

Shenzhen Accord Pharmaceutical Co., Ltd.

The Third Quarterly Report for 2009

(Full Text)

§1. Important Notes

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

1.2 The Third Quarterly Financial Report of 2009 has not been audited by CPAs.

1.3 Chairman of the Board Mr. Shi Jinming, General Manager Mr. Yan Zhigang, CFO Mr. Wei Pingxiao and Financial Manager Mr. Chi Guoguang hereby confirm that the Financial Report of the Third Quarterly Report is true and complete.

§2. Company Profile

2.1 Main accounting highlights and financial indexes:

Unit: RMB

	Sep. 30, 2009	Dec. 31, 2008	Increase/decrease scope (%)	
Total assets (RMB)	5,012,704,506.58	3,923,236,768.25	27.77%	
Owners' equities attributable to the shareholders of listed company (RMB)	783,305,066.11	658,006,016.89	19.04%	
Share capital (Share)	288,149,400.00	288,149,400.00	0.00%	
Net assets per share attributable to the shareholders of listed company (RMB/Share)	2.718	2.284	19.00%	
	July-Sep. 2009	Increase/decrease over the same period of the last year (%)	Jan.-Sep. 2009	Increase/decrease over the same period of the last year (%)
Total operating income (RMB)	2,941,569,733.45	27.72%	7,980,050,403.66	24.95%
Net profit attributable to the shareholders of listed company (RMB)	47,257,233.24	5.29%	146,041,128.28	17.99%
Net cash flow arising from operating activities (RMB)	-	-	194,251,374.04	14.87%
Net cash flow arising from operating activities per share (RMB/Share)	-	-	0.674	14.87%
Basic earnings per share (RMB/Share)	0.164	5.13%	0.507	17.91%
Diluted earnings per share (RMB/Share)	0.164	5.13%	0.507	17.91%
Return on equity (%)	6.03%	-1.04%	18.64%	-0.85%
Return on equity after deducting non-recurring gains and losses (%)	5.72%	-0.48%	16.54%	-0.50%

Unit: RMB

Items of non-recurring gains and losses	Amount from year begin to the end of report period	Remarks
Gains and losses from the disposal of non-current asset	13,772,974.57	Including disposed the equity income of retails such as Guangdong Accord Drugstore Co., Ltd. and Guangxi Accord Drugstore Chains Co., Ltd.
Governmental subsidy calculated into current gains and losses, while closely related with the business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard	1,126,000.00	
Current net gains/losses of subsidiaries from period-begin to consolidated date occurred by enterprise merger under the same control	2,483,497.55	Net profit as of Jan.-June from purchasing enterprise--Sinopharm Medicine Holding Nanning Co., Ltd. under the same control
Other non-operating income and expense excluded the aforementioned business	3,775,072.52	
Influenced amount of minority shareholders' gains/losses	-2,368,159.20	
Impact on income tax	-2,315,593.49	
Total	16,473,791.95	-

2.2 Total number of shareholders at the end of the report period and shares held by the top ten shareholders with unrestricted conditions

Unit: Share

Total number of shareholders at the end of report period	15,112	
Particulars about the shares held by the top ten shareholders with unrestricted conditions		
Full Name of shareholder	Unrestricted shares held	Type of shares
SINOPHARM MEDICINE HOLDING CO., LTD.	110,459,748	RMB common share
BANK OF CHINA — HARVEST THEME SELECTED MIXED FUND	9,648,454	RMB common share
AGRICULTURAL BANK OF CHINA — GREATWALL ANXIN RETURN MIXED FUND	7,721,844	RMB common share
BANK OF CHINA — FRANKLIN TEMPLETON SEALAND POTENTIAL COMBINATION FUND	7,050,317	RMB common share
PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD. — TRADITION — GENERAL INSURANCE PRODUCTS	6,112,804	RMB common share
BANK OF CHINA — HARVEST RESEARCH SELECTED STOCK FUND	5,400,000	RMB common share
CHINA INDUSTRIAL AND COMMERCIAL B	4,963,365	RMB common share

ANK—BOSHI SELECTIVE STOCK FUND		
AGRICULTURAL BANK OF CHINA — FRANKLIN TEMPLETON SEALAND FLEX CAP FUND	4,949,136	RMB common share
CHINA INDUSTRIAL AND COMMERCIAL BANK—GUANGFA JUFENG STOCK FUND	4,670,215	RMB common share
BANK OF COMMUNICATIONS — HUAAN STRATEGIC SELECTED STOCK FUND	3,500,000	RMB common share

§3. Significant events

3.1 Particulars about material changes in items of main accounting statement and financial index, and explanations of reasons

Applicable Inapplicable

1. Account receivable: the amount for period-end was RMB 2,505.14 million, 33.87% up over that of year-begin. Main reasons accounting for the growth: at one side, the effect of integrated operation integrating Guangdong and Guangxi provinces began to show up, because expansion of sale scale resulted in increase of accounts receivable; at another side, purchasing the subsidiary-Zhijun Wanqing also made the Company increase accounts receivable at period-end over that of year-begin.
2. Account paid in advance: the amount for period-end was RMB 65.81 million, 52.54% up over that of year-begin. Main reason accounting for the growth: purchasing the subsidiary-Zhijun Wanqing also made the Company increase accounts paid in advance at period-end over that of year-begin.
3. Other receivable: the amount for period-end was RMB 37.07 million, 32.24% down over that of year-begin. Main reason accounting for the decline: Sinopharm Nanning, the subsidiary of the Company, collected back the current money totaling to RMB 20.08 million from Nanning Medicine Wholesale Station in 2009.
4. Investment real estate: the amount for period-end was RMB 38.31 million, 67.68% up over that of year-begin. Main reason accounting for the growth: the Company and its underlying subsidiaries-Jianmin Medicine and Zhijun Pharmaceuticals increased house properties available for external lease.
5. Construction in process: the amount for period-end was RMB 30.24 million, 61.12% up over that of year-begin. Main reason accounting for the growth: account was input by Zhijun Pharmaceuticals for newly constructing workshop producing cephalo solid; expenditure was made by Zhijun Wanqing to reconstruct the old buildings.
6. Intangible assets: the amount for period-end was RMB 98.48 million, 70.95% up over that of year-begin. Main reason accounting for the growth: that the Company purchased its subsidiary-Zhijun Wanqing resulted in increase of intangible assets at period-end over that of year-begin.
7. Long-term deferred expense: the amount for period-end was RMB 10.1 million, 40.82% down over that of year-begin. Main reason accounting for the decline: the Company and its subsidiary-Sinopharm Liuzhou transferred 4 retailers.
8. Short-term loans: the amount for period-end was RMB 848.91 million, 115.65% up over that of year-begin. Main reason accounting for the growth: line of credit permitted by bank was increased to support business development which had requirement for capital input in some degree; meanwhile, expansion of sale scale brought in increase of discount of notes.
9. Account payable: the amount for period-end was RMB 1,958.67 million, 36.70% up over that of year-begin. Main reason accounting for the growth: the good growth tendency of sales drove increase of purchase.
10. Account received in advance: the amount for period-end was RMB 29.45 million, 56.88% up over

that of year-begin. Main reason accounting for the growth: increase of sales brought along increase of account paid in advance.

11. Tax payable: the amount for period-end was RMB 32.52 million, 115.07% up over that of year-begin. Main reason accounting for the growth: the great rising sales income correspondingly brought increase of VAT payable.

12. Dividend payable: the amount for period-end was RMB 2 million, 69.91% down over that of year-begin. Main reason accounting for the decline: at period-begin, the Company owed dividend worth of RMB 3.75 million to China Medicine Group Shanghai Company, the original minor shareholder of Sinopharm Guangzhou; Sinopharm Nanning-the subsidiary of the Company, owed dividend worth of RMB 2.9 million to Sinopharm Holdings Co., Ltd. and Sinopharm Group Medicine Holding (Shanghai) Co., Ltd. The two dividends were all paid in this report period.

13. Other payable: the amount for period-end was RMB 195.61 million, 36.58% down over that of year-begin. Main reason accounting for the decline: the loan totaling to RMB 60 million that the Company owed to Sinopharm Holdings and the account of RMB 15.33 million that the Company owed to China Medicine Group (Shanghai) Co., Ltd. arising from purchasing 10% equities of Sinopharm Guangzhou were included in the amount for period-begin, and in this report period, the two accounts were paid off; besides, through selling the retailing equities of Guangdong Accord, the Company brought down other payable with RMB 12.74 million at period-end over that of year-begin.

14. Non-current liability due within one year: the amount for period-end was RMB 0, 100% down over that of year-begin. Main reason accounting for the decline: the long-term loan provided by Anlian Branch of China Merchants Bank for the Company's subsidiary-Zhijun Pharmaceuticals at period-begin was due within one year, and had turned to be short-term loan in this report period.

15. Long-term loan: the amount for period-end was RMB 60 million, 100% up over that of year-begin. Main reason accounting for the growth: the Company's subsidiary-Zhijun Pharmaceuticals newly applied for long-term loan totaling to RMB 30 million from Anlian Branch of China Merchants Bank in this report period.

16. Special payable: the amount for period-end was RMB 1.24 million, 54.38% up over that of year-begin. Main reason accounting for the growth: the Company's subsidiary-Zhijun Pharmaceuticals obtained encouragement account for industry technical progress as expense used for developing ERP system.

17. Deferred income tax liabilities: the amount for period-end was RMB 17.52 million, 43.94% up over that of year-begin. Main reason accounting for the growth: because the Company adopted fair value statement when consolidating Zhijun Wanqing, temporary balance existed between its taxing base and fair value of various identifiable assets and liabilities.

18. Capital reserve: the amount for period-end was RMB 5.03 million, 85.44% down over that of year-begin. Main reason accounting for the decline: as the Company purchased Sinopharm Nanning-the subsidiary under the same control, accountings were made according to relevant regulations of Accounting Standards for Enterprise No. 20-Enterprise Merger.

19. Undistributed profit: the amount for period-end was RMB 480.82 million, 47.70% up over that of year-begin. Main reasons accounting for the growth:

(1)Net profit attributable to parent company totaling to RMB 146.04 million was made in this report period.

(2)In this report period, the Company transferred 100% equities of Guangdong Accord Drug Store Co., Ltd. whose wholly-owned subsidiaries-Shenzhen Accord Medicine Chain Co., Ltd. and Guangzhou Accord Drug Store Chain Co., Ltd. were in series losses. The unconfirmed investment loss occurred before Dec. 31st of 2006 was directly written into owners' gains and losses, totaling to RMB 39.66 million.

(3)Profit Distribution scheme for 2008 was discussed and approved in the 2008 Shareholders' General

Meeting of the Company held on Apr. 13th of 2009. Dividend totaling to RMB 28.82 million was cashed in this report period.

20. Minor shareholders' equity: the amount for period-end was RMB 53.19 million, 148.73% up over that of year-begin. Main reason accounting for the growth: Purchasing 75% equities of its subsidiary-Zhijun Wanqing, the Company brought along increase in minor shareholders' equity.

21. Operating tax and extras in this period was RMB 10.04 million, which increased 46.70% compared with that in the same period of last year. The main reason was that: the business scale of the Company enlarged and tax increased.

22. The assets impairment losses in this period were RMB 3.57 million, which increased 283.19% compared with that in the same period of last year. The main reason was that: the impairment provision of account receivable withdrawal in this period increased.

23. The investment income in this period was RMB 28.18 million, which increased 154.49% compared with that in the same period of last year. The main reason was that: on the one hand, the affiliated company –Shenzhen Main Luck Pharmaceuticals INC had good operation performance, which caused the increase of investment income; on the other hand, the Company transferred equities of Guangdong Accord Drugstore Co., Ltd. and Guangxi Accord Drugstore Chains Co., Ltd. and gained good investment income.

24. Non-operating income in this period was RMB 7.02 million, which decreased 56.28% compared with that in the same period of last year. The main reason was that: the subsidiary company –Shenzhen Zhijun Pharmaceutical Co., Ltd. gained government subsidy including scientific research outlay and had good income from selling old real estate in the same period of last year.

25. Income tax in this period was RMB 47.72 million, which increased 59.06% compared with that in the same period of last year. The main reason was that: on the one hand, the profit level was raised which caused increase of income tax; on the other hand, selling retail equity and internal transferring equity caused increase of income tax.

26. Minority shareholders' gains and losses in this period was RMB 4.47 million, which decreased 41.37% compared with that in the same period of last year. The main reason was that: China National Pharmaceutical Group Shanghai Company held 10% equities of the subsidiary of the Company –Sinopharm Medicine Holding Guangzhou Co., Ltd.

27. Other cash received concerning operating activities in this period was RMB 125.36 million, which increased 33.74% compared with that in the same period of last year. The main reason was that: on the one hand, the sales scale of the Company enlarged, which caused the increase of Other cash received concerning operating activities; on the other hand, the purchased subsidiary company – Zhijun Wanqing also had some influence on it.

28. The taxes paid in this period were RMB 161.3 million, which increased 31.48% compared with that in the same period of last year. The main reason was that: on the one hand, the sales scale of the Company enlarged and the profit level was raised, which caused the increase of taxes; on the other hand, the purchased subsidiary company – Zhijun Wanqing also had some influence on it.

29. The cash received from investment income in this period was RMB 3,600, which decreased 99.92% compared with that in the same period of last year. The main reason was that: the affiliated enterprise –Shenzhen Main Luck Pharmaceuticals INC did not distribute dividends in this period.

30. Net cash received from disposal of fixed, intangible and other long-term assets in this period was RMB 5.48 million, which decreased 44.90% compared with that in the same period of last year. The main reason was that: the subsidiary company –Shenzhen Zhijun Pharmaceutical Co., Ltd. removed its factory and disposed old assets in the same period of last year.

31. Net cash received from disposal of subsidiaries and other units in this period was RMB 59.96 million, which increased 100% compared with that in the same period of last year. The main reason was that: the Company received payment of transferring equity in this period.

32. Cash paid for investment in this period was RMB 0, which decreased RMB 15.33 million with the decrease rate of 100% compared with that in the same period of last year. The main reason was that: t

he Company paid the account of purchasing 10% equity of subsidiary company - Sinopharm Medicine Holding Guangzhou Co., Ltd. in the same period of last year.

33. Net cash paid by the subsidiaries and other units in this period was RMB 105.63 million, which increased 2,012.59% compared with that in the same period of last year. The main reason was that: the Company paid the account of purchasing 75% equities of Zhijun Wanqing and 100% equities of Dongguan Accord in this period.

34. Cash received from the loans in this period was RMB 601.45 million, which increased 59.16% compared with that in the same period of last year. The main reason was that: the Company and underlying subsidiaries increased bank line of credit to support business development.

35. Other cash received concerning operating activities in this period was RMB 222.56 million, which increased 160.69% compared with that in the same period of last year. The main reason was that: the Company received loan from Sinopharm and Sinopharm increased special capital for earthquake disaster relief.

36. Cash paid for dividend and profit distributing or interest paying in this period was RMB 66.21 million, which increased 108.56% compared with that in the same period of last year. The main reason was that: the Company distributed cash dividends of RMB 28.82 million in this period; the subsidiary company – Sinopharm Liuzhou paid dividends of RMB 4.9 million to minority shareholders.

37. Other cash paid concerning financing activities in this period was RMB 365.44 million, which increased 2,419.38% compared with that in the same period of last year. The main reason was that: the loan that the Company paid back to Sinopharm increased.

3.2 Progress of significant events, their influences, and analysis and explanation of their solutions

Applicable Inapplicable

3.3 Implementations of commitments by the Company, shareholders and actual controller

Applicable Inapplicable

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

Applicable Inapplicable

3.5 Particulars about the other significant events which needed explanations

On June 19, 2009, the Company purchased the enterprise Sinopharm Medicine Holding Nanning Co., Ltd. under the same control, in accordance with the regulations of Accounting Standard for Business Enterprises No. 20 - Business Combinations, the Company made adjustments on comparative statements as of Sep. 2008. The retroactive adjustments included that to increase the total profit and net profit attributable to owners of parent company from Jan. to Sep. of 2008 both with the amount of RMB 2,984,014.58, and also to increase the equities attributable to owners of parent company and total assets at the end of Sep. of year 2008 both with the amount of RMB 29,954,560.70.

3.5.1 Activities on receiving research, communication and interview in the report period

In the report period, there were no receiving spot research, communication and written inquiry from the investors.

3.6 Particulars about derivatives investment

Applicable Inapplicable

3.6.1 Particulars about the positions of derivatives investment at the end of report period

Applicable Inapplicable

§4. Appendix

4.1 Balance sheet

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

Sep. 30, 2009

Unit: RMB

Items	Balance at period-end		Balance at year-begin	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	459,477,701.64	108,603,186.61	381,663,418.93	62,369,583.65
Settlement provisions				
Capital lent				
Transaction finance asset				
Notes receivable	233,922,206.31	5,353,557.80	213,830,030.45	254,500.00
Accounts receivable	2,505,138,257.78	315,581,400.64	1,871,252,754.52	243,301,803.10
Accounts paid in advance	65,811,460.98	5,851,313.64	43,142,735.93	4,919,683.46
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivable				
Dividend receivable				
Other receivables	37,066,289.76	510,404,927.49	54,701,481.63	242,415,823.08
Purchase restituted finance asset				
Inventories	952,126,620.00	109,009,704.76	752,146,181.21	94,249,578.90
Non-current asset due within one year				
Other current assets				
Total current assets	4,253,542,536.47	1,054,804,090.94	3,316,736,602.67	647,510,972.19
Non-current assets:				
Granted loans and advances				
Finance asset available for sales				
Held-to-maturity investment				
Long-term account receivable				
Long-term equity investment	81,646,339.88	648,542,708.24	69,578,981.80	323,756,562.92
Investment property	38,311,405.70	7,793,564.98	22,848,031.69	2,140,353.75
Fixed assets	414,143,772.22	28,610,334.42	376,881,334.49	36,732,350.96
Construction in progress	30,236,762.63	253,886.24	18,766,355.77	253,886.24
Engineering material				

Disposal of fixed asset	345,230.59			
Productive biological asset				
Oil and gas asset				
Intangible assets	98,479,037.87	29,897,007.38	57,607,282.99	30,622,772.31
Expense on Research and Development	235,375.01			
Goodwill	39,668,174.87			
Long-term expenses to be apportioned	10,097,192.61	105,614.15	17,061,272.11	276,057.82
Deferred income tax asset	8,909,241.15		10,716,504.87	
Other non-current asset	37,089,437.58		33,040,401.86	
Total non-current asset	759,161,970.11	715,203,115.41	606,500,165.58	393,781,984.00
Total assets	5,012,704,506.58	1,770,007,206.35	3,923,236,768.25	1,041,292,956.19
Current liabilities:				
Short-term loans	848,909,407.55	389,346,020.94	393,660,380.07	80,171,729.25
Loan from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed				
Transaction financial liabilities				
Notes payable	907,502,311.66	143,981,976.96	838,537,721.27	129,298,292.87
Accounts payable	1,958,667,182.92	328,239,815.80	1,432,873,603.58	268,335,731.42
Accounts received in advance	29,449,996.30	6,936,576.68	18,771,893.29	4,626,342.73
Selling financial asset of repurchase				
Commission charge and commission payable				
Wage payable	77,911,440.12	18,057,013.80	86,764,697.85	14,678,407.64
Taxes payable	32,521,348.85	994,720.93	15,121,308.90	-963,780.92
Interest payable	236,469.51		742,393.70	39,700.00
Dividend payable	2,000,000.00		6,646,096.98	
Other accounts payable	195,606,406.81	327,097,121.10	308,422,007.24	119,209,791.88
Reinsurance payables				
Insurance contract reserve				
Security trading of agency				
Security sales of agency				
Non-current liabilities due within 1 year			57,720,000.00	
Other current liabilities				
Total current liabilities	4,052,804,563.72	1,214,653,246.21	3,159,260,102.88	615,396,214.87
Non-current liabilities:				
Long-term loans	60,000,000.00		30,000,000.00	

Bonds payable				
Long-term payable account	47,329.80		51,261.00	
Special payable accounts	1,235,000.00	800,000.00	800,000.00	800,000.00
Projected liabilities				
Deferred income tax liabilities	17,523,546.32		12,174,180.87	
Other non-current liabilities	44,602,343.31		41,561,743.31	
Total non-current liabilities	123,408,219.43	800,000.00	84,587,185.18	800,000.00
Total liabilities	4,176,212,783.15	1,215,453,246.21	3,243,847,288.06	616,196,214.87
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	288,149,400.00	288,149,400.00	288,149,400.00	288,149,400.00
Capital public reserve	5,030,338.57	2,508,769.94	34,555,838.57	2,508,769.94
Less: Inventory shares				
Reasonable reserve				
Surplus public reserve	9,303,064.31		9,761,340.26	12,781,301.82
Provision of general risk				
Retained profit	480,822,263.23	263,895,790.20	325,539,438.06	121,657,269.56
Balance difference of foreign currency translation				
Total owner's equity attributable to parent company	783,305,066.11	554,553,960.14	658,006,016.89	425,096,741.32
Minority interests	53,186,657.32		21,383,463.30	
Total owner's equity	836,491,723.43	554,553,960.14	679,389,480.19	425,096,741.32
Total liabilities and owner's equity	5,012,704,506.58	1,770,007,206.35	3,923,236,768.25	1,041,292,956.19

4.2 Profit statement in the report period

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

July-Sep. 2009

Unit: RMB

Items	This period		The same period of last year	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total operating income	2,941,569,733.45	467,728,309.42	2,303,099,254.06	370,371,196.21
Including: Operating income	2,941,569,733.45	467,728,309.42	2,303,099,254.06	370,371,196.21
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	2,890,320,255.02	477,006,769.22	2,255,951,614.70	370,766,632.15
Including: Operating cost	2,712,354,268.70	446,402,131.77	2,097,944,291.68	353,086,535.46
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	4,057,000.33	190,521.36	2,401,463.69	159,952.65
Sales expenses	89,974,563.91	13,589,463.90	84,932,098.12	9,133,698.14
Administration expenses	73,839,778.99	17,109,719.55	55,954,038.42	9,322,855.61
Financial expenses	11,970,901.86	529,192.74	12,603,145.61	-551,274.07
Losses of devaluation of asset	-1,876,258.77	-814,260.10	2,116,577.18	-385,135.64
Add: Changing income of fair value(Loss is listed with "-")				
Investment income (Loss is listed with "-")	5,429,118.58	5,519,440.86	4,443,455.94	-522,839.61
Including: Investment income on affiliated company and joint venture	5,401,918.58	6,054,926.30	4,350,660.33	-522,839.61
Exchange income (Loss is listed with "-")				
III. Operating profit (Loss is listed with "-")	56,678,597.01	-3,759,018.94	51,591,095.30	-918,275.55
Add: Non-operating income	4,759,234.61	36,285.78	5,897,021.02	-904.43
Less: Non-operating expense	620,984.43	127,521.33	298,766.09	22,314.84
Including: Disposal loss of non-current asset	298,873.13		6,822.32	6,279.81
IV. Total Profit (Loss is listed with "-")	60,816,847.19	-3,850,254.49	57,189,350.23	-941,494.82
Less: Income tax expense	13,695,178.54	0.00	10,037,511.78	0.00
V. Net profit (Net loss is listed with "-")	47,121,668.65	-3,850,254.49	47,151,838.45	-941,494.82
Net profit attributable to owner's of parent company	47,257,233.24		44,881,722.00	
Minority shareholders' gains and losses	-135,564.59		2,270,116.45	
VI. Earnings per share				
i. Basic earnings per share	0.164		0.156	
ii. Diluted earnings per share	0.164		0.156	
VII. Other consolidated income	0.00	0.00	0.00	0.00
VIII. Total consolidated income	47,121,668.65	-3,850,254.49	47,151,838.45	-941,494.82
Total consolidated income attributable to owners of parent company	47,257,233.24	-3,850,254.49	44,881,722.00	-941,494.82
Total consolidated income attr	-135,564.59		2,270,116.45	

attributable to minority shareholders				
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4.3 Profit statement from year-begin to the end of report period

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

Jan.-Sep. 2009

Unit: RMB

Items	Amount in this period		Amount in last period	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total operating income	7,980,050,403.66	1,225,195,086.08	6,386,831,502.85	1,023,791,986.76
Including: Operating income	7,980,050,403.66	1,225,195,086.08	6,386,831,502.85	1,023,791,986.76
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	7,816,161,735.87	1,239,315,003.21	6,251,573,903.95	1,028,488,777.16
Including: Operating cost	7,315,862,811.08	1,165,229,619.38	5,819,458,757.89	971,580,358.70
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	10,043,792.54	625,947.30	6,846,607.32	369,484.15
Sales expenses	269,470,926.25	36,018,165.82	221,560,424.63	28,082,362.89
Administration expenses	184,279,042.10	36,337,439.66	164,853,795.70	29,210,613.53
Financial expenses	32,939,041.26	1,145,166.39	40,801,032.05	243,813.59
Losses of devaluation of asset	3,566,122.64	-41,335.34	-1,946,713.64	-997,855.70
Add: Changing income of fair value(Loss is listed with "-")				
Investment income (Loss is listed with "-")	28,184,939.50	201,354,432.16	11,074,942.97	64,597,830.49
Including: Investment income on affiliated company and joint venture	13,962,258.08	8,988,411.39	10,982,146.36	-121,884.46
Exchange income (Loss is listed with "-")				
III. Operating profit (Loss is listed with "-")	192,073,607.29	187,234,515.03	146,332,541.87	59,901,040.09
Add: Non-operating income	7,021,260.69	61,658.77	16,060,626.48	2,943,168.97
Less: Non-operating expense	868,008.15	144,218.18	997,352.16	35,804.25
Including: Disposal loss of non-current asset	477,000.49	6,568.35	120,002.55	19,769.22

IV. Total Profit (Loss is listed with “-”)	198,226,859.83	187,151,955.62	161,395,816.19	62,808,404.81
Less: Income tax expense	47,718,003.48		30,000,007.15	
V. Net profit (Net loss is listed with “-”)	150,508,856.35	187,151,955.62	131,395,809.04	62,808,404.81
Net profit attributable to owner’s of parent company	146,041,128.28		123,776,036.37	
Minority shareholders’ gains and losses	4,467,728.07		7,619,772.67	
VI. Earnings per share				
i. Basic earnings per share	0.507		0.430	
ii. Diluted earnings per share	0.507		0.430	
VII. Other consolidated income	39,664,537.80	0.00	0.00	0.00
VIII. Total consolidated income	190,173,394.15	187,151,955.62	131,395,809.04	62,808,404.81
Total consolidated income attributable to owners of parent company	185,705,666.08	187,151,955.62	123,776,036.37	62,808,404.81
Total consolidated income attributable to minority shareholders	4,467,728.07		7,619,772.67	

4.4 Cash flow statement from year-begin to the end of report period

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

Jan.-Sep. 2009

Unit: RMB

Items	Amount in this period		Amount in last period	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	7,977,047,905.46	1,360,053,725.45	6,257,631,364.50	1,094,671,846.63
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 disposal of transaction financial asset				
Cash received from interest, commission charge and commission				
Net increase of capital borrowed				
Net increase of returned b				

business capital				
Write-back of tax received	474,228.60		1,064,393.78	158,445.78
Other cash received concerning operating activities	125,357,181.73	15,311,811.92	93,733,884.42	15,095,244.53
Subtotal of cash inflow arising from operating activities	8,102,879,315.79	1,375,365,537.37	6,352,429,642.70	1,109,925,536.94
Cash paid for purchasing commodities and receiving labor service	7,185,564,042.27	1,168,997,713.26	5,577,916,510.20	999,728,338.07
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	246,701,716.47	24,910,442.20	225,248,918.36	29,704,070.40
Taxes paid	161,301,290.34	15,967,727.50	122,683,060.35	10,618,326.53
Other cash paid concerning operating activities	315,060,892.67	35,501,413.54	257,479,266.01	37,336,498.43
Subtotal of cash outflow arising from operating activities	7,908,627,941.75	1,245,377,296.50	6,183,327,754.92	1,077,387,233.43
Net cash flows arising from operating activities	194,251,374.04	129,988,240.87	169,101,887.78	32,538,303.51
II. Cash flows arising from investing activities:				
Cash received from recovering investment				
Cash received from investment income	3,618.16	77,532,274.50	4,534,232.28	111,580,624.49
Net cash received from disposal of fixed, intangible and other long-term assets	5,479,195.98	5,243,565.12	9,944,652.63	9,100.00
Net cash received from disposal of subsidiaries and other units	59,957,664.50	65,613,100.00		
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	65,440,478.64	148,388,939.62	14,478,884.91	111,589,724.49
Cash paid for purchasing fixed, intangible and other long-term assets	69,151,624.75	2,598,675.87	72,856,821.63	1,338,240.00
Cash paid for investment			15,330,550.00	15,330,550.00
Net increase of mortgaged loans				
Net cash received from su	105,629,510.42	171,581,650.00	5,000,000.00	5,002,978.49

bsidiaries and other units				
Other cash paid concerning investing activities	2,067,342.50	17,877,392.31		
Subtotal of cash outflow from investing activities	176,848,477.67	192,057,718.18	93,187,371.63	21,671,768.49
Net cash flows arising from investing activities	-111,407,999.03	-43,668,778.56	-78,708,486.72	89,917,956.00
III. Cash flows arising from financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' investment by subsidiaries				
Cash received from loans	601,449,691.57	310,000,000.00	377,894,752.00	125,000,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities	222,557,942.67	798,282,567.20	85,371,242.64	214,954,113.01
Subtotal of cash inflow from financing activities	824,007,634.24	1,108,282,567.20	463,265,994.64	339,954,113.01
Cash paid for settling debts	397,381,770.26	90,000,000.00	370,000,000.00	125,000,000.00
Cash paid for dividend and profit distributing or interest paying	66,214,037.21	33,664,641.61	31,747,776.27	2,233,014.09
Including: Dividend and profit of minority shareholder paid by subsidiaries	4,900,000.00		0.00	
Other cash paid concerning financing activities	365,440,872.21	1,024,703,784.94	14,505,172.13	294,869,408.49
Subtotal of cash outflow from financing activities	829,036,679.68	1,148,368,426.55	416,252,948.40	422,102,422.58
Net cash flows arising from financing activities	-5,029,045.44	-40,085,859.35	47,013,046.24	-82,148,309.57
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-46.86		-119.34	-119.34
V. Net increase of cash and cash equivalents	77,814,282.71	46,233,602.96	137,406,327.96	40,307,830.60
Add: Balance of cash and cash equivalents at the period -begin	381,663,418.93	62,369,583.65	279,912,364.29	54,841,676.10
VI. Balance of cash and cash equivalents at the period -end	459,477,701.64	108,603,186.61	417,318,692.25	95,149,506.70

4.5 Auditor's report

Auditor's opinions: Un-audited