retail business ceases to compete with Guoda Pharmacy in the social retail pharmacy industry (whichever is earlier).	Custodial agreement	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting (Continued)

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Group Jinhua Co., Ltd.	Zhejiang Int'l Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	Termination upon the occurrence of any of the following circumstances: (1) the entrusted party or its affiliates no longer hold equity interests in the subject company; (2) the subject company's pharmaceutical retail business no longer competes with the entrusted party in the same industry as social retail pharmacies.	Custodial agreement	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting (Continued)

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Medicine Holding Lishui Co., Ltd.	Zhejiang Int'l Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	Termination upon the occurrence of any of the following circumstances: (1) the entrusted party or its affiliates no longer hold equity interests in the subject company; (2) the subject company's pharmaceutical retail business no longer competes with the entrusted party in the same industry as social retail pharmacies.	Custodial agreement	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(2) Affiliated management/contracting and entrusted management/contracting (Continued)

Commissioner/Contracting party	Trustee/Contractor	Type of assets entrusted/contracted	Commissioning/Contracting Start Date	Trustee/contracting termination date	Escrow revenue/contracting revenue pricing basis	Escrow income/contracting income recognized during the period
Sinopharm Group Hubei Co., Ltd.	Sinopharm Holding Guoda Pharmacy Co., Ltd.	Equity Escrow	27 Jun 22	In principle, the term of equity custody starts from the date of signing the agreement and ends on December 31, 2024. At the same time, the term of custody of the target company shall be when the entrusting party or its affiliates no longer hold the equity of the target company or the pharmaceutical retail business of the target company. The date on which there is no more social retail pharmacy competition with Guoda Pharmacy (whichever is earlier) will be terminated.	Custodial agreement	-
Sinopharm Group Co., Ltd.	Sinopharm Holding Guoda Pharmacy Co., Ltd.	Equity Escrow	1 Jan 22	31 Dec 26	Custodial agreement	-

Table of the Group’s entrusted management/contracting status:
Nil

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases

(a) As the lessor

	Type of assets under leases	Income from leases For the six months ended 30 June 2022	Income from leases For the six months ended 30 June 2021
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	Building	204,204.00	102,102.49
China National Pharmaceutical Group Guangdong MEDICAL Equipment Co., Ltd.	Building	116,271.70	-
China National Medicines Co., Ltd.	Building	61,754.94	52,554.86
Sinopharm Zhijun	Building	-	957,142.86
Zhijun Trade	Building	-	157,142.88
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	Building	-	66,666.66

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Lerentang Investment Group Co., Ltd.	Building	-	-	-	-	5,488,417.42	4,361,467.88	591,581.04	139,558.59	25,470,770.45	-
Jilin Tianheke Industry and Trade Co., Ltd.	Building	428,197.00	1,794,900.19	-	-	2,063,440.08	-	3,771.18	4,889.78	-	-
Sinopharm Medicine Holding Yangzhou Co., Ltd.	Building	-	-	-	-	1,866,023.82	1,866,023.82	259,284.97	324,161.24	-	15,254,943.30
Guangdong Jiyuantang Pharmaceutical Co., Ltd.	Building	-	-	-	-	889,233.06	921,180.26	7,920.63	44,147.81	-	-
Zhang Yechuan	Building	-	-	-	-	780,000.00	333,046.64	98,604.95	112,393.16	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Shanxi Jincheng Co., Ltd.	Building	-	96,986.32	-	-	600,000.00	600,000.00	68.42	8,184.73	-	982,203.43
Wang Yixuan Shaoguan Wujiang Muyang Pharmaceutical Information Consulting Co., Ltd.	Building	-	-	-	-	560,000.00	-	52,966.37	139,292.57	-	-
Zhang Guitang	Building	-	-	-	-	430,000.00	49,714.26	184,443.83	6,071.40	2,307,589.89	-
Xiong Xinyuan	Building	-	-	-	-	355,000.00	-	53,813.71	58,762.07	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Wang Yang	Building	-	-	-	-	327,921.00	312,305.70	9,019.04	21,278.32	-	902,986.69
Li Fang	Building	-	-	-	-	272,400.00	272,400.00	29,691.26	39,803.67	-	-
Shenyang Shengdiou Trading Co., Ltd.	Building	-	-	-	-	271,202.19	-	38,633.13	52,897.74	-	-
Sinopharm Holding Beijing Co., Ltd.	Building	-	-	-	-	264,394.23	269,047.62	21,291.42	15,290.50	-	-
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	Building	-	-	-	-	257,389.00	257,389.00	60,145.24	68,099.87	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Beijing Traditional Chinese Medicine Tianyuan Property Management Co., Ltd.	Building	-	-	-	-	254,432.46	242,857.14	17,619.99	28,329.05	-	-
Beijing Huafang Investment Co., Ltd.	Building	76,954.26	-	-	-	124,954.26	119,004.08	1,225.81	5,144.30	-	-
Gu Haiqun	Building	-	-	-	-	109,302.87	104,099.04	3,661.42	7,928.29	-	-
Zhang Haiyan	Building	-	-	-	-	90,000.00	85,714.26	6,474.40	9,777.03	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	Building	-	-	-	-	25,458.72	50,917.44	4,738.18	6,662.54	-	-
Hunan Minsheng Tang Biotechnology Co., Ltd.	Building	-	-	-	-	-	7,317,209.70	-	-	-	-
Nanjing Yuanguang Trading Co., Ltd.	Building	831,206.77	1,082,390.13	-	-	-	1,077,247.29	9,983.46	386.94	-	422,480.04

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Group Xinjiang Pharmaceutical Co., Ltd.	Building	-	-	-	-	-	177,233.88	-	8,160.28	-	-
Shenzhen Jiufeng Investment Co., Ltd.	Building	-	-	-	-	-	92,279.59	-	-	-	-
Taishan Qunkang Pharmacy Co., Ltd.	Equipment	37,545.73	37,545.72	-	-	-	11,258.41	-	-	-	-
Beijing GOLDEN Elephant Fortune Pharmacy Stock Co., Ltd.	Building	5,729,873.40	5,490,816.74	-	-	5,777,358.49	5,536,320.75	-	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Logistics Co., Ltd.	Equipment	3,750,000.00	3,750,000.00	-	-	-	3,749,999.99	-	-	-	-
Sinopharm Logistics Co., Ltd.	Building	3,540,000.00	3,540,000.00	-	-	-	3,539,999.99	-	-	-	-
Shenyang Pharmaceutical Co., Ltd.	Building	3,425,634.67	3,518,551.97	-	-	3,454,166.66	3,543,964.78	-	-	-	-
Puer Songmao Medicine Group Co., Ltd.	Building	991,403.95	-	-	-	1,999,240.00	-	-	-	-	-
Pingdingshan Pusheng Accordance Pharm. Chain Co., Ltd.	Building	2,451,503.11	2,413,238.91	-	-	1,651,717.99	-	-	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022
Sinopharm Xinjiang Xinte Pharmaceutical Co., Ltd.	Building	935,464.72	3,030,746.03	-	-	943,217.19	2,748,595.47	-	-	-	-
Xishuangbanna Disheng Pharmaceutical Co., Ltd.	Building	357,041.09	793,424.66	-	-	720,000.00	360,000.00	-	-	-	-
Sinopharm Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	Building	260,297.57	36,695.88	-	-	524,909.53	215,968.52	-	-	-	-
Sinopharm Holding Xinjiang Xintekashi Pharmaceutical Co., Ltd.	Building	196,982.90	215,254.27	-	-	428,937.87	216,191.74	-	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Zhang Kai Sinopharm Holding (China) Finance Leasing co., Ltd	Building	173,602.75	218,219.00	-	-	345,000.00	-	-	-	-	-
	Equipment	225,692.82	235,568.99	-	-	255,033.22	462,670.01	-	13,063.93	-	-
Gu Jinhua	Building	186,196.94	183,114.89	-	-	187,740.00	187,740.00	-	-	-	-
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	Building	117,055.19	-	-	-	118,025.28	118,025.28	-	-	-	-
Sinopharm Group Co., Ltd.	Building	6,612,173.59	5,366,818.72	-	-	-	5,406,057.00	-	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Shanghai Co., Ltd.	Building	95,647.70	99,291.41	-	-	-	586,365.00	-	-	-	-
Taishan Xiangranhui Trade Co., Ltd.	Building	-	403,221.85	-	-	-	405,799.98	-	-	-	-
Shanghai Baizhong Business Development (Group) Co., Ltd.	Building	152,380.96	-	-	-	-	-	10,002.59	3,891.49	447,377.33	-
Zhao Xiaoxiao	Building	30,904.11	28,602.74	-	-	-	-	1,152.11	-	207,520.47	-
Zheng Jing	Building	-	-	-	-	-	-	1,110.33	1,598.15	267,756.07	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions – leases (Continued)

(b) As the lessee (Continued)

Lessors	Types of assets under leases	Rental costs for short-term leases and low-value asset leases with simplified processing		Variable lease payments not included in the measurement of lease liabilities		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets (amount of right-of-use assets added by new affiliated leases)	
		For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Holding Ningxia Co., Ltd.	Building	14,194.29	15,471.77	-	-	-	-	-	-	-	-
Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	Building	73,448.45	73,448.45	-	-	-	-	-	-	-	-
Zhang Zhenfang Xinjiang Baitong Property Management Co., Ltd.	Building	201,250.00	201,250.00	-	-	-	-	-	-	-	-
Wang Dongdong	Building	3,967.13	-	-	-	-	-	-	-	-	-
	Building	-	37,547.70	-	-	-	-	-	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(4) Related party transactions - Financing

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	4,581,694.14	14 Jan 2022	29 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	11,460,983.72	17 Jan 2022	17 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	12,952,711.02	18 Jan 2022	18 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	10,201,698.91	18 Jan 2022	31 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	8,143,675.05	20 Jan 2022	20 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	18,362,109.53	20 Jan 2022	31 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	15,549,777.49	21 Jan 2022	31 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	6,437,993.18	25 Jan 2022	25 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	39,995,842.36	25 Jan 2022	25 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	50,000,000.00	28 Jan 2022	28 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	19,157,104.09	29 Jan 2022	29 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	20,950,310.84	30 Jan 2022	30 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	10,521,252.43	17 Feb 2022	17 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	13,277,395.44	18 Feb 2022	30 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	9,735,750.45	22 Feb 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	12,508,032.26	24 Feb 2022	24 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	3,654,799.40	25 Feb 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	50,000,000.00	15 Mar 2022	15 Mar 2023	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	25,000,000.00	16 Mar 2022	15 Mar 2023	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	18,561,004.29	24 Mar 2022	24 Jun 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	20,882,647.12	1 Apr 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	66,923,292.74	2 Apr 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	10,501,537.53	6 Apr 2022	6 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,710,440.09	7 Apr 2022	8 Oct 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	9,989,616.10	11 Apr 2022	11 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	23,311,533.65	13 Apr 2022	13 Oct 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	9,902,885.33	20 Apr 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	21,615,699.33	21 Apr 2022	21 Oct 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	26,688,466.35	26 Apr 2022	26 Oct 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	2,127,311.90	27 Apr 2022	1 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,290,400.00	27 Apr 2022	26 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	8,578,763.14	27 Apr 2022	8 Oct 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	24,003,101.55	28 Apr 2022	28 Jul 2022	Short-term borrowings

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	25,178,973.40	9 May 2022	9 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	36,082,085.04	10 May 2022	10 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	14,155,733.97	10 May 2022	10 Nov 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	15,142,718.12	16 May 2022	16 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	33,000,000.00	16 May 2022	16 Nov 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	33,152,811.99	20 May 2022	20 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	24,301,867.45	24 May 2022	24 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	4,918,260.04	26 May 2022	25 Nov 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	29,176,472.57	30 May 2022	30 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	70,194,568.98	1 Jun 2022	1 Sep 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	31,220,496.54	24 Jun 2022	23 Sep 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	39,960,884.49	29 Jun 2022	29 Dec 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	200,000,000.00	26 Jan 2022	26 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	100,000,000.00	27 Jan 2022	27 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,093,477.36	13 Jan 2022	13 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	7,211,500.00	21 Jan 2022	21 Apr 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	6,858,600.00	17 Feb 2022	17 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	5,770,613.20	25 Feb 2022	25 May 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	7,387,982.36	15 Apr 2022	15 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	2,785,458.00	25 Apr 2022	25 Jul 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	7,406,166.80	13 May 2022	13 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	2,027,376.00	19 May 2022	19 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	4,070,860.01	31 May 2022	31 Aug 2022	Short-term borrowings
Sinopharm Group Finance Co., Ltd.	3,758,607.41	26 Nov 2021	26 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,515,104.15	30 Nov 2021	30 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	26,256,887.32	24 Dec 2021	24 Oct 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,814,223.58	28 Dec 2021	28 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,000,000.00	13 Jan 2022	13 Jul 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	22,607,725.39	24 Jan 2022	24 Nov 2022	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	2,390,397.74	28 Jan 2022	25 Oct 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,000,000.00	10 Feb 2022	10 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,000,000.00	15 Feb 2022	15 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,504,056.92	16 Feb 2022	16 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,000,000.00	17 Feb 2022	17 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,000,000.00	18 Feb 2022	19 May 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,005,059.95	18 Feb 2022	19 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	13,081,903.63	23 Feb 2022	23 Dec 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	8,533,553.63	25 Feb 2022	25 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,752,706.28	2 Mar 2022	2 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	8,216,532.88	3 Mar 2022	3 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,403,674.00	3 Mar 2022	3 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,614,657.80	8 Mar 2022	8 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,650,254.64	11 Mar 2022	11 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	4,509,431.97	15 Mar 2022	15 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	8,824,287.96	16 Mar 2022	16 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,400,000.00	16 Mar 2022	16 Sep 2022	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	4,000,000.00	18 Mar 2022	18 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,355,848.94	22 Mar 2022	20 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,353,278.20	23 Mar 2022	21 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	28,579,985.36	23 Mar 2022	23 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,220,226.56	24 Mar 2022	24 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	725,340.88	30 Mar 2022	22 May 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	500,000.00	30 Mar 2022	16 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,853,735.49	30 Mar 2022	17 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	19,000,000.00	30 Mar 2022	18 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	600,000.00	30 Mar 2022	25 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,618,112.76	30 Mar 2022	20 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,768,964.11	30 Mar 2022	21 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	6,448,329.08	30 Mar 2022	25 Oct 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,839,720.77	31 Mar 2022	17 Jun 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	2,280,054.97	31 Mar 2022	10 Jul 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	603,523.00	31 Mar 2022	28 Jul 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	712,370.09	31 Mar 2022	21 Aug 2022	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(3) Related party transactions - Financing (Continued)

Related Party	Amount	Inception Date	Maturity Date	Note
Borrow from				
Sinopharm Group Finance Co., Ltd.	1,716,602.32	31 Mar 2022	24 Aug 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	834,825.38	31 Mar 2022	10 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	17,000,000.00	31 Mar 2022	21 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	1,243,588.88	31 Mar 2022	23 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	23,428,197.29	31 Mar 2022	28 Sep 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	783,392.65	31 Mar 2022	23 Nov 2022	Discount on bank acceptance bill
Sinopharm Group Finance Co., Ltd.	566,705.70	31 Mar 2022	24 Nov 2022	Discount on bank acceptance bill

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(5) Related party asset transfer

Related party	Types of transaction	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Shanghai Tongyu Information Technology Co., Ltd.	Purchase of an intangible asset	-	161,045.25
Shanghai Tongyu Information Technology Co., Ltd.	Purchase of a construction in progress	-	103,797.89

(6) Remuneration for key management personnel

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Remuneration for key management personnel	2,875,002.00	3,729,169.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

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

(7) Other related party transactions

Interest expense			
Related party	Types of transactions	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	Payment of finance companies loan interest	9,929,959.40	5,933,752.64
Sinopharm Group Finance Co., Ltd.	Payment of notes discount interest	2,755,665.70	8,036,560.44
Sinopharm Group Finance Co., Ltd.	Payment of entrusted loan interest	611,679.44	611,679.44
China Pharmaceutical Group Co., Ltd	Payment of entrusted loan interest	-	1,289,047.50
Jilin Yihe Investment Consulting Co., Ltd		<u>13,297,304.54</u>	<u>15,871,040.02</u>
Interest income			
Related party	Types of transactions	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Sinopharm Group Finance Co., Ltd.	Deposit interest	<u>68,478.73</u>	<u>190,537.17</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties

(1) Accounts Receivable

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	150,246,571.76	-	171,358.08	-
Accounts receivable	Foshan Chancheng Pharmaceutical Co., Ltd.	49,143,104.57	342,906.83	65,478,562.26	462,468.44
Accounts receivable	Sinopharm Group	28,741,689.58	-	47,281,052.10	-
Accounts receivable	Fosun Health Technology (Jiangsu) Co., Ltd.	13,452,790.75	-	-	-
Accounts receivable	Sinopharm Holding Hainan Co., Ltd.	12,840,398.47	31.50	7,231,524.03	-
Accounts receivable	Shanghai Beiyi Guoda Pharmaceutical Co., Ltd.	10,726,478.86	-	10,107,687.43	-
Accounts receivable	Sinopharm Health Online Co., Ltd.	10,046,668.30	-	10,199,385.40	-
Accounts receivable	Sinopharm Lerentang Medicine Co., Ltd.	7,660,234.30	-	12,898,932.46	-
Accounts receivable	Sinopharm Holding Jinzhou Co., Ltd.	5,967,033.85	-	3,018,576.58	-
Accounts receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	5,371,319.04	-	6,408,518.60	-
Accounts receivable	Sinopharm Holding Wenzhou Co., Ltd.	5,038,204.28	-	3,340,580.04	-
Accounts receivable	Shenzhen Hengsheng Hospital	5,003,818.98	-	5,970,504.45	-
Accounts receivable	Sinopharm Lerentang Baoding Hongkang Pharmaceutical Chain Co., Ltd.	4,356,479.10	-	4,363,269.54	-
Accounts receivable	Chancheng Central Hospital of Foshan City	4,321,338.03	28,813.61	9,512,634.08	73,064.98
Accounts receivable	Guangzhou New City Hospital Co., Ltd.	3,530,345.11	-	-	-
Accounts receivable	Sinopharm Holding Hubei Co., Ltd.	3,406,471.17	-	1,134,254.71	-
Accounts receivable	Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	3,152,973.56	-	5,199,441.83	-
Accounts receivable	Handan Sinopharm Lerentang Pharmacy Chain Co., Ltd.	3,127,462.10	-	6,350,115.15	-
Accounts receivable	Foshan Chanyixing Medicine Development Co., Ltd.	3,092,493.91	20,654.37	2,100,192.09	12,889.35

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Holding Shandong Co., Ltd.	3,020,348.88	-	1,287,142.05	-
Accounts receivable	Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	2,921,795.61	-	4,816,881.56	-
Accounts receivable	Shanghai Merro Pharmaceutical Co., Ltd.	2,753,219.10	-	2,760,284.00	-
Accounts receivable	Sinopharm Holding Henan Co., Ltd.	2,523,366.34	-	2,290,850.82	-
Accounts receivable	Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	2,437,578.93	-	315,743.01	-
Accounts receivable	Sinopharm Holding Beijing Co., Ltd.	2,409,020.55	-	3,190,026.19	-
Accounts receivable	Sinopharm Holding Anshan Co., Ltd.	2,070,739.60	-	231,929.14	-
Accounts receivable	Sinopharm Group Medicine Logistic Co., Ltd.	2,068,735.25	-	169,680.00	-
Accounts receivable	Sinopharm Group (Tianjin) Eastern Bokang Pharmaceutical Co., Ltd.	2,008,709.51	-	1,149,961.88	-
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,885,768.15	-	1,356,765.58	-
Accounts receivable	Sinopharm Holding Yangzhou Co., Ltd.	1,842,956.17	-	953,620.90	-
Accounts receivable	Sinopharm Holding Tianjin Co., Ltd.	1,632,557.72	-	701,659.92	-
Accounts receivable	Sinopharm Holding Jilin Co., Ltd.	1,470,028.18	-	160,179.70	-
Accounts receivable	Sinopharm Holding Hunan Co., Ltd.	1,452,606.41	-	840,572.31	-
Accounts receivable	Shanghai Guodai Pharmacy Co., Ltd.	1,384,329.12	-	196,142.04	-
Accounts receivable	Sinopharm Holding Shanxi Co., Ltd.	1,288,115.76	-	196,356.42	-
Accounts receivable	Sinopharm Holdings Beijing Huahong co., Ltd.	1,243,113.01	-	1,490,684.54	-
Accounts receivable	Sinopharm Holding Nantong Co., Ltd.	1,217,047.97	-	255,871.32	-
Accounts receivable	Sinopharm Holding Benxi Co., Ltd.	1,123,401.97	-	-	-
Accounts receivable	Sinopharm Holding Gansu Co., Ltd.	940,700.22	-	394,600.62	-
Accounts receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	929,900.60	-	-	-
Accounts receivable	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	903,907.60	-	1,125,442.00	-
Accounts receivable	Sinopharm Holding Yunnan Co., Ltd.	871,407.11	-	967,537.06	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	861,516.15	-	1,911,926.34	-
Accounts receivable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	812,461.01	-	443,582.00	-
Accounts receivable	Shanghai Guoda Shengxin Pharmacy Co., Ltd.	692,660.81	-	522,931.21	-
Accounts receivable	Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	567,400.00	-	690,415.60	-
Accounts receivable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	567,156.83	-	1,368,182.85	-
Accounts receivable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	556,560.00	-	242,784.00	-
Accounts receivable	Sinopharm Holding Anhui Co., Ltd.	499,519.06	-	612,838.36	-
Accounts receivable	Sinopharm Holding Dalian Co., Ltd.	487,222.13	-	379,440.63	-
Accounts receivable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	417,036.44	-	808,618.62	-
Accounts receivable	Sinopharm Holding Shenyang Co., Ltd.	408,000.00	-	332,160.00	-
Accounts receivable	China National Medicines Co., Ltd.	364,618.26	-	266,427.06	-
Accounts receivable	Shenzhen Xincheng Pharmaceutical Co., Ltd.	360,590.82	-	-	-
Accounts receivable	Sinopharm Sichuan Pharmaceutical Co., Ltd.	341,307.76	-	892,243.77	-
Accounts receivable	Sinopharm Holding Guizhou Co., Ltd.	294,138.16	-	35,603.48	-
Accounts receivable	Shanghai Guoda Lingyun Pharmacy Co., Ltd.	249,668.91	-	264,849.72	-
Accounts receivable	Sinopharm Holding Tongren Co., Ltd.	247,406.00	-	198,715.20	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Holding Xuzhou Co., Ltd.	218,432.03	-	143,015.94	-
Accounts receivable	Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	181,495.40	-	269,385.42	-
Accounts receivable	Sinopharm Group Southwest Medicine Co., Ltd.	156,521.04	-	360,415.22	-
Accounts receivable	Sinopharm Holding Jiangxi Co., Ltd.	151,570.23	-	421,243.00	-
Accounts receivable	Dalian Aleph Biomedical Co., Ltd.	138,717.60	-	-	-
Accounts receivable	Shanghai Liyi Drug Store Co., Ltd.	128,641.37	-	12,853.00	-
Accounts receivable	Sinopharm Holding Ningxia Co., Ltd.	117,377.90	-	127,072.00	-
Accounts receivable	Sinopharm Guangxi Medical Technology Co., Ltd.	112,405.74	-	370,628.89	-
Accounts receivable	Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	100,653.89	-	101,141.01	-
Accounts receivable	Sinopharm Holding Qinghai Co., Ltd.	97,882.16	-	108,298.26	-
Accounts receivable	Sinopharm Lerentang Baoding Trading Co., Ltd.	87,642.44	-	2,115,416.23	-
Accounts receivable	Sinopharm Group Shaanxi Co., Ltd.	82,030.08	-	62,513.05	-
Accounts receivable	Guoyao Instrument Baise Co., Ltd.	57,199.19	-	-	-
Accounts receivable	Chinese Medicine Lerentang Qinhuangdao Pharmaceutical Co., Ltd.	56,892.50	-	-	-
Accounts receivable	Sinopharm Lerentang Hengshui Medicine Co., Ltd.	48,015.10	-	-	-
Accounts receivable	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	34,247.55	-	1,908,215.11	-
Accounts receivable	Sinopharm Holding Honghe Co., Ltd.	32,580.60	-	56,747.40	-
Accounts receivable	Sinopharm Lerentang Chengde Medicine Co., Ltd.	31,797.46	-	-	-
Accounts receivable	Sinopharm Holding Jiangsu Co., Ltd.	25,928.10	-	6,147.90	-
Accounts receivable	Sinopharm Zhijun (SHENZHEN) Pingshan Pharmaceutical Co., Ltd.	24,876.00	-	-	-
Accounts receivable	Guangxi Fangning Pharmaceutical Co., Ltd.	24,188.00	-	-	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Sinopharm Medicine Holding Tianjin North Pharmaceutical Co., Ltd.	24,000.00	-	-	-
Accounts receivable	Sinopharm Lerentang (Langfang) Pharmaceutical Trade Co., Ltd.	23,412.19	-	721,159.72	-
Accounts receivable	Sinopharm Group Guangxi Medical Device Co., Ltd.	19,863.53	-	18,785.23	-
Accounts receivable	Sinopharm Holdings Professional Pharmacy Chain (Hainan) Co., Ltd.	19,393.90	-	28,785.90	-
Accounts receivable	Chinese Medicine Lerentang Handan Medicine Co., Ltd.	14,694.62	-	-	-
Accounts receivable	China National Pharmaceutical Group Guangdong MEDICAL Equipment Co., Ltd.	14,688.00	-	-	-
Accounts receivable	Sinopharm Fengliaoqing Medical Hospital Co., Ltd.	12,373.32	102.23	27,591.69	275.92
Accounts receivable	Sinopharm Holding Zunyi Co., Ltd.	12,238.80	-	36,840.30	-
Accounts receivable	Sinopharm Holding Fujian Co., Ltd.	8,305.20	-	211,858.00	-
Accounts receivable	Sinopharm Lerentang Xingtai Pharmaceutical Co., Ltd.	7,216.92	-	-	-
Accounts receivable	Sinopharm Holding Chuxiong Co., Ltd.	6,446.00	-	10,159.90	-
Accounts receivable	Sinopharm Holding Hongrun Medical Business Service (Shanghai) Co., Ltd.	6,364.47	-	4,507.11	-
Accounts receivable	Sinopharm Holdings Chaoyang Co., Ltd.	4,032.00	-	-	-
Accounts receivable	Chinese Medicine Lerentang Zhangjiakou Pharmaceutical Co., Ltd.	2,452.28	-	-	-
Accounts receivable	Sinopharm Group Fengliaoqing Medical Hospital (Foshan Nanhai) Co., Ltd.	2,012.50	11.84	53.28	0.53
Accounts receivable	Sinopharm Group Zhijun (Shenzhen) Pharmaceutical Co., Ltd.	1,688.05	-	4,583.10	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Foshan Chengnan Fengliaoqing Medical Hospital Co., Ltd.	527.60	5.28	1,525.37	15.25
Accounts receivable	Sinopharm Holding Pharmacy (Shanghai) Co., Ltd.	396.44	-	1,967.13	-
Accounts receivable	Sinopharm Shengshi (Guangdong) Medical Technology Co., Ltd.	283.10	-	3,904.85	-
Accounts receivable	Sinopharm Group Fuzhou Co., Ltd.	176.00	-	-	-
Accounts receivable	Sinopharm Group Heilongjiang Co., Ltd.	135.00	-	-	-
Accounts receivable	Sinopharm Group Suzhou Co., Ltd.	55.80	-	1.60	-
Accounts receivable	Sinopharm Holding Shaanxi Pharmacy Co., Ltd.	28.80	-	-	-
Accounts receivable	Sinopharm Holdings Tongliao Co., Ltd.	14.40	-	-	-
Accounts receivable	Sinopharm Holdings Weifang Co., Ltd.	8.00	-	-	-
Accounts receivable	Sinopharm Holdings Changzhou Co., Ltd.	3.20	-	-	-
Accounts receivable	Sinopharm Holdings Longyan Co., Ltd.	1.60	-	0.40	-
Accounts receivable	Sinopharm Lerentang Zhangjiakou Pharmaceutical Trading Co., Ltd.	-	-	244,330.30	-
Accounts receivable	Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	-	-	241,098.79	-
Accounts receivable	Sinopharm Lerentang Cangzhou Pharmaceutical Trading Co., Ltd.	-	-	128,717.07	-
Accounts receivable	Sinopharm Holding Wuxi Co., Ltd.	-	-	122,175.00	-
Accounts receivable	Sinopharm Holding Anshun Co., Ltd.	-	-	72,413.70	-
Accounts receivable	Sinopharm Lerentang Shijiazhuang Traditional Chinese Medicine Co., Ltd.	-	-	65,745.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Accounts receivable	Shenzhen Chindex Medical Beauty Clinic	-	-	13,800.00	-
Accounts receivable	Sinopharm Holding (Shandong) Medical Device Co., Ltd.	-	-	2,112.00	-
Accounts receivable	Sinopharm Holding Dalian Hecheng Co., Ltd.	-	-	741.95	-
Note receivable	Sinopharm Holding Hainan Co., Ltd.	27,543,463.81	-	17,445,992.19	-
Note receivable	Sinopharm Holding Hubei Co., Ltd.	1,672,272.00	-	-	-
Note receivable	Sinopharm Holding Hainan Hongyi Co., Ltd.	823,017.86	-	1,085,621.78	-
Note receivable	Sinopharm Holding Anshan Co., Ltd.	498,000.00	-	-	-
Note receivable	Sinopharm Holding Jinzhou Co., Ltd.	290,394.60	-	-	-
Note receivable	Sinopharm Holding Benxi Co., Ltd.	203,675.28	-	352,530.00	-
Note receivable	Sinopharm Holding Shanxi Co., Ltd.	-	-	995,708.88	-
Note receivable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	-	-	466,015.90	-
Note receivable	Sinopharm Holding Beijing Co., Ltd.	-	-	404,893.56	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Other receivable	Sinopharm Group Zhijun (Suzhou) Pharmaceutical Co., Ltd.	46,334,222.24	46,334,222.24	46,334,222.24	46,334,222.24
Other receivable	Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	3,214,529.94	-	577,674.47	-
Other receivable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	2,000,000.00	-	3,870,978.00	-
Other receivable	Sinopharm Holding Sub Marketing Center Co., Ltd.	1,804,020.87	-	438,891.84	-
Other receivable	Sinopharm Group Medicine Logistic Co., Ltd.	1,508,427.90	-	1,442,469.62	-
Other receivable	Sinopharm Holding (China) Financing Lease Co., Ltd.	1,199,270.14	-	1,140,000.00	-
Other receivable	Taiji Group Chongqing Fuling Pharmaceutical Factory Co., Ltd.	400,000.00	-	900,000.00	-
Other receivable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	400,000.00	-	400,000.00	-
Other receivable	Chongqing Taiji Industry (Group) Co., Ltd.	300,000.00	-	-	-
Other receivable	Guangdong Jiyuantang Development Co., Ltd.	283,300.00	-	283,300.00	-
Other receivable	Sinopharm Guangxi Medical Technology Co., Ltd.	251,410.38	-	96,861.72	-
Other receivable	Sinopharm Group Fujian Co., Ltd.	113,921.03	-	-	-
Other receivable	Sinopharm Health Online Co., Ltd.	100,000.00	-	100,000.00	-
Other receivable	Zhejiang Dongfang Pharmaceutical Co., Ltd.	59,378.34	-	-	-
Other receivable	Southwest Pharmaceutical Co., Ltd.	50,000.00	-	50,000.00	-
Other receivable	Gu Jinhua	47,000.00	-	47,000.00	-
Other receivable	Jiangsu Wanbang Pharmaceutical Marketing & Distribution Co., Ltd.	35,437.00	-	-	-
Other receivable	Zhang Haiyan	30,000.00	-	30,000.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Other receivable	Sinopharm Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	20,000.00	-	-	-
Other receivable	Sinopharm Group Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	18,500.00	1,850.00	41,558.00	-
Other receivable	Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	10,000.00	-	10,000.00	-
Other receivable	Xinjiang Baitong Property Service Co., Ltd.	2,000.00	-	2,000.00	-
Other receivable	Sinopharm Group Guangdong Medicine Device Co., Ltd.	1,989.91	-	936.48	-
Other receivable	Shenzhen Zhijun Pharmaceutical Trade Co., Ltd.	1,667.70	-	1,667.70	-
Other receivable	Sinopharm Group Guangxi Medical Device Co., Ltd.	1,376.18	-	1,910.43	-
Other receivable	China National Scientific Instruments & Materials I&E Shenzhen Co., Ltd.	775.20	-	1,550.40	-
Other receivable	Sinopharm Shengshi (Guangdong) Medical Technology Co., Ltd.	57.60	-	101.60	-
Other receivable	China National Medical Device (Hui Zhou) Co., Ltd.	44.93	-	-	-
Other receivable	Shanghai Shyndec Pharmaceutical Co., Ltd.	-	-	983,940.00	-
Other receivable	Sinopharm (Tianjin) Medical Equipment Co., Ltd.	-	-	248,000.00	-
Other receivable	Sinopharm Holding Tongliao Co., Ltd.	-	-	231,000.00	-
Other receivable	Sinopharm Holding Inner Mongolia Co., Ltd.	-	-	142,500.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Other receivable	Sinopharm Guangdong Medicine Device Supply Chain Co., Ltd.	-	-	63,108.18	-
Other receivable	Chancheng Central Hospital of Foshan City	-	-	40,000.00	-
Other receivable	Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	-	-	27,476.72	-
Other receivable	Sinopharm Holding Chuangke Medical Technology (Guangxi) Co., Ltd.	-	-	20,000.00	-
Other receivable	Sinopharm Shenzhen Medicine Device Co., Ltd.	-	-	4,116.60	-
Other receivable	Jilin Ronghe Real Estate Development Co., Ltd.	-	-	1,577.93	-
Other receivable	Dalian Yalifeng Biopharmaceutical Co., Ltd.	-	-	1.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Southwest Pharmaceutical Co., Ltd.	3,954,496.59	-	3,533,846.50	-
Advances to suppliers	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	2,378,205.01	-	-	-
Advances to suppliers	Sinopharm Holding Sub Marketing Center Co., Ltd.	2,327,120.61	-	76,301.97	-
Advances to suppliers	Chongqing Taiji Group TongJunGe Pharmaceutical Co. Ltd.	1,312,459.05	-	1,294,310.50	-
Advances to suppliers	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	947,517.00	-	156,582.46	-
Advances to suppliers	Sinopharm Group Guorui Medicine Co., Ltd.	872,915.51	-	737,263.10	-
Advances to suppliers	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	850,000.00	-	8,700.00	-
Advances to suppliers	Xishuangbanna Disheng Pharmaceutical Co., Ltd.	806,575.34	-	880,000.00	-
Advances to suppliers	Sinopharm Foreign Trade (Beijing) Co., Ltd.	434,400.00	-	9,318.58	-
Advances to suppliers	Sinopharm Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	361,000.37	-	-	-
Advances to suppliers	Chongqing Yaoyou Pharmaceutical Co., Ltd.	292,839.93	-	311,317.00	-
Advances to suppliers	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	277,177.95	-	424,726.49	-
Advances to suppliers	Sinopharm Holding Xinjiang Xintekashi Pharmaceutical Co., Ltd.	202,601.48	-	-	-
Advances to suppliers	Taiji Group Chongqing Fuling Pharmaceutical Factory Co., Ltd.	181,616.18	-	51,193.60	-
Advances to suppliers	Zhangkai	171,397.25	-	-	-
Advances to suppliers	Sinopharm Holding Beijing Co., Ltd.	150,000.00	-	-	-
Advances to suppliers	Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	150,000.00	-	63,388.34	-
Advances to suppliers	Taiji Group Co., Ltd.	140,688.00	-	120,210.80	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Jiangxi Erye Medicine Marketing Co., Ltd.	122,057.22	-	311,318.12	-
Advances to suppliers	Yun Nan Sinopharm Shares Holding Dong Chang Company	100,267.43	-	-	-
Advances to suppliers	Fresenius Kabi SSPC	86,892.39	-	-	-
Advances to suppliers	China National Pharmaceutical Group Guangdong MEDICAL Equipment Co., Ltd.	57,000.00	-	-	-
Advances to suppliers	Sinopharm Holdings Taizhou Co., Ltd.	42,347.20	-	-	-
Advances to suppliers	Shenyang Red Flag Pharmaceutical Co., Ltd.	37,224.00	-	-	-
Advances to suppliers	Healthman Pharma Co., Ltd.	35,226.00	-	-	-
Advances to suppliers	Sinopharm Holdings Tongliao Co., Ltd.	31,070.67	-	-	-
Advances to suppliers	China National Medicines Corporation Ltd.	25,942.21	-	-	-
Advances to suppliers	Sinopharm Sanyi	22,168.00	-	-	-
Advances to suppliers	Hubei Sinopharm Zhonglian Medicine Co., Ltd.	13,529.23	-	13,529.23	-
Advances to suppliers	Sinopharm Group Southwest Medicine Co., Ltd.	8,606.16	-	25,386.90	-
Advances to suppliers	Foshan Winteam Pharmaceutical Group Ltd.	7,483.82	-	-	-
Advances to suppliers	Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	7,256.35	-	1,946.55	-
Advances to suppliers	Guilin Pharmaceutical Co., Ltd.	6,847.43	-	-	-
Advances to suppliers	Guangzhou Tianren Pharmaceutical Co., Ltd.	4,111.65	-	-	-
Advances to suppliers	Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	1,331.87	-	-	-
Advances to suppliers	Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	701.96	-	701.96	-
Advances to suppliers	Shanghai Shyndec Pharmaceutical Co., Ltd.	61.20	-	61.20	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Sinopharm Holding Shanxi Co., Ltd.	-	-	19,702,020.00	-
Advances to suppliers	Sinopharm Group Shanxi Co., Ltd.	-	-	17,500,000.00	-
Advances to suppliers	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	-	-	1,568,550.89	-
Advances to suppliers	Sinopharm Holding Hubei Co., Ltd.	-	-	1,263,180.42	-
Advances to suppliers	Nanjing Yuanguang Trading Co., Ltd.	-	-	1,060,382.05	-
Advances to suppliers	Sichuan Hexin Pharmaceutical Co., Ltd.	-	-	710,539.19	-
Advances to suppliers	Sinopharm Group Zhijun (Shenzhen) Pharmaceutical Co., Ltd.	-	-	626,400.00	-
Advances to suppliers	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	-	-	153,853.81	-
Advances to suppliers	Fosun Kite Biotechnology Co., Ltd.	-	-	136,103.10	-
Advances to suppliers	Sinopharm Weiqida Pharmaceutical Co., Ltd.	-	-	71,705.64	-
Advances to suppliers	Sinopharm Holding Hunan Co., Ltd.	-	-	69,804.80	-
Advances to suppliers	Suzhou Erye Pharmaceutical Limited Company	-	-	62,732.38	-
Advances to suppliers	Sinopharm Yixin Pharmaceutical Co., Ltd.	-	-	58,896.00	-
Advances to suppliers	Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	-	-	18,428.18	-
Advances to suppliers	Chengdu Rongsheng Pharmacy Co., Ltd.	-	-	5,440.00	-
Advances to suppliers	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	-	-	4,998.68	-
Advances to suppliers	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	-	-	4,708.38	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(1). Accounts Receivable (Continued)

Item	Related Party	30 June 2022		31 December 2021	
		Gross carrying amount	Provision for bad debt	Gross carrying amount	Provision for bad debt
Advances to suppliers	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	-	-	4,417.91	-
Advances to suppliers	Zhejiang Dongfang Pharmaceutical Co., Ltd.	-	-	4,261.50	-
Advances to suppliers	Xinjiang Baitong Property Service Co., Ltd.	-	-	3,514.30	-
Advances to suppliers	Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	-	-	3,371.29	-
Advances to suppliers	China National Pharmaceutical Industry Co., Ltd.	-	-	3,001.60	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2) Accounts Payable

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	183,466,297.12	100,465,193.70
Accounts Payable	China National Medicines Co., Ltd.	90,407,868.16	52,212,994.39
Accounts Payable	Sinopharm Holding Shanxi Co., Ltd.	88,328,359.17	10,842,699.12
Accounts Payable	Sinopharm Lerentang Medicine Co., Ltd.	75,396,268.11	1,772,417.74
Accounts Payable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	74,756,678.16	31,979,965.48
Accounts Payable	Sinopharm Holding Shenyang Co., Ltd.	69,775,002.13	14,164,516.46
Accounts Payable	Sinopharm Group	41,213,453.09	33,021,236.10
Accounts Payable	Sinopharm Holding Shanxi Co., Ltd.	37,527,900.03	1,729,364.11
Accounts Payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	33,190,005.07	20,971,910.88
Accounts Payable	Lanzhou Biotechnology Development Co., Ltd.	22,629,127.43	7,090,194.69
Accounts Payable	Shanghai Henlius Biopharmaceuticals Co., Ltd.	20,182,490.30	10,656,658.04
Accounts Payable	Sinopharm Holding Inner Mongolia Co., Ltd.	17,398,810.70	9,983,494.97
Accounts Payable	Sinopharm Holding Yangzhou Co., Ltd.	17,029,115.10	9,186,413.01
Accounts Payable	Sinopharm Holding Jilin Co., Ltd.	15,557,574.41	9,216,663.08
Accounts payable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	14,739,649.66	14,283,922.83
Accounts Payable	Fresenius Kabi Huarui Pharmaceuticals Co., Ltd.	13,948,086.24	6,967,890.39
Accounts Payable	Sinopharm Holding Lunan Co., Ltd.	13,856,866.03	16,602.33
Accounts Payable	Foshan Winteam Pharmaceutical Group Ltd.	12,762,448.46	8,713,524.04
Accounts Payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	10,693,236.41	9,649,289.64
Accounts Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	10,124,241.02	5,777,054.25
Accounts Payable	Sinopharm Holding Tongliao Co., Ltd.	9,739,298.59	2,314,397.29
Accounts Payable	Sinopharm Holding Shandong Co., Ltd.	9,326,307.95	3,578,812.54
Accounts Payable	Sinopharm Group Shanxi Medical Devices Co., Ltd.	8,363,223.45	4,334,076.69

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Main Luck Pharmaceutical	8,282,392.50	6,482,264.86
Accounts Payable	Sinopharm Holding Changzhou Co., Ltd.	7,859,578.75	6,341,497.17
Accounts Payable	Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	7,580,196.51	7,525,613.61
Accounts Payable	Sinopharm Yixin Pharmaceutical Co., Ltd.	7,241,458.23	6,415,382.87
Accounts Payable	Sinopharm Holding Hunan Co., Ltd.	7,148,202.14	29,824.83
Accounts Payable	Sinopharm Holding Fujian Co., Ltd.	6,773,925.76	8,654,123.83
Accounts Payable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	6,299,919.98	16,361,977.42
Accounts Payable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	5,967,114.95	12,471,680.21
Accounts Payable	Sinopharm Holding Ningxia Co., Ltd.	5,823,598.02	3,447,317.96
Accounts Payable	Sinopharm Holding Jiangsu Co., Ltd.	5,623,470.20	5,874,594.31
Accounts Payable	Sinopharm Lerentang Shijiazhuang Traditional Chinese Medicine Co., Ltd.	5,560,570.59	7,322,693.76
Accounts Payable	Tibet Yaoyou Medicines Co., Ltd.	5,508,914.87	2,610,078.41
Accounts Payable	Sinopharm Holding Xiamen Co., Ltd.	4,875,927.33	1,740,138.88
Accounts Payable	China Otsuka Pharmaceutical Co., Ltd.	4,820,295.28	4,500,861.35
Accounts Payable	Sinopharm Holding Wuxi Co., Ltd.	4,640,242.01	3,207,600.75
Accounts Payable	Jinzhou Avanc Medicine Co., Ltd.	4,635,409.68	1,099,223.58
Accounts Payable	Yichang Humanwell Pharmaceutical Co., Ltd.	4,422,829.29	3,385,475.40
Accounts Payable	Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	4,324,400.09	535,158.85
Accounts Payable	Sinopharm Holding Jinzhou Co., Ltd.	4,262,720.29	1,620,270.87
Accounts Payable	Taiji Group Chongqing Fuling Pharmaceutical Factory Co., Ltd.	4,053,575.09	649,888.79
Accounts Payable	Jinzhou Avanc Pharmaceutical Co., Ltd.	3,807,159.34	2,878,136.54
Accounts Payable	Sinopharm Holding Pingdingshan Co., Ltd.	3,720,555.86	1,592,906.66
Accounts Payable	Sinopharm Holdings Beijing Huahong co., Ltd.	3,477,616.71	649,250.59

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	3,439,804.24	2,431,261.32
Accounts Payable	China National Pharmaceutical Foreign Trade Corporation	3,148,330.20	1,396,353.99
Accounts Payable	Sinopharm Hubei Medical Instrument Co., Ltd.	3,082,800.00	-
Accounts Payable	Sinopharm Holding Henan Co., Ltd.	2,972,512.54	1,015,692.22
Accounts Payable	Zhijun Medicine	2,766,875.50	1,926,000.31
Accounts Payable	Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	2,754,490.08	2,160,853.09
Accounts Payable	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Co., Ltd.	2,567,572.34	549,543.84
Accounts Payable	Zhijun Pingshan	2,519,380.63	3,457,919.47
Accounts Payable	Sinopharm Holding Beijing Co., Ltd.	2,449,533.26	1,508,298.20
Accounts Payable	Sinopharm Fengliaoqing (Foshan) Pharmaceutical Drugs Co., Ltd.	2,434,377.87	3,043,319.35
Accounts Payable	Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	2,413,887.55	2,862,510.77
Accounts Payable	Sinopharm Holding Hubei Co., Ltd.	2,396,284.38	6,529,646.18
Accounts Payable	Sinopharm Holding Anshan Co., Ltd.	2,236,972.53	3,186,284.97
Accounts Payable	Sinopharm Holding Jinan Co., Ltd.	1,965,327.02	389,141.05
Accounts Payable	Sichuan Hexin Pharmaceutical Co., Ltd.	1,893,320.40	658,286.40
Accounts Payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	1,829,706.59	2,220,600.38
Accounts Payable	Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	1,800,356.36	14,039,337.70
Accounts Payable	Sinopharm Group Rongsheng Pharmaceutical Co., Ltd.	1,640,352.65	27,742.96
Accounts Payable	Chongqing Taiji Group TongJunGe Pharmaceutical Co. Ltd.	1,579,358.98	713,626.45
Accounts Payable	Shanghai Shyndec Pharmaceutical Marketing Co., Ltd.	1,564,527.54	1,761,406.69
Accounts Payable	Sinopharm Luya (Shandong) Pharmaceutical Co., Ltd.	1,450,330.00	1,212,120.00
Accounts Payable	Guangdong Yifang Pharmaceutical Co., Ltd.	1,337,024.81	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	China National Pharmaceutical Industry Co., Ltd.	1,285,105.61	405,250.71
Accounts Payable	Sinopharm Holding Hulun Buir Co., Ltd.	1,179,089.17	2,415,775.69
Accounts Payable	Sinopharm Liaoning Medical Equipment Co., Ltd.	1,129,579.64	727,241.39
Accounts Payable	Yunnan Sinopharm Holding Dongchang Medicine Co., Ltd.	1,087,473.91	2,961,127.17
Accounts Payable	Sinopharm Holding Beijing Kangchen Bio-Pharmaceutical Co., Ltd.	1,024,277.19	589,718.36
Accounts Payable	Sinopharm Group Jiangxi MEDICAL Instrument Supply CHAIN Co., Ltd.	1,007,140.00	-
Accounts Payable	Sinopharm Holding Tianjin Co., Ltd.	985,793.10	229,813.17
Accounts Payable	Sinopharm Holding Fuzhou Co., Ltd.	961,602.04	62,948.98
Accounts Payable	Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	899,169.93	714,922.11
Accounts Payable	Shanghai Shangsheng Biological Products Co., Ltd.	894,093.03	579,241.40
Accounts Payable	Shanghai International Pharmaceutical Trade Co., Ltd.	891,276.96	2,548,990.42
Accounts Payable	Sinopharm Holding Linfen Ningle Pharmaceutical Co., Ltd.	872,746.49	12,060.40
Accounts Payable	Sinopharm Holding Heilongjiang Co., Ltd.	858,285.89	719,296.07
Accounts Payable	Sinopharm Holding Donghong Medical (Shanghai) Co., Ltd.	856,950.24	5,055,020.40
Accounts Payable	Sinopharm Advanced (Shanghai) Medical Device Co., Ltd.	851,541.64	399,264.55
Accounts Payable	Beijing Huasheng Pharmaceutical Biotechnology Development Co., Ltd.	844,704.00	629,630.00
Accounts Payable	Southwest Pharmaceutical Co., Ltd.	844,534.81	945,357.43
Accounts Payable	China National Pharmaceutical Group Shanxi Rfl Pharmaceutical Co., Ltd.	727,986.18	180,070.39
Accounts Payable	Sinopharm Holding Benxi Co., Ltd.	680,012.88	429,027.88
Accounts Payable	Shanghai Transfusion Technology Co., Ltd.	672,576.44	503,000.00

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Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Taiji Group Chongqing No.2 Traditional Chinese Medicine Factory Co., Ltd.	633,418.38	506,211.59
Accounts Payable	Glaxosmithkline Pharmaceuticals (Suzhou) Co., Ltd.	626,210.36	263,701.38
Accounts Payable	Sinopharm Holding Yunnan Co., Ltd.	624,328.33	695,144.06
Accounts Payable	Sinopharm Holding Anhui Huaning Medicine Co., Ltd.	598,645.35	821,729.86
Accounts Payable	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	576,411.51	6,418.59
Accounts Payable	Fresenius Kabi(Wuhan)Pharmaceutical Co., Ltd.	563,320.49	340,458.00
Accounts Payable	Sinopharm Holding Dalian Co., Ltd.	548,795.98	323,244.86
Accounts Payable	Sinopharm Lingyun Biopharmaceutical (Shanghai) Co., Ltd.	539,001.92	652,334.19
Accounts Payable	Sinopharm Weiqida Pharmaceutical Co.,Ltd.	538,625.93	-
Accounts Payable	Sinopharm Group Ganzhou Medical Trade Co., Ltd.	538,553.05	-
Accounts Payable	Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	529,814.80	639,514.41
Accounts Payable	Sinopharm ChuanKang Pharmaceutical Co., Ltd.	506,385.14	763,860.95
Accounts Payable	Sinopharm Holding Shanghai Likang Pharmaceutical Co., Ltd.	488,822.94	2,036,285.63
Accounts Payable	Sinopharm Holding Shanxi Mingdikang Medicine Co., Ltd.	466,688.45	269,440.56
Accounts Payable	Sinopharm Holding Chifeng Co., Ltd.	457,177.80	47,040.00
Accounts Payable	Hunan Dongting Pharmaceutical Co., Ltd.	450,911.10	1,416,518.77
Accounts Payable	Zhejiang Dongfang Pharmaceutical Co., Ltd.	429,618.19	57,390.71
Accounts Payable	Taiji Group Co., Ltd.	426,356.16	1,024,875.40
Accounts Payable	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	391,373.95	402,146.32

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	387,113.26	971,002.28
Accounts Payable	Jiangxi Erye Medicine Marketing Co., Ltd.	373,347.40	940,966.38
Accounts Payable	Sinopharm Holding Chuangke Medical Technology (Guangxi) Co., Ltd.	283,590.00	283,590.00
Accounts Payable	Jiangsu Huanghe Pharmaceutical Co., Ltd.	282,220.96	252,184.96
Accounts Payable	Sinopharm Group Yibin Pharmaceuticals Co., Ltd.	277,253.65	164,625.16
Accounts Payable	Chengdu Institute of Biological Products Co., Ltd.	234,000.00	374,400.00
Accounts Payable	Sinopharm Holding Yangzhou Medical Treatment Equipment Co., Ltd.	218,683.61	319,244.28
Accounts Payable	Sinopharm In Inner Mongolia Medical Instrument Co., Ltd.	211,992.20	310,945.00
Accounts Payable	Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	211,586.92	577,020.69
Accounts Payable	Shanghai Merro Pharmaceutical Co., Ltd.	209,733.37	174,610.00
Accounts Payable	Sinopharm Holding Yangzhou Biological Products Co., Ltd.	199,233.90	62,378.07
Accounts Payable	Sinopharm Holding Changsha Gaoxin Medicine Co., Ltd.	165,451.38	177,637.00
Accounts Payable	Sinopharm Holding Huaideju Pharmaceutical (Xiamen) Co., Ltd.	161,480.01	1,115.51
Accounts Payable	Zhejiang Yinuo Pharmaceutical Co., Ltd.	157,360.01	-
Accounts Payable	Taiji Group Sichuan Mianyang Pharmaceutical Co., Ltd.	154,230.42	109,776.29
Accounts Payable	Sinopharm Holding Xinjiang Special Drugs Kashgar Pharmaceutical Co., Ltd.	153,795.07	398,026.67
Accounts Payable	Sinopharm Holding Quanzhou Co., Ltd.	151,986.25	246,133.04

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Suzhou Erye Pharmaceutical Limited Company	147,222.37	195,104.80
Accounts Payable	Sichuan Jiangyou Zhongba Aconiti Science and Technology Development Co., Ltd.	124,600.21	224,877.24
Accounts Payable	Sinopharm Xinjiang Pharmaceutical Co., Ltd.	118,824.53	100,728.21
Accounts Payable	Shanghai Modern Hasen (Shangqiu) Pharmaceutical Co., Ltd.	115,379.03	31,686.85
Accounts Payable	Sinopharm Holdings Haoyang Mianyang Pharmaceutical Co., Ltd.	114,857.52	-
Accounts Payable	Sinopharm Holding Longyan Co., Ltd.	110,332.10	15,386.89
Accounts Payable	Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	110,031.02	96,686.13
Accounts Payable	Chengdu Rongsheng Pharmacy Co., Ltd.	100,000.02	100,000.02
Accounts Payable	Sinopharm Shantou Jinshi Pharmaceutical Co., Ltd.	98,278.63	98,916.34
Accounts Payable	Sinopharm Holding Special Drugs Shihezi Pharmaceutical Co., Ltd.	93,144.00	553,976.72
Accounts Payable	Sinopharm Group Guorui Medicine Co., Ltd.	92,400.64	36,000.00
Accounts Payable	Sinopharm Holding Biopharmaceutical (Tianjin) Co., Ltd.	91,675.12	77,344.37
Accounts Payable	Wuhan Zhongsheng Yujin Biomedical Co., Ltd.	88,320.00	265,512.00
Accounts Payable	Sinopharm Holding Beijing Tianxing Puxin Biological Medical Co., Ltd.	85,754.02	369,230.45
Accounts Payable	Taiji Group Sichuan Nanchong Pharmaceutical Co., Ltd.	85,402.96	-
Accounts Payable	Foshan Chancheng Pharmaceutical Co., Ltd.	84,394.80	-
Accounts Payable	Sinopharm Huixinqinyuan (Beijing) Technology Development Co., Ltd.	82,650.00	936,950.00
Accounts Payable	Sinopharm Holding Anhui Pharmaceutical Co., Ltd.	82,362.90	-
Accounts Payable	Sinopharm Holding Zhejiang Co., Ltd.	80,383.91	89,674.81

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Sinopharm Holding Pu'er Co., Ltd.	78,768.88	147,216.27
Accounts Payable	Sinopharm Holding Changsha Co., Ltd.	78,431.62	76,264.60
Accounts Payable	Shanghai Chaohui Pharmaceutical Co., Ltd.	77,388.24	3,570.24
Accounts Payable	Sinopharm Holding Bayannur Co., Ltd.	71,218.36	282,878.24
Accounts Payable	Sinopharm Holding Putian Co., Ltd.	67,413.58	100,819.11
Accounts Payable	Sinopharm Holding Shanghai Biomedicine Co., Ltd.	59,228.00	99,248.80
Accounts Payable	Sinopharm Holding Hainan Co., Ltd.	58,540.41	1,865.92
Accounts Payable	Sinopharm Holding Yancheng Co., Ltd.	55,441.18	-266.37
Accounts Payable	Sinopharm Sanyi Medicine (Wuhu) Co., Ltd.	49,992.11	23,795.16
Accounts Payable	Sinopharm Holding Anhui Co., Ltd.	49,006.52	4,873.80
Accounts Payable	Sinopharm Holding Hunan Pharmaceutical Development Co., Ltd.	45,334.83	104,439.37
Accounts Payable	Hainan Fucong Health Management Co., Ltd.	44,820.00	-
Accounts Payable	Sinopharm Holding Taizhou Co., Ltd.	42,821.68	11,637.48
Accounts Payable	Sinopharm Holdings Kangfu (Tengzhou) Pharmaceutical Co., Ltd.	34,773.57	-
Accounts Payable	Sinopharm Holding Changzhou Medical Logistics Center Co., Ltd.	33,944.20	33,944.19
Accounts Payable	Sinopharm Holding Dezhou Co., Ltd.	33,918.71	33,918.71
Accounts Payable	Chinese Medicine Lerentang Qinhuangdao Pharmaceutical Co., Ltd.	32,564.40	-
Accounts Payable	Sinopharm Shanxi Linfen Co., Ltd.	31,991.52	3,217.49
Accounts Payable	Sinopharm Holding Nantong Co., Ltd.	28,580.48	4,237.17
Accounts Payable	Sinopharm Beijing Huamiao Pharmaceutical Co., Ltd.	26,862.15	26,862.15
Accounts Payable	Sinopharm Holding Changde Co., Ltd.	24,240.00	-
Accounts Payable	Shenyang Hongqi Pharmaceutical Co., Ltd.	23,916.53	62,777.47

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Sinopharm Instrument Shengshi (Guangdong Province) Medical Technology Co., Ltd.	20,616.36	-
Accounts Payable	Sinopharm Dezhong (Foshan) Pharmaceutical Co., Ltd.	20,359.83	55.83
Accounts Payable	Chongqing Haisiman Pharmaceutical Co., Ltd.	18,488.82	18,488.82
Accounts Payable	Shandong Skyway Pharmaceutical Sales Co., Ltd.	16,170.00	23,214.32
Accounts Payable	Sinopharm Holdings Wuhan Hengfeng Co., Ltd.	14,601.77	-
Accounts Payable	Sinopharm Holdings Xinye (Hubei) Pharmaceutical Co., Ltd.	13,569.93	-
Accounts Payable	Shantou Jinshi Powder Injection Co., Ltd.	12,247.70	32,570.00
Accounts Payable	Sinopharm Group Hainan Hongyi Co., Ltd.	10,670.40	-
Accounts Payable	China National Medical Device (Hui Zhou) Co., Ltd.	9,845.00	895.00
Accounts Payable	Taiji Group Sichuan Tiancheng Pharmaceutical Co., Ltd.	9,268.51	9,268.51
Accounts Payable	Sinopharm Holding Guizhou Yitong Medicine Co., Ltd.	7,803.40	8,442.61
Accounts Payable	Sinopharm Wuhan Plasma-derived Biotherapies Co., Ltd.	7,800.00	-
Accounts Payable	Sinopharm ChangChun A-THINK Pharmaceutical Co., Ltd.	7,339.20	47,520.00
Accounts Payable	Chongqing Prepared Herbal Medicine Factory Co., Ltd.	6,753.24	-
Accounts Payable	Sinopharm Holding Ordos Co., Ltd.	5,881.20	1,771.20
Accounts Payable	China Medical Equipment Shandong Co., Ltd.	5,880.26	6,204.94
Accounts Payable	Sinopharm Holding Nanping Newforce Co., Ltd.	5,507.63	318,518.38
Accounts Payable	Sinopharm Holding Linyi Medical Device Co., Ltd.	4,641.67	17,716.00

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Accounts Payable	Sinopharm Holding Nanjing Wende Pharmaceutical Co., Ltd.	3,060.00	10,858.84
Accounts Payable	Changchun Changsheng Gene Pharmaceutical Co., Ltd.	3,017.25	3,017.25
Accounts Payable	Guangxi Fangning Pharmaceutical Co., Ltd.	2,108.68	-
Accounts Payable	Sinopharm Holding Ulanqab Co., Ltd.	2,092.20	16,092.20
Accounts Payable	Sinopharm Nutraceuticals (Shanghai) Co., Ltd.	1,461.56	1,461.56
Accounts Payable	Guangzhou Tianren Pharmaceutical Co., Ltd.	805.90	371,144.36
Accounts Payable	Guilin Pharmaceutical Co., Ltd.	627.25	627.25
Accounts Payable	Shyndec Pharma	612.78	599.57
Accounts Payable	Sinopharm Group Anhui Great Health Industry Co., Ltd..	504.00	504.00
Accounts Payable	Sinopharm Holding Liaocheng Co., Ltd.	174.00	174.00
Accounts Payable	Sinopharm Fengliaoqing (Foshan) Medicines Co., Ltd.	127.72	127.72
Accounts Payable	Naton Biotechnology (Beijing) Co., Ltd.	63.72	-
Accounts Payable	Sinopharm Holding Jilin Medical Device Co., Ltd.	47.50	47.50
Accounts Payable	Sinopharm MEDICINE Holding Chongqing Co., Ltd.	45.00	45.00
Accounts Payable	Hebei Wanbang Fulin Pharmaceutical Co., Ltd.	22.98	22.98
Accounts Payable	Sinopharm Holding Suzhou Co., Ltd.	11.07	11.09
Accounts Payable	Shenzhen Zhijun Medical&Pharmaceutical Trading Co., Ltd.	0.15	0.15
Accounts Payable	Sinopharm Holding Xinyu Co., Ltd.	0.01	0.01
Accounts Payable	Sinopharm Group Medicine Logistic Co., Ltd.	-	1,161,108.00
Accounts Payable	Huayi Pharmaceutical Co., Ltd.	-	697,088.00
Accounts Payable	Fujian Tianjiang Pharmaceutical Co., Ltd.	-	444,156.10

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2021	31 December 2020
Accounts Payable	Chongqing Tianjiang Yifang Pharmaceutical Co., Ltd.	-	110,091.74
Accounts Payable	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	-	76,448.34
Accounts Payable	Sinopharm Holding Xinte Yili Pharmaceutical Co., Ltd.	-	69,004.64
Accounts Payable	Zhongshan Kangyue Medical Instrument Co., Ltd.	-	43,949.18
Accounts Payable	Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	-	37,841.70
Accounts Payable	Sinopharm Wuhan ZhongLian SiYao Pharmaceutical Co., Ltd.	-	30.42

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Notes Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	220,779,199.33	174,238,525.98
Notes Payable	Sinopharm Lerentang Medicine Co., Ltd.	125,702,166.97	223,988,788.54
Notes Payable	Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	112,295,137.56	76,810,217.21
Notes Payable	Sinopharm Group Shanxi Co., Ltd.	54,497,693.37	175,372,554.73
Notes Payable	Sinopharm Holding Shanxi Co., Ltd.	53,277,965.87	104,731,118.54
Notes Payable	China National Medicines Co., Ltd.	50,594,345.47	35,668,918.85
Notes Payable	Jiangsu Wanbang Pharmacy Marketing Co., Ltd.	27,594,789.62	17,224,478.34
Notes Payable	Sinopharm Holding Inner Mongolia Co., Ltd.	25,383,313.52	19,372,594.16
Notes Payable	Sinopharm Holding Shenyang Co., Ltd.	24,861,354.63	126,012,599.41
Notes Payable	Sinopharm Holding Yangzhou Co., Ltd.	20,654,830.31	10,450,000.00
Notes Payable	Sinopharm Holding Lunan Co., Ltd.	15,001,000.00	9,000,000.00
Notes Payable	Sinopharm Holding Tongliao Co., Ltd.	13,317,562.50	11,376,675.46
Notes Payable	Sinopharm Holding Fujian Co., Ltd.	10,997,916.52	15,478,021.78
Notes Payable	Sinopharm Holding Henan Co., Ltd.	10,150,272.30	9,578,311.14
Notes Payable	Chengdu Rongsheng Pharmacy Co., Ltd.	9,373,730.00	10,923,445.00
Notes Payable	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.	9,068,594.08	12,211,842.35
Notes Payable	Sinopharm Holding Xinjiang Special Drugs Western Pharmaceutical Co., Ltd.	6,496,162.84	6,696,068.44
Notes Payable	Taiji Group Chongqing Fuling Pharmaceutical Factory Co., Ltd.	6,098,556.00	85,680.00
Notes Payable	Sinopharm Yixin Pharmaceutical Co., Ltd.	5,954,614.57	5,133,788.50
Notes Payable	Sinopharm Holding Xiamen Co., Ltd.	5,946,348.79	8,272,423.94

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Notes Payable	Lanzhou Biotechnology Development Co., Ltd.	5,872,800.00	29,760,000.00
Notes Payable	Sinopharm Holding Hunan Co., Ltd.	5,507,081.28	7,064,529.75
Notes Payable	Sinopharm Holding Jilin Co., Ltd.	5,115,285.54	12,609,905.80
Notes Payable	Chongqing Taiji Industry (Group) Co., Ltd.	5,004,500.00	-
Notes Payable	Sinopharm Lerentang Hebei Medical Instrument Trade Co., Ltd.	4,337,020.77	6,563,665.32
Notes Payable	Sinopharm Holding Pingdingshan Co., Ltd.	3,856,672.70	6,615,141.50
Notes Payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	3,579,326.99	4,078,053.88
Notes Payable	Shenzhen Main Luck Pharmaceutical Co., Ltd.	3,043,461.50	2,401,888.00
Notes Payable	Sinopharm Group Shanxi Medical Devices Co., Ltd.	2,813,318.36	230,762.90
Notes Payable	Foshan Winteam Pharmaceutical Group Ltd.	2,437,483.65	647,720.03
Notes Payable	Sinopharm Holding Ningxia Co., Ltd.	2,315,775.00	2,506,342.07
Notes Payable	Sinopharm Lerentang Shijiazhuang Traditional Chinese Medicine Co., Ltd.	2,053,318.21	-
Notes Payable	Sinopharm Holding Jinzhou Co., Ltd.	2,008,725.92	1,442,607.32
Notes Payable	Sinopharm Holding Hulun Buir Co., Ltd.	1,981,532.68	2,577,203.68
Notes Payable	Taiji Group Co., Ltd.	1,932,360.00	204,159.80
Notes Payable	Sinopharm Zhonglian Pharmaceutical Group Co., Ltd.	1,848,219.82	2,740,999.00
Notes Payable	Sinopharm Holding Shanxi Dajiuzhou Medicine Co., Ltd.	1,769,222.15	418,255.20
Notes Payable	Sinopharm Holding Jinan Co., Ltd.	1,650,000.00	1,958,000.00
Notes Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	1,363,415.56	9,693,962.13
Notes Payable	Fosun Pharmaceutical Distribution Jiangsu Co., Ltd.	1,316,786.57	1,576,278.05
Notes Payable	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	1,199,286.87	2,347,835.68

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Notes Payable	Sinopharm Holding Linfen Ningde Pharmaceutical Co., Ltd.	1,070,393.33	462,145.70
Notes Payable	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd	900,120.00	-
Notes Payable	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	804,339.00	208,837.60
Notes Payable	Sinopharm Jiankun (Beijing) Medicine Co., Ltd.	788,308.87	989,760.00
Notes Payable	Sinopharm Holding Anshan Co., Ltd.	726,747.79	9,391,498.13
Notes Payable	Wuhan Zhongsheng Yujin Biomedical Co., Ltd.	707,848.00	486,772.00
Notes Payable	Sinopharm Holding Yancheng Co., Ltd.	656,964.90	310,706.43
Notes Payable	Sinopharm Holding Quanzhou Co., Ltd.	538,727.15	328,144.20
Notes Payable	Sinopharm Ronshyn Pharmaceutical Co., Ltd.	529,680.00	-
Notes Payable	Sinopharm Holding Heilongjiang Co., Ltd.	470,363.14	544,058.52
Notes Payable	Sinopharm Holding Bayannur Co., Ltd.	468,502.62	518,770.32
Notes Payable	Jinzhou Avanc Pharmaceutical Co., Ltd.	425,032.00	1,881,505.80
Notes Payable	Sinopharm Group Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	411,533.58	771,839.40
Notes Payable	Sinopharm Holding Changzhou Co., Ltd.	309,138.32	140,000.00
Notes Payable	Sinopharm Group Feng Liao Xing (Foshan) Medicinal Material & Slices Co., Ltd.	264,025.70	-
Notes Payable	Shanghai Transfusion Technology Co., Ltd.	150,900.00	452,700.00
Notes Payable	Sinopharm Group Zhijun (Shenzhen) Pharmaceutical Co., Ltd.	130,693.22	533,291.20
Notes Payable	Sinopharm Wuhan Plasma-derived Biotherapies Co., Ltd.	80,600.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Notes Payable	China National Pharmaceutical Industry Co., Ltd.	50,266.00	174,480.00
Notes Payable	Yunnan Tianjiang Yifang Pharmaceutical Co., Ltd.	49,764.80	670,119.59
Notes Payable	Sinopharm (Anhui) Jingfang Pharmaceutical Co., Ltd.	21,556.00	17,410.46
Notes Payable	Sinopharm Holding Dalian Co., Ltd.	5,600.00	371,213.00
Notes Payable	Sinopharm Holding Xinjiang Xinte Shenrong Pharmaceutical Co., Ltd.	-	6,336,725.00
Notes Payable	Sinopharm Holding Huaideju (Xiamen) Pharmacy Co., Ltd.	-	3,000,400.00
Notes Payable	China Otsuka Pharmaceutical Co., Ltd.	-	1,418,770.56
Notes Payable	Sinopharm Holding Benxi Co., Ltd.	-	1,328,629.14
Notes Payable	Sinopharm Liaoning Medical Equipment Co., Ltd.	-	354,145.10
Notes Payable	Jinzhou Avanc Medicine Co., Ltd.	-	268,218.00
Notes Payable	Fujian Tianjiang Pharmaceutical Co., Ltd.	-	214,990.00
Notes Payable	Sinopharm Holding Shanxi Zhongjian Medical Device Chain Co., Ltd.	-	182,068.51
Notes Payable	Sinopharm Holding Nanping Newforce Co., Ltd.	-	137,011.36
Notes Payable	Sinopharm Holding Changsha Co., Ltd.	-	110,200.29

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Contract liabilities	Sinopharm Holding Jilin Co., Ltd.	4,086,924.78	-
Contract liabilities	Sinopharm Holding Shenyang Co., Ltd.	101,347.72	101,556.92
Contract liabilities	Sinopharm Lerentang Cangzhou Medicine Co., Ltd.	99,664.59	-
Contract liabilities	Sinopharm Holding Yunnan Co., Ltd.	44,648.00	-
Contract liabilities	Sinopharm Holding Guizhou Co., Ltd.	26,017.70	-
Contract liabilities	Sinopharm Group Hulun Bei'er Co., Ltd.	21,177.25	-
Contract liabilities	Chancheng Central Hospital of Foshan City	17,342.00	-
Contract liabilities	Sinopharm Holdings Chongqing Medical Device Co., Ltd.	16,911.19	-
Contract liabilities	Sinopharm Lerentang Qinhuangdao Pharmaceutical Trading Co., Ltd.	12,048.06	-
Contract liabilities	Sinopharm Guangdong Province Clinical Diagnostics Co., Ltd.	10,300.00	-
Contract liabilities	Sinopharm Lerentang Hengshui Medicine Co., Ltd.	6,822.47	-
Contract liabilities	Sinopharm Holdings Qianxinan Co., Ltd.	4,846.10	-
Contract liabilities	China National Medical Equipment Guizhou Qiannan Co., Ltd.	4,522.52	48.44
Contract liabilities	Sinopharm Holding Hainan Co., Ltd.	3,300.64	-
Contract liabilities	Sinopharm Lerentang Medicine Co., Ltd.	2,905.26	492,616.95
Contract liabilities	Jiangmen Xinhui District Jianfeng Pharmaceutical Co., Ltd.	1,368.00	1,368.00
Contract liabilities	Sinopharm Holding Jiangxi Co., Ltd.	1,043.57	-
Contract liabilities	Sinopharm Lerintang Handan Pharmaceutical Co.	932.50	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Contract liabilities	Sinopharm Holding Chengdu Co., Ltd.	851.59	851.59
Contract liabilities	Sinopharm Holding Chongqing Co., Ltd.	755.62	755.62
Contract liabilities	Sinopharm Holding Dalian Hecheng Co., Ltd.	152.11	-
Contract liabilities	Sinopharm Holding Inner Mongolia Co., Ltd.	83.60	142,565.60
Contract liabilities	Guangdong Kangmin Pharmaceutical Group Co., Ltd.	30.10	-
Contract liabilities	Sinopharm Holding Huaian Co., Ltd.	19.40	-
Contract liabilities	Sinopharm Holding Beijing Co., Ltd.	6.48	6.48
Contract liabilities	Sinopharm Holding Care Direct Chongqing Health Management Co., Ltd	0.04	-
Contract liabilities	Sinopharm Holding Wuhu Co., Ltd.	-	36,591.72
Contract liabilities	Shenzhen Xinsheng Pharmaceutical Co., Ltd.	-	25,158.00
Contract liabilities	Sinopharm Holding Fujian Co., Ltd.	-	21,967.30
Contract liabilities	Sinopharm Lerentang Chengde Medicine Co., Ltd.	-	4,130.85
Contract liabilities	Sinopharm Lerentang Healthcare Shijiazhuang Pharmacy Co., Ltd.	-	2,427.42
Contract liabilities	Sinopharm Lerentang Qinhuangdao Medicine Co., Ltd.	-	436.15
Contract liabilities	Sinopharm Lerentang Zhangjiakou Medicine Co., Ltd.	-	280.38
Contract liabilities	Sinopharm Lerentang Tangshan Medicine Co., Ltd.	-	268.00
Contract liabilities	Sinopharm Holding Lerentang Hebei Pharmaceutical Co., Ltd.	-	219.51

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Other Payable	Sinopharm Group Medicine Logistic Co., Ltd.	19,620,584.93	1,059,562.73
Other Payable	Sinopharm Group	14,396,673.52	5,992,688.10
Other Payable	Zhang Zhenfang	5,127,500.01	4,724,999.99
Other Payable	Guangdong Kangmin Pharmaceutical Group Co., Ltd.	1,894,658.90	-
Other Payable	Sinopharm Group Shanghai Co., Ltd.	1,660,431.38	1,660,431.38
Other Payable	China National of Traditional & Herbal Medicine Co., Ltd.	1,300,000.00	1,300,000.00
Other Payable	Pingdingshan Pusheng Pharmaceutical Co., Ltd.	828,571.90	-
Other Payable	Xishuangbanna Disheng Pharmaceutical Co., Ltd.	814,571.16	370,554.86
Other Payable	Sinopharm Holding Zhihuiminsheng (Tianjin) Pharmaceutical Co., Ltd.	668,687.00	191,887.00
Other Payable	Liu Zhiping	319,609.99	-
Other Payable	Sinopharm Health Online Co., Ltd.	297,686.83	221,919.66
Other Payable	Shanghai Beiyi Guoda Pharmaceutical Co., Ltd.	296,828.39	298,903.40
Other Payable	Zhang Guitang	264,714.25	-
Other Payable	Sinopharm Holding (Tianjin Binhai) Pharmaceutical Co., Ltd.	241,760.00	241,760.00
Other Payable	Sinopharm Group Guangdong Medicine Device Co., Ltd.	219,102.30	260,732.18
Other Payable	Sinopharm Holding Xinjiang Xinte Karamay Pharmaceutical Co., Ltd.	196,003.13	101,087.98
Other Payable	Sinopharm Holdings Hunan Wei'an Pharmacy Chain Co., Ltd.	104,625.22	-
Other Payable	Sinopharm Holdings Henan Co., Ltd.	85,578.73	-
Other Payable	Sinopharm Holding Sub Marketing Center Co., Ltd.	84,866.63	57,429.17
Other Payable	Shanghai Tongyu Information Technology Co., Ltd.	67,241.42	322,136.44

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

6. Amounts due from/to related parties (Continued)

(2). Accounts Payable (Continued)

Item	Related Party	30 June 2022	31 December 2021
Other Payable	Sinopharm Zhijun (Shenzhen) Pingshan Pharmaceutical Co. ,Ltd.	25,458.72	-
Other Payable	Sinopharm Devices Baise Co. ,Ltd.	20,400.00	-
Other Payable	Suzhou Erye Pharmaceutical Limited Company	18,043.80	-
Other Payable	Beijing Sanoqiang Pharmaceutical Foreign Trade Co. ,Ltd.	11,061.96	-
Other Payable	Zhang Haiyan	5,223.63	6,713.73
Other Payable	Sinopharm Holdings Tianjin Co. ,Ltd.	3,743.26	-
Other Payable	Shanghai Modern Pharmaceutical Marketing Co.,Ltd.	3,379.20	-
Other Payable	Shenzhen Main Luck Pharmaceutical Co., Ltd.	2,770.60	2,770.60
Other Payable	Fresenius Kabiwari Pharmaceutical Co. ,Ltd.	474.73	6.28
Other Payable	Xinjiang Baitong Property Services Co. ,Ltd.	452.83	-
Other Payable	Sinopharm Pharmaceutical Co. ,Ltd.	350.10	-
Other Payable	Chengdu Institute of Biological Products Co., Ltd.	327.60	327.60
Other Payable	Sinopharm Devices (Huizhou) Co. ,Ltd.	157.00	-
Other Payable	Shenzhen Wanwei Medicine Trading Co., Ltd.	123.46	15,011.46
Other Payable	Chongqing Yaoyou Pharmaceutical Co., Ltd.	37.20	-
Other Payable	Jiangsu Wanbang Pharmaceutical Marketing Co. ,Ltd.	24.00	24.00
Other Payable	Sinopharm Holdings Beijing Huahong co., Ltd.	-	38,577.60
Other Payable	Taishan Xiangranhui Trade Co., Ltd.	-	22,270.00
Other Payable	Sinopharm Tongjitang (Guizhou) Pharmaceutical Co., Ltd.	-	11,355.26
Other Payable	Sinopharm Guangdong Global Pharmaceutical Co., Ltd.	-	5,903.47
Other Payable	Foshan Winteam Pharmaceutical Group Ltd.	-	148.65

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

7. Commitments of Related Party

Lease commitment

Rent-out

Related Party	30 June 2022	31 December 2021
Sinopharm Holding Hunan Weian Pharmacy Medicine Chain Company Limited	918,918.00	-
Sinopharm Group Guangdong Medical Equipment Co., Ltd.	300,141.45	-
Sinopharm Group Pharmaceutical Co., Ltd.	-	56,284.20

Rent-in

Related Party	30 June 2022	31 December 2021
Lerentang Investment Group Co., Ltd.	29,126,376.12	1,883,600.91
Sinopharm Holding Yangzhou Co., Ltd.	13,062,166.74	14,928,190.56
Shenyang Pharmaceutical Co., Ltd.	6,569,444.45	10,023,611.11
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	6,190,733.61	6,699,561.03
Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd.	5,777,358.49	-
Pingdingshan Pusheng Pharmaceutical Co., Ltd.	4,957,848.72	-
Zhang Yechuan	4,896,500.00	5,579,000.00
Jilin Province Tianhe Technology Industry and Trade Co., Ltd.	4,158,238.10	-
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	2,854,222.82	3,460,171.22
Xiong Xinyuan	2,750,000.00	3,105,000.00
Zhang Guitang	2,649,190.33	190,571.33
Wang Yixuan	2,550,000.00	3,160,000.00
Shenyang Shengdiou Trading Co., Ltd.	2,125,396.82	1,961,904.76
Li Fang	1,362,000.00	1,634,400.00
Nanjing Yuanguang Trading Co., Ltd.	1,239,047.62	2,073,968.30
Sinopharm Holding Beijing Co., Ltd.	1,050,000.00	1,280,952.36
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	900,000.00	999,999.98
Sinopharm Group Xinjiang Special Drugs National Pharmaceutical Co., Ltd.	880,479.00	-
Xishuangbanna Disheng Pharmaceutical Co., Ltd.	750,000.00	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

7. Commitments of Related Party (Continued)

Lease commitment (Continued)

Rent-in (Continued)

Related Party	30 June 2022	31 December 2021
Shanghai Baizhong Commercial Development (Group) Co., Ltd.	616,761.92	-
Shenzhen Jiufeng Investment Co., Ltd.	600,000.00	400,000.00
Sinopharm Holding Co., Ltd.	390,915.00	-
Gu Jinhua	344,190.00	156,450.00
Wang Yang	312,305.70	624,611.40
Zheng Jing	300,000.00	-
Zhang Haiyan	280,101.96	365,816.32
Zhao Xiaoxiao	240,000.00	-
Sinopharm Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	237,614.72	263,073.44
Sinopharm Group Shanghai Co., Ltd.	192,880.72	-
Sinopharm Holding (China) Financial Leasing Co., Ltd.	191,916.48	338,053.05
Gu Haiqun	128,540.02	237,842.89
Zhang Kai	120,200.00	2,837,718.00
Southeast (Quanzhou) Biotechnology Pharmaceutical Co., Ltd.	117,055.19	-
Beijing Huafang Investment Co., Ltd.	48,000.00	96,000.00
Guangdong Jiyuantang Development Co., Ltd.	-	995,104.74
Sinopharm Holding Shanxi Jincheng Co., Ltd	-	699,931.58
Sinopharm Group Xinjiang Xintec Karamay Pharmaceutical Co., Ltd.	-	524,909.53

The Group as an investor

Units of the Group	investee company	Amount signed but not paid	Signing date	pay consideration	Equity ratio
Sinopharm Accord Pharmaceutical Co., Ltd.	Komsomolsk Qixin	42,000,000.00	2021/7/16	60,000,000.00	2.93%

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

8. Others

Related Party	30 June 2022	31 December 2021
Short-term Borrowing		
Sinopharm Group Finance Co., Ltd.	717,967,509.50	92,357,153.59
Entrusted loan		
CNPGC (1)	31,633,794.44	31,637,173.89
Jilin Province Yihe Investment Consulting Co., Ltd. (2)		72,450,000.00
<p>(1) CNPGC entrusted Sinopharm Group Finance Co., Ltd. with this borrowing to the Group. The entrusted borrowing includes the principal of RMB31,600.00 thousand and the outstanding interest receivable of RMB33.79 thousand.</p> <p>(2) The loan is entrusted by Jilin Yihe Investment Consulting Co., Ltd. to Everbright Bank, which borrows from Jilin bank to the group</p>		
	30 June 2022	31 December 2021
Other non-current liabilities		
Sinopharm Group Co., Ltd.	23,085,874.07	23,085,874.07
China Pharmaceutical Group Limited	-	1,975,869.24
Cash deposit within a related party		
	30 June 2022	31 December 2021
Sinopharm Group Finance Co., Ltd.	2,002,037.36	1,974,371.39

For the six months ended 30 June 2022, the annual interest rates of the above deposits are 0.35% to 1.15%. (In year 2021, the annual interest rates of the above deposits are 0.35% to 1.15%.)

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

8. Others(Continued)

Other non-current assets

	30 June 2022	31 December 2021
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	52,858.00	-

Lease liability

	30 June 2022	31 December 2021
Lerentang Investment Group Co., Ltd.	26,719,400.27	1,819,686.02
Sinopharm Holding Yangzhou Co., Ltd.	12,215,775.17	13,822,514.01
Shaoguan Wujiang District Muyang Medicine Information Consultant Co., Ltd.	5,477,107.18	5,869,655.31
Zhang Yechuan	4,182,075.37	4,863,470.42
Guangxi Yifang Tianjiang Pharmaceutical Co., Ltd.	2,854,222.82	3,032,718.03
Zhang Guitang	2,524,818.55	183,481.78
Xiong Xinyuan	2,335,666.29	2,636,852.58
Wang Yixuan	2,275,240.51	2,831,454.19
Shenyang Shengdiou Trading Co., Ltd.	1,891,162.78	1,852,529.65
Li Fang	1,293,405.88	1,536,114.62
Sinopharm Holding Beijing Co., Ltd.	969,290.78	1,228,951.74
Beijing Sinopharm Tianyuan Real Estate & Property Management Co., Ltd.	694,681.41	962,775.70
Shanghai Baizhong Business Development (Group) Co., Ltd.	450,685.42	-
Wang Yang	309,551.59	612,838.25
Nanjing Yuanguang Trading Co., Ltd.	303,651.84	513,668.40

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

X. Related party relationships and transactions (Continued)

8. Others (Continued)

Related Party	30 June 2022	31 December 2021
Lease liability(Continued)		
Zhang haiyan	270,917.46	350,157.32
Sinopharm Zhijun (Shenzhen) Pingshan Pharmaceutical Co., Ltd.	203,256.89	249,436.15
Jilin Province Tianhe Technology Industry and Trade Co., Ltd.	171,889.90	-
Zheng Jing	145,883.96	-
Gu Haiqun	127,141.74	232,783.19
Zhao xiaoxiao	116,707.17	-
Beijing Huafang Investment Co., Ltd.	47,744.09	94,518.27
Guangdong Jiyuantang Development Co., Ltd.	-	881,312.42
Sinopharm Holding Shanxi Jincheng Co., Ltd.	-	599,931.58
Shenzhen Jiufeng Investment Co., Ltd.	-	379,792.66
Total	65,580,277.07	44,554,642.29

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XI Commitments and contingencies

1. Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the balance sheet are analysed as follows:

	30 June 2022	31 December 2021
	(RMB'0,000)	(RMB'0,000)
Capital commitments	1,321.60	2,649.01
Investment commitments	<u>4,200.00</u>	<u>4,200.00</u>
	<u>5,521.60</u>	<u>6,849.01</u>

A Pursuant to the approval of Sinopharm Holdings' document [Sinopharm General Investment [2021] No. 523], the Group subscribed for shares of the Industry Fund (Phase II) and Gongqingcheng Qixin by contributing RMB60 million. The fund adopts a progressive funding approach, with investors contributing in tranches. As of June 30, 2022, The manager of the Industry Fund will issue payment notices to the investors according to the actual project progress. RMB18 million, 30% of the Group's contribution, the remaining outstanding contribution will be RMB42 million.

2. Contingencies

As of the balance sheet date, there were no contingencies that the Group was required to disclose.

XII Other significant events

1. Segment reporting

Operating segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable operating segments as follows:

- (1) The Head Office, which is mainly engaged in the investment and management of businesses;
- (2) Pharmaceutical distribution segment, which is mainly engaged in the distribution of medicine and pharmaceutical products to customers;
- (3) Retail pharmacy segment, which is the management of the operation of Guoda Pharmacy.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is measured consistently with the Group's profit before tax.

Inter-segment sales and transfers are transacted with reference to the selling prices used in the transactions carried out with third parties at the then prevailing market prices.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XII Other significant events (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

Operating segment information as at and for the semi year ended

	Head Office	Pharmaceutical distribution	Pharmaceutical retail	Elimination between segments	Total
Principal operations income	-	25,305,598,411.30	10,941,200,117.49	(478,016,598.45)	35,768,781,930.34
Principal cost of sales	-	(23,868,869,549.94)	(8,432,158,478.56)	469,854,329.47	(31,831,173,699.03)
Income from investments in associates	100,525,425.88	(645,876.71)	(1,010,887.08)	-	98,868,662.09
Net profit	344,067,581.01	528,782,126.73	141,089,231.46	(219,169,846.43)	794,769,092.77
Total assets	16,376,350,240.95	28,100,891,247.35	16,345,199,365.21	(14,853,460,028.94)	45,968,980,824.57
Total liabilities	(4,684,035,758.53)	(21,461,893,967.76)	(10,552,444,722.25)	9,259,549,465.51	(27,438,824,983.03)

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements

1. Accounts receivable

The accounts receivable by category are analyzed below:

	30 June 2022					31 December 2021				
	Gross carrying amount		Provision for bad debt		Book value	Gross carrying amount		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Items for which provision for bad debt is recognised separately	49,180,515.92	8.92%	(2,725,926.56)	5.54%	46,454,589.36	26,787,302.03	4.49%	(3,680,022.61)	13.74%	23,107,279.42
Items for which provision for bad debt is recognized by group (credit risk characteristics)	502,366,270.19	91.08%	(18,297.71)	-	502,347,972.48	569,340,700.47	95.51%	(47,671.02)	0.01%	569,293,029.45
	<u>551,546,786.11</u>	<u>100.00%</u>	<u>(2,744,224.27)</u>	<u>0.50%</u>	<u>548,802,561.84</u>	<u>596,128,002.50</u>	<u>100.00%</u>	<u>(3,727,693.63)</u>	<u>0.63%</u>	<u>592,400,308.87</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements(Continued)

1. Accounts receivable (Continued)

At 30 June 2022, accounts receivable that are individually assessed for provisions are as follows:

Debtor's name	Carrying amount	Bad debt provision	Rate	Assessment for impairment
Receivables from subsidiaries of the Group	45,812,069.16	-	-	Internal related parties, with lower-tier recovery risk
Client A	2,391,631.86	(2,391,631.86)	100.00%	Debtor had mismanagement, subject to serious financial difficulties, and the expected recoverability is very low
Client B	587,425.20	-	-	Internal related parties within Sinoharm Group, with lower-tier recovery risk
Client C	323,044.50	(323,044.50)	100.00%	Debtor had mismanagement, subject to serious financial difficulties, and is in bankruptcy liquidation.
Client D	55,095.00	-	-	Internal related parties within Sinoharm Group, with lower-tier recovery risk
Client E	11,250.20	(11,250.20)	100.00%	Debtor had mismanagement, subject to serious financial difficulties, listed as a dishonest person subject to execution by the court, and the expected recoverability is very low
	<u>49,180,515.92</u>	<u>(2,725,926.56)</u>		

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

	30 June 2022		
	Estimated default amount	Expected credit loss in entire lifetime	Expected credit loss rate
Within 1 year	501,530,331.98	-	-
1 to 2 years	802,628.21	(14,966.71)	1.86%
2 to 3 years	33,310.00	(3,331.00)	10.00%
	<u>502,366,270.19</u>	<u>(18,297.71)</u>	<u>-</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements(Continued)

1. Accounts receivable (Continued)

The accounts receivable for which the Company recognised provision for bad debts using the aging analysis method are presented as follows:

	30 June 2022
Within 1 year	547,984,921.34
1 to 2 years	3,194,260.07
2 to 3 years	33,310.00
Above 3 years	<u>334,294.70</u>
	<u><u>551,546,786.11</u></u>

Bad debt provision for the current period as follows:

	Opening balance	Increases during the period	Reversal during the period	Write-off during the period	Other	Closing balance
Bad debt provision	<u>(3,727,693.63)</u>	<u>(279,904.80)</u>	<u>983,469.36</u>	<u>279,904.80</u>	<u>-</u>	<u>(2,744,224.27)</u>

Accounts receivable actually written off in the current period

	Write off amount
Client A	<u><u>279,904.80</u></u>

As at 30 June 2022, the top five accounts receivable by customer are as follows:

	Amount	% of the total accounts receivable	Bad debt provision amount
Top 1 Account receivable	30,385,367.43	5.51%	-
Top 2 Account receivable	29,779,470.84	5.40%	12,747.71
Top 3 Account receivable	26,325,898.25	4.77%	-
Top 4 Account receivable	20,214,679.31	3.67%	-
Top 5 Account receivable	<u>18,075,138.10</u>	<u>3.28%</u>	<u>-</u>
	<u><u>124,780,553.93</u></u>	<u><u>22.63%</u></u>	<u><u>12,747.71</u></u>

Accounts receivable derecognised due to transfer of financial assets was as follows:

From January to June 2022, the Company factored a small portion of accounts receivable at amortised cost to financial institutions. The amount of accounts receivable derecognised was RMB 179,347,606.49 (from January to June 2021: RMB26,097,254.38), and the amount of loss recognised through Investment income was RMB 1,781,142.79 (from January to June 2021: RMB 221,815.32).

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

2. Other receivables

	30 June 2022	31 December 2021
Dividends receivable	16,714,220.20	-
Other receivables	<u>4,595,538,761.51</u>	<u>5,003,805,208.01</u>
	<u><u>4,612,252,981.71</u></u>	<u><u>5,003,805,208.01</u></u>

Category of Dividends receivable:

	30 June 2022	31 December 2021
Sinopharm Shyndec	<u>16,714,220.20</u>	<u>-</u>

Category of other receivables by nature is as follows:

	30 June 2022	31 December 2021
Amounts due from subsidiaries	4,581,451,939.48	4,989,971,028.15
Receivable of equity transactions	8,980,000.00	8,980,000.00
Deposit	346,597.78	344,600.17
Others	<u>60,165,689.51</u>	<u>59,914,399.34</u>
	<u><u>4,650,944,226.77</u></u>	<u><u>5,059,210,027.66</u></u>

Changes in bad debt provision for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows:

	Stage 1	Stage 2	Stage 3	Total
Bad debt	Expected credit losses over the next 12 months	Entire lifetime expected credit losses(No credit impairment occurred)	Entire lifetime expected credit losses(Credit impairment occurred)	
Balance at 1 January 2022	-	90,597.41	55,314,222.24	55,404,819.65
Balance at 1 January 2022 during the period				
Provisions during the period	<u>-</u>	<u>645.61</u>	<u>-</u>	<u>645.61</u>
Balance at 30 June 2022	<u><u>-</u></u>	<u><u>91,243.02</u></u>	<u><u>55,314,222.24</u></u>	<u><u>55,405,465.26</u></u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

2. Other receivables (Continued)

The aging analysis of other receivables was as follows:

	30 June 2022
Within 1 year	4,594,953,153.57
1 to 2 years	224,673.39
2 to 3 years	2,358,983.90
Over 3 years	<u>53,407,415.91</u>
Total	<u>4,650,944,226.77</u>

Bad debt provision for the current period as follows:

	Opening balance	Increases during the period	Reversal during the period	Write-off during the period	Other	Closing balance
Bad debt provision	<u>(55,404,819.65)</u>	<u>(645.61)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,405,465.26)</u>

As at 30 June 2022, the accumulated top five other receivables are analysed below:

	Nature	Amount	Age	% of total amount	Bad debt provision
Sinopharm Guangzhou	Entrusted borrowings	2,160,350,833.45	Within 1 year	46.45%	-
Sinopharm Guangxi	Entrusted borrowings	840,301,675.04	Within 1 year	18.07%	-
Sinopharm Dongguan	Entrusted borrowings	161,152,663.83	Within 1 year	3.46%	-
Sinopharm Zhuhai	Entrusted borrowings	140,134,944.61	Within 1 year	3.01%	-
Sinopharm Guangdong Yuexing	Entrusted borrowings	<u>133,793,439.60</u>	Within 1 year	<u>2.88%</u>	-
		<u>3,435,733,556.53</u>		<u>73.87%</u>	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

3. Long-term equity investments

	30 June 2022			31 December 2021		
	Original value	Bad debt provision	Carrying amount	Original value	Bad debt provision	Carrying amount
Investments in subsidiaries	5,614,677,427.58	-	5,614,677,427.58	5,614,677,427.58	-	5,614,677,427.58
Investments in associates	2,483,597,350.57	(39,930,000.00)	2,443,667,350.57	2,470,148,715.28	(39,930,000.00)	2,430,218,715.28
	8,098,274,778.15	(39,930,000.00)	8,058,344,778.15	8,084,826,142.86	(39,930,000.00)	8,044,896,142.86

(1) Subsidiaries

	31 December 2021	Increases	Decrease	30 June 2022	Amount of provision for impairment
Sinopharm Shenzhen Jianmin	60,054,911.04	-	-	60,054,911.04	-
Sinopharm Shenzhen Material	15,450,875.93	-	-	15,450,875.93	-
Sinopharm Shenzhen Logistics	5,019,062.68	-	-	5,019,062.68	-
Sinopharm Guangzhou	3,588,689,716.80	-	-	3,588,689,716.80	-
Sinopharm Guangxi	525,456,951.07	-	-	525,456,951.07	-
Sinopharm Yanfeng	38,207,800.00	-	-	38,207,800.00	-
Guoda Pharmacy	1,361,800,110.06	-	-	1,361,800,110.06	-
Accord Devices	19,998,000.00	-	-	19,998,000.00	-
	5,614,677,427.58	-	-	5,614,677,427.58	-

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

3. Long-term equity investments (Continued)

(2) Associates

	Opening balance	Profit or loss under the equity method	Changes in the period		Cash dividend or profits declared	Closing balance	Provision of impairment
			Adjustment in other comprehensive income	Other changes in equity			
Main Luck Pharmaceutical	340,490,180.80	30,992,778.04	-	-	(70,380,000.00)	301,102,958.84	-
Zhijun Suzhou	-	-	-	-	-	-	(39,930,000.00)
Sinopharm Zhijun	496,542,941.16	27,662,634.68	-	-	-	524,205,575.84	-
Zhijun Trade	10,377,417.89	220,557.56	-	-	-	10,597,975.45	-
Zhijun Pingshan	183,906,263.81	5,525,963.98	-	-	-	189,432,227.79	-
Sinopharm Shyndec	1,398,901,911.62	36,123,491.62	(3,773.17)	21,202.78	(16,714,220.20)	1,418,328,612.65	-
	2,430,218,715.28	100,525,425.88	(3,773.17)	21,202.78	(87,094,220.20)	2,443,667,350.57	(39,930,000.00)

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

4. Operating revenue and cost

	For the six months ended 30 June 2022		For the six months ended 30 June 2022	
	Revenue	Cost	Revenue	Cost
Principal operations	1,965,927,776.25	1,901,785,707.34	2,062,334,204.15	1,982,274,379.60
Other operations	<u>14,586,522.08</u>	<u>8,276,541.50</u>	<u>16,035,919.21</u>	<u>9,145,932.20</u>
	<u>1,980,514,298.33</u>	<u>1,910,062,248.84</u>	<u>2,078,370,123.36</u>	<u>1,991,420,311.80</u>

Classification	For the six months ended 30 June 2022
By product	
Include:	
Pharmaceuticals	1,859,918,374.96
Medical devices and disposables	102,229,598.81
Diagnostic reagents	3,705,672.82
Medical equipment	74,129.66
Other	<u>11,791,251.36</u>
By area	
Include:	
China	<u>1,977,719,027.61</u>
By major activities	
Include:	
Pharmaceutical distribution	1,965,927,776.25
Others	<u>11,791,251.36</u>
By contract duration	
Include:	
At a point in time	1,965,927,776.25
Overtime	<u>11,791,251.36</u>
	<u>1,977,719,027.61</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Notes to financial statements (Continued)

For the six months ended 30 June 2022

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

XIII Notes to key items of the company financial statements (Continued)

4. Operating revenue and cost (Continued)

Information about the Company’s obligations is as follows:

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

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

The amount of income corresponding to the obligation that has been signed but has not been fulfilled or has not yet fulfilled is RMB 5,491,416.33, which is expected to be recognized within 1 year.

Revenue is as follows:

	30 June 2022	30 June 2021
Revenue from contracts with customers	1,977,719,027.61	2,073,736,734.56
Rentals	2,795,270.72	4,633,388.80
	<u>1,980,514,298.33</u>	<u>2,078,370,123.36</u>

5. Investment income

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Gain on long-term equity investments under the cost method	218,380,273.84	619,290,387.90
Gain on long-term equity investments under the equity method	100,525,425.88	157,696,473.52
Income from the derecognition of financial assets measured at amortised cost measured at amortised cost	(1,781,142.79)	(221,815.32)
Dividends from other financial assets	-	3,599,555.61
	<u>317,124,556.93</u>	<u>780,364,601.71</u>

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Supplementary information to financial statements

For the six months ended 30 June 2022

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

XIV Supplementary information to financial statements

1. Schedule of non-recurring profit or loss

	Amount for 30 June 2022	Illustration
Gains and losses from disposal of non-current assets	2,572,259.70	Mainly probability of gain and losses from the end of lease
Government grants recognized in income statement for the current year, except for those closely related to the ordinary operation of the Company which the Group enjoyed constantly according to the allotment standards or quantitative criteria of the country	33,357,845.59	Mainly probability of exemption and other government grants for special purpose and finance
Reversal of bad debt provision for accounts receivable that were tested for impairment individual	3,151,359.86	Discount
Non-operating income and expenses other than the aforesaid items	1,435,887.44	Mainly probability of the non operating income generated from the write off of funds that do not need to be paid in the current period
Other	2,574,793.60	
Less: Impact of income tax	10,195,412.45	
Impact of non-controlling interests after tax	11,538,123.57	
	21,358,610.17	

Basis for preparation of detailed list of non-recurring profit or loss items:

The Group's recognition of non-recurring profit or loss items is in accordance with the provisions of Explanatory announcement No.1 on information disclosure by companies offering securities to the public - non-recurring profit or loss.

CHINA NATIONAL ACCORD MEDICINES CORPORATION LTD.

Appendix(Continued)

For the six months ended 30 June 2022

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

XIV Supplementary information to financial statements (Continued)

2. Return on equity (“ROE”) and earnings per share (“EPS”)

	Weighted average ROE (%)	Basic EPS (RMB/Share)	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profit attributable to ordinary shareholders of the parent	4.44%	1.57	1.57
Net profit after deducting non-recurring profit or loss attributable to the Company’s ordinary shareholders of the parent	4.30%	1.52	1.52