



**China National Accord Medicines Corporation Ltd.  
First Quarterly Report 2016**

**April 2016**

## **Section I. Important Notes**

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

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

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

## Section II. Main financial data and changes of shareholders

### I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes  No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	7,053,846,519.17	6,261,714,700.23	12.65%
Net profit attributable to shareholders of the listed company(RMB)	199,027,472.31	197,026,237.82	1.02%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	187,445,696.09	192,315,542.07	-2.53%
Net cash flow arising from operating activities(RMB)	-100,461,465.99	182,179,606.70	-155.14%
Basic earnings per share (RMB/Share)	0.549	0.543	1.10%
Diluted earnings per share (RMB/Share)	0.549	0.543	1.10%
Weighted average ROE	3.58%	4.05%	-0.47%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	14,172,328,814.96	13,218,349,735.31	7.22%
Net assets attributable to shareholder of listed company (RMB)	5,652,382,580.33	5,453,393,694.55	3.65%

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	9,117,952.96	Mainly because the subsidiary Guangxi Logistics disposed the house property and obtained compensation for demolition;
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	4,043,684.40	Mainly due to the various special grants received in the current period;

Reversal of impairment reserve for account receivable with separate impairment testing	953,105.02	Mainly because the bad debts of receivables withdrawn alone in the previous years have been taken back in the current period;
Other non-operating income and expenditure except for the aforementioned items	1,110,983.48	
Less: impact on income tax	3,514,045.71	
Impact on minority shareholders' equity (post-tax)	129,903.93	
Total	11,581,776.22	--

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

Applicable     Not applicable

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

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

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

In shares

Total common shareholders at the end of report period	16,413	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sinopharm Group Co., Ltd.	State-owned legal person	51.00%	184,942,291	74,482,543		
National Social Security Fund 106 combination	Domestic non state-owned legal person	2.01%	7,298,555			
China Securities Finance Co., Ltd.	Domestic non state-owned Corporation	1.97%	7,132,757			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA	Foreign Corporation	1.94%	7,032,720			

GROWTH FD						
VALUE PARTNERS CLASSIC FUND	Foreign Corporation	1.42%	5,138,568			
CITIC Securities Co., Ltd.	Domestic non state-owned Corporation	1.38%	5,008,637			
National Social Security Fund 116 combination	Domestic non state-owned legal person	1.32%	4,783,965			
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - -018L-FH002 Shen	Domestic non state-owned Corporation	1.16%	4,199,772			
Central Huijin Investment Ltd.	State-owned Corporation	1.05%	3,804,400			
China Life Insurance Co., Ltd. – tradition – general insurance products - 005L-CT001 Shen	Domestic non state-owned Corporation	1.03%	3,750,090			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sinopharm Group Co., Ltd.	110,459,748	RMB ordinary shares	110,459,748			
National Social Security Fund 106 combination	7,298,555	RMB ordinary shares	7,298,555			
China Securities Finance Co., Ltd.	7,132,757	RMB ordinary shares	7,132,757			
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	7,032,720	Domestically listed foreign shares	7,032,720			
VALUE PARTNERS CLASSIC FUND	5,138,568	Domestically listed foreign shares	5,138,568			

CITIC Securities Co., Ltd.	5,008,637	RMB shares	ordinary	5,008,637
National Social Security Fund 116 combination	4,783,965	RMB shares	ordinary	4,783,965
New China Life Insurance Co., Ltd. – Bonus – Individual bonuses - -018L-FH002 Shen	4,199,772	RMB shares	ordinary	4,199,772
Central Huijin Investment Ltd.	3,804,400	RMB shares	ordinary	3,804,400
China Life Insurance Co., Ltd. – tradition – general insurance products - 005L-CT001 Shen	3,750,090	RMB shares	ordinary	3,750,090
Explanation on associated relationship among the aforesaid shareholders	It is unknown that there exists no associated relationship or belongs to the consistent actionist among the above shareholders regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.			

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Significant Events

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

√Applicable □Not applicable

1. Divided into assets held for sale: a decrease of 2,456,900 yuan compared with the beginning of the period, with a growth rate of -100.00%, mainly because the underlying assets have been completed in the current transaction;
2. Other current assets: a decrease of 7,106,200 yuan compared with the beginning of the period, with a growth rate of -36.52%, mainly because the value added tax retained has reduced in the current period;
3. Employee pay payable: a decrease of 68,188,800 yuan compared with the beginning of the period, with a growth rate of -41.50%, mainly because employee remuneration withdrawn in the previous year has been issued in the current period;
4. Taxes payable: an increase of 39,752,200 yuan compared with the beginning of the period, with a growth rate of 54.56%, mainly due to the sales growth in current period resulting in an increase of provision for income tax;
5. Non-current liabilities due within one year: an increase of 2,075,200 yuan compared with the beginning of the period, with a growth rate of 38.11%, mainly due to the increase of member points in the current period;
6. Non-operating expenses: a decrease of 151,700 yuan on a year-on-year basis, with a growth rate of -46.84%, mainly because the loss of non-current assets disposed in the current period has reduced on a year-on-year basis;
7. Tax refunds received: an increase of 3,753,300 yuan on a year-on-year basis, with a growth rate of 1,125.52%, mainly because the increase of the amount of exports in the last year has led to an increase of amount of export rebates in the current period;
8. Other cash paid relating to operating activities: a decrease of 24,517,900 yuan on a year-on-year basis, with a growth rate of -30.29%, mainly due to the decrease of cash outflow related to expenses on a year-on-year basis;
9. Net cash flow from operating activities: a decrease of 283 million yuan on a year-on-year basis, with a growth rate of -155.14%, mainly because the cash paid for the purchase of goods and the service payments has increased on a year-on-year basis;
10. Net cash received by disposing fixed assets, intangible assets and other long-term assets: an increase of 2,126,900 yuan on a year-on-year basis, with a growth rate of 9,524.51%, mainly due to an increase of fixed assets income disposed in the current period on a year-on-year basis;
11. Sub-total of cash inflows from investing activities: an increase of 2,126,900 yuan on a year-on-year basis, with a growth rate of 9,524.51%, mainly due to an increase of fixed asset income disposed in the current period on a year-on-year basis;
12. Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets: a decrease of 17,563,300 yuan, with a growth rate of -35.57%, mainly due to a decrease in expenditures for acquisition of fixed assets in the current period on a year-on-year basis;
13. Other cash paid relating to investing activities: an increase of 26,502,400 yuan on a year-on-year basis, with a growth rate of 10,516.81%, mainly because the earnest money for transferring the stock rights of subsidiaries has been returned in the current period;
14. Cash received by absorbing investments: a decrease of 1.47 million yuan on a year-on-year basis, with a growth rate of -100.00%, mainly because there were investment funds paid to minority shareholders of subsidiaries at the same period of last year but there is no such business in the current period;
15. Cash received from debts: an increase of 46,309,900 yuan on a year-on-year basis, mainly due to an increase in bank loans in the current period on a year-on-year basis;

16. Other cash received relating to financing activities: an increase of 112 million yuan on a year-on-year basis, mainly because the supply chain financing funds received in the current period have increased on a year-on-year basis;
17. Sub-total of cash inflows from financing activities: an increase of 157 million yuan on a year-on-year basis, with a growth rate of 10,671.16%, mainly because the supply chain financing funds received in the current period have increased on a year-on-year basis;
18. Other cash paid relating to financing activities: a decrease of 27,930,600 yuan on a year-on-year basis, with a growth rate of -96.27%, mainly because the supply chain financing funds received in the current period have decreased on a year-on-year basis;
19. Net cash flow from financing activities: an increase of 175 million yuan on a year-on-year basis, with a growth rate of 149.72%, mainly because the supply chain financing funds received in the current period have increased on a year-on-year basis;
20. Effects of exchange rate changes on cash and cash equivalents: a decrease of 9,250.41 yuan on a year-on-year basis, with a growth rate of -100.00%, mainly due to a decrease in foreign currency holdings on a year-on-year basis.
21. Net increase in cash and cash equivalents: a decrease of 115 million yuan on a year-on-year basis, with a growth rate of -721.18%, mainly because the net cash flow from operating activities has decreased by 283 million yuan on a year-on-year basis.

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

√Applicable □Not applicable

The company held the 13<sup>th</sup> meeting of the seventh board of directors on March 9, 2016 which reviewed and approved the "Proposal on the company's asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the program of related transaction", "Proposal on the asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd." and other related proposals, and released the announcement about "Asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd." on the designated information disclosure media on March 10, 2016. On March 17, 2016, the company received the "Inquiry letter about the restructuring of China National Accord Medicines Corporation Ltd." (XKLCZWXH No. [2016] 22) issued by Shenzhen Stock Exchange. The company has replied the questions involved in the inquiry letter and revised the relevant documents of this major asset restructuring plan, please see the relevant replies and revision of relevant documents on "Revision announcement about the asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd.", and "Asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd." released on the designated information disclosure media on March 25, 2016.

Since the disclosure of this major asset restructuring plan, the company, transaction parties and engaged intermediaries are actively promoting the audit, evaluation, and due diligence and other work related to the restructuring, after the completion of above-mentioned work, the company shall establish the reports and other documents related to this major asset restructuring, and reconvene the board meeting to consider the relevant matters involving in this major asset restructuring.

Overview of important matters	Date of disclosure	Interim report disclosure website query index
"Proposal on the asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd." etc.	2016-03-10	Juchao Website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )



<p>“Revision announcement about the asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd.”, and revised “Asset sale, issue of shares and cash purchase of assets and the raise of matching funds and the related transaction plan of China National Accord Medicines Corporation Ltd.”</p>	<p>2016-03-25</p>	<p>Juchao Website (http://www.cninfo.com.cn)</p>
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**III. Commitments from the Company or shareholders (with over 5% shares held) in or occurred in the previous period but continued to reporting period**

√Applicable □Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
<p>Commitments for Share Merger Reform</p>						
<p>Commitments in report of acquisition or equity change</p>	<p>Sinopharm Holding</p>	<p>Commitment of shareholders</p>	<p>As a large pharmaceutical commercial enterprise whose business involves pharmaceutical wholesale and retail, Sinopharm Holding may overlap with the Company in geographical segmentation during its future business development. To avoid the potential peer competition brought by such geographical overlap, Sinopharm Holding undertakes that, upon the transfer of shares of Sinopharm Holding Guangzhou it held to Accord Pharma, “1. it will not newly-establish or broaden within Guangdong any business operation that actually compete with that of Accord Pharma, or set up any new subsidiaries or subordinate enterprises who engage in such business. 2. It will enter into business delineation</p>	<p>2005-06-21</p>	<p>Long-term effective</p>	<p>Normally implement</p>

			with Accord Pharma and Sinopharm Holding Guangzhou, thereby giving the three parties clear geographical areas to carry out pharmaceutical wholesale and retail businesses, so as to avoid potential peer competition. Apart from above, Sinopharm Holding will no longer newly-establish any enterprise that may compete with Accord Pharma in the production and R&D of pharmaceutical products.”			
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing	Sinopharm Holding	Commitment of shareholders	Sinopharm Holding has undertaken in the Letter of Undertaking from Sinopharm Group Co. Ltd. on Avoiding Peer Competition that, “I. the Company and the enterprises it wholly-owns, controls or has de facto control over (excluding Sinopharm Accord and its controlled enterprises, similarly hereinafter) do not exist any business or operation that would constitute substantive peer competition with Sinopharm Accord and its controlled enterprises. II. the Company and the enterprises it wholly-owns, controls or has de facto control over will not engage in, participate in or carry out in Guangdong and Guangxi any business or activities that would constitute substantive competition with the pharmaceutical commercial businesses of Sinopharm Accord. III. The Company and the enterprises it wholly-owns, controls or has de facto control over will not engage	2013-09-05	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

		<p>in, participate in or carry out any business or activities that would constitute substantive competition with the pharmaceutical industrial businesses of Sinopharm Accord. IV. The Company will not make use of its control over Sinopharm Accord to damage the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). The Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss which may arise out of the Company's violation of the Undertaking.”</p>			
	<p>Sinopharm Holding</p>	<p>Commitment of shareholders</p>	<p>2013-09-05</p>	<p>Long-term effective</p>	<p>Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments</p>

		<p>Connected Party will enter into standardized connected transaction agreement with Sinopharm Accord according to law. Sinopharm Accord will perform approval procedure according to relevant laws, rules and regulations, other standardization documents and its constitutional documents, and fulfill its obligation to disclose information on connected transactions. III. For those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will determine the prices of connected transactions based on the prices of same or similar transactions entered into by independent third parties of no connection while following the principles of open, fair and just to ensure the fairness. IV. when the board or shareholders' meeting of Sinopharm Accord votes on the relevant connected transactions involving the Company and other enterprises it controls, the Company will perform obligations including that necessary interested directors and shareholders shall be abstained from voting according to relevant regulations, and follow the legal procedures for approval of connected transactions and fulfill its information disclosure obligation. V. the Company guarantees to attend shareholders' meeting according to the constitutional documents of Sinopharm Accord, exercise its</p>			
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			<p>corresponding rights and assumed its corresponding obligations in an equitable manner, not to take advantage of its standing as controlling shareholder to seek unjust interests, or to use connected transactions to illegally transfer capital or profit out of Sinopharm Accord, or to prejudice the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). VI. The Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the controlling shareholder or connected party of Sinopharm Accord. During the validity of the Undertaking, the Company will indemnify in time Sinopharm Accord from any loss that may arise out of the Company's violation of the Undertaking.”</p>			
	Sinopharm Group	Commitment of actual controller	<p>”Sinopharm Group has undertaken in the Letter of Undertaking from China National Pharmaceutical Group Corporation on Avoiding the Peer Competition with China National Accord Medicines Corporation Ltd. that, “I. in the coming five years, Sinopharm Group intends to take appropriate measures including replacement or acquisition of assets or equity reorganization to solve the problem of peer competition between Weiqida and Sinopharm Accord. II. apart from the matters disclosed in the past and in the Letter of Undertaking, the Company and the enterprises it</p>	2013-10-16	Long-term effective	<p>Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments</p>

			wholly-owns, controls or has de facto control over (excluding Sinopharm Accord and its controlled enterprises, similarly hereinafter) do not directly engage in, participate in or carry out within the PRC any business or activities that would constitute substantive competition with the production and operation of Sinopharm Accord. The relative undertakings in respect of avoiding peer competition given by the Company in the past remain valid. III. The Company will not take advantage of its control over Sinopharm Accord to damage the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders). IV. The Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the de facto controller or connected party of Sinopharm Accord.”			
	Sinopharm Group	Commitment of actual controller	Sinopharm Group has undertaken in the Letter of Undertaking from China National Pharmaceutical Group Corporation on Standardization of the Connected Transactions with China National Accord Medicines Corporation Ltd that, “I. during the period when the Company takes control over Sinopharm Accord, the Company and the companies or enterprises it directly or indirectly controls (hereinafter referred to as “Connected Party”) will strictly standardize the connected transactions with Sinopharm Accord and its controlled	2013-09-22	Long-term effective	Controlling shareholder is implement in real earnest, Sinopharm Accord will actively urged the controlling shareholder and actual controller to fulfill commitments

		<p>enterprises. II. for those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will enter into standardized connected transaction agreement with Sinopharm Accord according to law. Sinopharm Accord will perform approval procedure according to relevant laws, rules and regulations, other standardization documents and its constitutional documents, and fulfill its obligation to disclose information on connected transactions. III. For those connected transactions beyond avoidance or out of reasonable causes, the Company and Connected Party will determine the prices of connected transactions based on the prices of same or similar transactions entered into by independent third parties of no connection while following the principles of open, fair and just to ensure the fairness. IV. when the board or shareholders' meeting of Sinopharm Accord votes on the relevant connected transactions involving the Company and other enterprises it controls, the Company will perform obligations including that necessary interested directors and shareholders shall be abstained from voting according to relevant regulations, and follow the legal procedures for approval of connected transactions and fulfill its information disclosure obligation. V. the Company</p>			
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			guarantees not to take advantage of its standing as actual controller to seek unjust interests, or to use connected transactions to illegally transfer capital or profit out of Sinopharm Accord, or to prejudice the legal interests of Sinopharm Accord and other shareholders (especially minority shareholders).”VI. The Letter of Undertaking takes effect since the date of issue and will remain effective during the entire period when the Company has been the actual controller or connected party of Sinopharm Accord.			
Equity incentive commitment						
Other commitments for medium and small shareholders						
Completed on time or not	Yes					

#### IV. Predict of the business performance from January to June 2016

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

Applicable Not applicable

#### V. Securities Investment

Applicable  Not applicable

No security investment in the Period.

#### VI. Derivative investment

Applicable  Not applicable

No derivative investment in the Period.

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

Applicable  Not applicable

Date	Method	Type of investors	Basic situation index of investigation
2016-01-13	Field research	Institute	Research situation see “Investor relations activity record on 13 January 2016” that the Company uploaded to Shenzhen



			stock exchange interactions ( <a href="http://irm.cninfo.com.cn/ssessgs/S000028/index.html">http://irm.cninfo.com.cn/ssessgs/S000028/index.html</a> )
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### **VIII. Guarantee outside against the regulation**

Applicable Not applicable

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

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

Applicable  Not applicable

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

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by China National Accord Medicines Corporation Ltd.

2016-03-31

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	1,476,829,805.83	1,570,706,970.51
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable	827,173,710.53	820,125,807.67
Accounts receivable	7,516,654,933.29	6,153,830,882.75
Accounts paid in advance	59,788,518.91	72,041,261.84
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	46,197,363.97	38,175,884.46
Purchase restituted finance asset		
Inventories	2,241,114,541.67	2,533,160,758.28
Divided into assets held for sale		2,456,876.83
Non-current asset due within one year		
Other current assets	12,350,715.19	19,456,915.58
Total current assets	12,180,109,589.39	11,209,955,357.92
Non-current assets:		

Loans and payments on behalf		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	190,892,496.96	180,831,714.55
Investment property	142,669,542.33	145,102,318.77
Fixed assets	1,098,019,776.18	1,079,412,437.53
Construction in progress	142,266,655.14	176,096,786.58
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	136,860,507.21	137,720,156.55
Expense on Research and Development	5,619,315.47	5,619,315.47
Goodwill	79,378,833.15	79,378,833.15
Long-term expenses to be apportioned	38,791,881.83	40,464,563.93
Deferred income tax asset	84,499,424.29	88,210,062.44
Other non-current asset	73,220,793.01	75,558,188.42
Total non-current asset	1,992,219,225.57	2,008,394,377.39
Total assets	14,172,328,814.96	13,218,349,735.31
Current liabilities:		
Short-term loans	1,327,167,887.16	1,212,959,267.74
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	1,159,255,532.51	1,301,594,416.81
Accounts payable	4,744,168,373.49	4,036,910,159.14
Accounts received in advance	53,354,398.79	56,943,167.40
Selling financial asset of repurchase		
Commission charge and		

commission payable		
Wage payable	96,127,182.14	164,315,934.17
Taxes payable	112,615,669.79	72,863,480.20
Interest payable	6,111,460.23	6,544,067.19
Dividend payable		
Other accounts payable	576,015,459.88	468,450,153.85
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	7,520,033.19	5,444,858.84
Other current liabilities		
Total current liabilities	8,082,335,997.18	7,326,025,505.34
Non-current liabilities:		
Long-term loans	72,495,172.30	72,495,172.30
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	9,327,331.42	8,394,559.05
Long-term wages payable	2,549,520.00	2,499,100.00
Special accounts payable	1,287,000.00	1,287,000.00
Accrual liabilities		
Deferred income	164,314,411.13	173,099,023.98
Deferred income tax liabilities	23,119,723.98	22,647,074.06
Other non-current liabilities	45,427,343.31	45,427,343.31
Total non-current liabilities	318,520,502.14	325,849,272.70
Total liabilities	8,400,856,499.32	7,651,874,778.04
Owner's equity:		
Share capital	362,631,943.00	362,631,943.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		

Capital public reserve	1,863,894,533.34	1,863,894,533.34
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	181,315,971.50	181,315,971.50
Provision of general risk		
Retained profit	3,244,540,132.49	3,045,551,246.71
Total owner's equity attributable to parent company	5,652,382,580.33	5,453,393,694.55
Minority interests	119,089,735.31	113,081,262.72
Total owner's equity	5,771,472,315.64	5,566,474,957.27
Total liabilities and owner's equity	14,172,328,814.96	13,218,349,735.31

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

## 2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	435,571,746.30	429,437,078.35
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable	6,797,635.32	43,896,287.87
Accounts receivable	606,415,383.70	381,093,808.53
Account paid in advance	1,789,968.89	5,452,046.55
Interest receivable	1,967,461.71	2,053,659.27
Dividends receivable		
Other receivables	1,623,382,771.08	1,613,862,656.17
Inventories	163,105,942.26	182,659,794.51
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	39,482.38	39,482.38
Total current assets	2,839,070,391.64	2,658,494,813.63

Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,805,291,991.34	2,795,231,208.93
Investment property	4,177,792.46	4,379,786.84
Fixed assets	421,747,206.06	391,937,393.50
Construction in progress	98,147,535.71	129,851,067.29
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	35,507,533.83	35,678,610.77
Research and development costs		
Goodwill		
Long-term deferred expenses	7,083,730.42	7,417,691.74
Deferred income tax assets	2,906,189.80	2,906,189.80
Other non-current assets	35,700,861.50	34,856,698.50
Total non-current assets	3,410,562,841.12	3,402,258,647.37
Total assets	6,249,633,232.76	6,060,753,461.00
Current liabilities:		
Short-term borrowings	190,000,000.00	106,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	171,340,931.37	285,394,838.22
Accounts payable	440,401,314.96	292,794,309.39
Accounts received in advance	5,361,477.29	5,841,769.74
Wage payable	15,529,796.84	22,441,125.24
Taxes payable	8,441,746.68	10,770,924.28
Interest payable	352,433.94	354,492.17
Dividend payable		
Other accounts payable	737,363,557.74	680,741,770.79

Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,568,791,258.82	1,404,339,229.83
Non-current liabilities:		
Long-term loans	72,495,172.30	72,495,172.30
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	72,000.00	72,000.00
Special accounts payable	800,000.00	800,000.00
Projected liabilities		
Deferred income	4,949,999.98	5,074,999.99
Deferred income tax liabilities	3,773,319.00	3,773,319.00
Other non-current liabilities		
Total non-current liabilities	82,090,491.28	82,215,491.29
Total liabilities	1,650,881,750.10	1,486,554,721.12
Owners' equity:		
Share capita	362,631,943.00	362,631,943.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,869,692,921.70	1,869,692,921.70
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	181,315,971.50	181,315,971.50
Retained profit	2,185,110,646.46	2,160,557,903.68
Total owner's equity	4,598,751,482.66	4,574,198,739.88
Total liabilities and owner's equity	6,249,633,232.76	6,060,753,461.00

### 3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	7,053,846,519.17	6,261,714,700.23
Including: Operating income	7,053,846,519.17	6,261,714,700.23
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	6,808,388,675.34	6,022,798,273.95
Including: Operating cost	6,519,978,864.87	5,727,401,760.21
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	14,380,933.14	13,110,911.30
Sales expenses	145,882,059.43	149,553,656.91
Administration expenses	103,771,187.01	101,713,713.18
Financial expenses	21,233,905.22	27,144,103.26
Losses of devaluation of asset	3,141,725.67	3,874,129.09
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	10,060,782.41	12,709,847.11
Including: Investment income on affiliated company and joint venture	10,060,782.41	12,709,847.11
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	255,518,626.24	251,626,273.39



Add: Non-operating income	6,777,356.51	5,960,690.37
Including: Disposal gains of non-current asset	1,484,859.51	2,827.43
Less: Non-operating expense	172,206.34	323,927.54
Including: Disposal loss of non-current asset	34,377.22	121,498.58
IV. Total Profit (Loss is listed with “-”)	262,123,776.41	257,263,036.22
Less: Income tax expense	57,126,418.04	55,141,543.92
V. Net profit (Net loss is listed with “-”)	204,997,358.37	202,121,492.30
Net profit attributable to owner’s of parent company	199,027,472.31	197,026,237.82
Minority shareholders’ gains and losses	5,969,886.06	5,095,254.48
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	204,997,358.37	202,121,492.30
Total comprehensive income attributable to owners of parent Company	199,027,472.31	197,026,237.82
Total comprehensive income attributable to minority shareholders	5,969,886.06	5,095,254.48
VIII. Earnings per share:		
(i) Basic earnings per share	0.549	0.543
(ii) Diluted earnings per share	0.549	0.543

Legal Representative: Lin Zhaoxiong

Person in charge of accounting works: Wei Pingxiao

Person in charge of accounting institute: Wang Ying

#### 4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	749,904,714.81	682,110,778.60
Less: Operating cost	722,509,130.22	651,556,733.03
Operating tax and extras	1,619,254.47	1,291,426.07
Sales expenses	10,022,247.07	11,197,849.92
Administration expenses	11,851,048.63	10,188,227.73
Financial expenses	-15,476,187.80	-15,344,108.10
Losses of devaluation of asset	181,694.80	142,228.63
Add: Changing income of fair value(Loss is listed with “-”)		

Investment income (Loss is listed with “-”)	10,060,782.41	12,709,847.11
Including: Investment income on affiliated company and joint venture	10,060,782.41	12,709,847.11
II. Operating profit (Loss is listed with “-”)	29,258,309.83	35,788,268.43
Add: Non-operating income	125,086.40	2.62
Including: Disposal gains of non-current asset		
Less: Non-operating expense		0.01
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	29,383,396.23	35,788,271.04
Less: Income tax expense	4,830,653.45	5,769,605.99
IV. Net profit (Net loss is listed with “-”)	24,552,742.78	30,018,665.05
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of		

available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	24,552,742.78	30,018,665.05
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	6,388,288,249.42	6,225,835,431.92
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured		

by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	4,086,750.89	333,471.38
Other cash received concerning operating activities	23,407,284.10	29,217,661.76
Subtotal of cash inflow arising from operating activities	6,415,782,284.41	6,255,386,565.06
Cash paid for purchasing commodities and receiving labor service	6,089,255,619.56	5,644,089,272.34
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	230,667,038.12	215,442,209.33
Taxes paid	139,883,077.94	132,719,577.58
Other cash paid concerning operating activities	56,438,014.78	80,955,899.11
Subtotal of cash outflow arising from operating activities	6,516,243,750.40	6,073,206,958.36
Net cash flows arising from operating activities	-100,461,465.99	182,179,606.70
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		

Net cash received from disposal of fixed, intangible and other long-term assets	2,149,217.61	22,330.68
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	2,149,217.61	22,330.68
Cash paid for purchasing fixed, intangible and other long-term assets	31,818,451.80	49,381,727.56
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	26,754,358.77	252,000.00
Subtotal of cash outflow from investing activities	58,572,810.57	49,633,727.56
Net cash flows arising from investing activities	-56,423,592.96	-49,611,396.88
III. Cash flows arising from financing activities		
Cash received from absorbing investment		1,470,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		1,470,000.00
Cash received from loans	46,309,896.11	
Cash received from issuing bonds		
Other cash received concerning financing activities	112,026,204.05	
Subtotal of cash inflow from financing activities	158,336,100.16	1,470,000.00
Cash paid for settling debts	80,100,000.00	63,839,764.78
Cash paid for dividend and profit distributing or interest paying	19,157,310.80	25,275,601.52
Including: Dividend and profit of		

minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	1,082,001.86	29,012,559.76
Subtotal of cash outflow from financing activities	100,339,312.66	118,127,926.06
Net cash flows arising from financing activities	57,996,787.50	-116,657,926.06
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		9,250.41
V. Net increase of cash and cash equivalents	-98,888,271.45	15,919,534.17
Add: Balance of cash and cash equivalents at the period -begin	1,569,226,304.36	854,212,006.84
VI. Balance of cash and cash equivalents at the period -end	1,470,338,032.91	870,131,541.01

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	649,815,583.17	711,445,698.87
Write-back of tax received		
Other cash received concerning operating activities	7,378,429.80	3,324,178.44
Subtotal of cash inflow arising from operating activities	657,194,012.97	714,769,877.31
Cash paid for purchasing commodities and receiving labor service	660,517,729.80	697,915,966.60
Cash paid to/for staff and workers	21,139,613.30	18,182,948.12
Taxes paid	12,632,832.46	6,338,325.38
Other cash paid concerning operating activities	3,957,308.12	8,502,230.29

Subtotal of cash outflow arising from operating activities	698,247,483.68	730,939,470.39
Net cash flows arising from operating activities	-41,053,470.71	-16,169,593.08
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	17,461,541.74	15,334,120.54
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	524,540,000.00	735,380,315.47
Subtotal of cash inflow from investing activities	542,001,541.74	750,714,436.01
Cash paid for purchasing fixed, intangible and other long-term assets	16,955,491.97	43,164,474.15
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	551,283,252.00	765,721,572.00
Subtotal of cash outflow from investing activities	568,238,743.97	808,886,046.15
Net cash flows arising from investing activities	-26,237,202.23	-58,171,610.14
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	80,100,000.00	57,656,125.85
Cash received from issuing bonds		
Other cash received concerning financing activities	1,356,395,860.16	



Subtotal of cash inflow from financing activities	1,436,495,860.16	57,656,125.85
Cash paid for settling debts	80,100,000.00	10,000,000.00
Cash paid for dividend and profit distributing or interest paying	2,805,513.22	4,011,288.08
Other cash paid concerning financing activities	1,280,165,006.05	2,000,160.00
Subtotal of cash outflow from financing activities	1,363,070,519.27	16,011,448.08
Net cash flows arising from financing activities	73,425,340.89	41,644,677.77
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	6,134,667.95	-32,696,525.45
Add: Balance of cash and cash equivalents at the period -begin	429,437,078.35	257,173,314.81
VI. Balance of cash and cash equivalents at the period -end	435,571,746.30	224,476,789.36

## II. Audit report

Whether the first quarterly report had been audited or not

Yes  No

The first quarterly report of the Company had not been audited.