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国药集团
SINOPHARM

國藥控股股份有限公司 SINOPHARM GROUP CO. LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國控股份有限公司)

(Stock Code: 01099)

ANNOUNCEMENT

Pursuant to the rules of the National Association of Financial Market Institutional Investors and the Shanghai Stock Exchange, Sinopharm Group Co. Ltd. (the “**Company**”) is required to publish the quarterly financial information of the Company and its subsidiaries (the “**Group**”) which consists of consolidated balance sheet, consolidated income statement and consolidated cash flow statement of the Group, and to publish the quarterly financial information of the Company which consists of balance sheet, income statement and cash flow statement of the Company.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company is pleased to announce the unaudited financial information of the Group and of the Company for the three months ended 31 March 2021 prepared in accordance with the PRC GAAP.

CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2021

Consolidated Balance Sheet of the Group as at 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	As at 31 March 2021	As at 31 December 2020
Current assets:		
Cash at bank and on hand	38,164,724,855.84	60,207,957,839.70
Financial assets held for trading	165,920.00	39,141,100.00
Notes receivables	3,228,646,864.39	3,599,818,264.54
Accounts receivables	169,512,304,976.24	134,119,982,689.75
Accounts receivable financing	6,505,820,888.87	7,617,162,136.93
Advances to suppliers	9,618,237,352.87	8,118,099,408.10
Other receivables	6,493,676,360.18	4,877,783,036.98
Inventories	50,367,486,552.55	45,991,646,067.42
Contract assets	820,978,177.91	711,113,605.13
Non-current assets held for sale	-	19,345,019.50
Current portion of non-current assets	196,007,663.58	227,153,293.15
Other current assets	781,709,212.31	984,944,632.48
Total current assets	285,689,758,824.74	266,514,147,093.68
Non-current assets:		
Long-term receivables	2,677,525,004.78	2,761,051,904.14
Long-term equity investments	7,952,950,311.59	7,770,772,793.84
Other equity instrument investment	77,528,625.93	87,353,207.56
Other non-current financial assets	615,767,825.22	614,749,735.22
Investment properties	1,020,214,014.71	1,043,755,175.79
Fixed assets	10,395,111,455.12	10,505,811,911.81
Construction in progress	573,462,918.30	519,847,032.85
Right-of-use assets	4,949,498,243.50	4,998,165,462.18
Intangible assets	4,767,822,896.96	4,780,867,326.56
Development costs	81,027,188.78	81,261,402.17
Goodwill	7,515,886,926.19	7,238,739,391.36
Long-term prepaid expenses	1,224,318,460.93	1,170,986,117.91
Deferred tax assets	1,541,428,022.98	1,495,767,976.19
Other non-current assets	1,831,942,548.32	1,496,862,337.62
Total non-current assets	45,224,484,443.31	44,565,991,775.20
Total assets	330,914,243,268.05	311,080,138,868.88

Consolidated Balance Sheet of the Group as at 31 March 2021 (continued)

(All amounts in RMB unless otherwise stated)

Items	As at 31 March 2021	As at 31 December 2020
Current liabilities:		
Short-term borrowings	53,842,173,900.86	45,955,005,694.37
Notes payables	30,263,935,312.66	33,944,973,994.11
Accounts payables	82,962,841,671.38	78,687,418,781.11
Advance from customers	2,782,661.23	13,578,452.73
Contract liabilities	8,173,303,146.75	7,310,215,624.43
Employee benefits payable	1,351,323,175.27	2,108,322,511.62
Taxes payable	1,685,848,036.04	2,574,293,102.90
Other payables	27,192,313,487.31	22,564,540,796.39
Current portion of non-current liabilities	5,045,539,864.33	5,705,326,343.97
Other current liabilities	9,588,703,371.84	5,037,391,590.18
Total current liabilities	220,108,764,627.67	203,901,066,891.81
Non-current liabilities:		
Long-term borrowings	1,578,968,994.43	1,219,019,925.66
Bonds payables	8,683,483,374.37	7,684,365,426.07
Lease liabilities	3,328,452,776.87	3,243,011,395.60
Long-term payables	298,093,753.10	318,779,080.56
Long-term employee benefits payable	93,037,050.13	97,057,599.89
Provisions	84,808,166.79	85,278,166.79
Deferred income	403,646,397.86	394,852,047.17
Deferred tax liabilities	1,055,201,376.45	1,111,742,459.92
Other non-current liabilities	2,903,539,950.35	2,858,821,546.70
Total non-current liabilities	18,429,231,840.35	17,012,927,648.36
Total liabilities	238,537,996,468.02	220,913,994,540.17

Consolidated Balance Sheet of the Group as at 31 March 2021 (continued)*(All amounts in RMB unless otherwise stated)*

Items	As at 31 March 2021	As at 31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,120,656,191.00	3,120,656,191.00
Capital surplus	20,502,042,270.98	20,501,667,531.37
Less: treasury shares held for share incentive scheme	3,838,296.96	3,838,296.96
Other comprehensive income	3,003,213.56	5,483,957.82
Specific reserve	1,417,968.34	1,186,409.05
Surplus reserve	1,511,538,477.73	1,511,538,477.73
Undistributed profits	32,592,789,933.19	31,376,390,966.15
Total owners' equity (or shareholders' equity)		
attributable to equity holders of the parent	57,727,609,757.84	56,513,085,236.16
Minority interest	34,648,637,042.19	33,653,059,092.55
Total owners' equity (or shareholders' equity)	92,376,246,800.03	90,166,144,328.71
Total liabilities and owners' equity (or shareholders' equity):	330,914,243,268.05	311,080,138,868.88

Consolidated Income Statement of the Group for the Three Months Ended 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
1. Total operating revenue	120,266,227,545.35	94,399,616,749.82
Including: Operating revenue	120,266,227,545.35	94,399,616,749.82
2. Total operating cost	117,288,487,271.44	92,197,558,168.80
Including: Operating cost	111,047,324,404.99	87,103,188,687.95
Taxes and surcharges	265,927,185.09	192,274,370.42
Selling and distribution expenses	3,753,552,904.11	3,004,247,144.14
General and administrative expenses	1,544,288,628.31	1,331,056,671.02
Research and development expenses	42,252,227.87	27,656,662.97
Financial expenses	635,141,921.06	539,134,632.30
Add: Other gains (loss shall be stated as “-”)	62,572,513.15	162,887,789.00
Investment income (loss shall be stated as “-”)	174,861,470.84	(12,061,411.20)
Profit arising from changes in fair value (loss shall be stated as “-”)	24,820.00	-
Credit impairment losses (loss shall be stated as “-”)	(461,772,932.44)	(355,323,009.38)
Asset impairment losses (loss shall be stated as “-”)	(16,766,766.99)	(18,431,995.40)
Gains on disposal of assets (loss shall be stated as “-”)	43,345,623.32	1,869,426.88
3. Operating profit (loss shall be stated as “-”)	2,780,005,001.79	1,980,999,380.92
Add: Non-operating income	16,804,717.67	14,133,423.77
Less: Non-operating expenses	6,818,569.77	20,163,822.93
4. Total profit (total loss shall be stated as “-”)	2,789,991,149.69	1,974,968,981.76
Less: Income tax expenses	629,218,432.74	542,997,870.14
5. Net profit (net loss shall be stated as “-”)	2,160,772,716.95	1,431,971,111.62
Classification according to the continuity of operation		
Net profit from continuing operations	2,160,772,716.95	1,431,971,111.62
Net profit from discontinued operations	-	-
Attributable to:		
Net profit attributable to equity holders of the parent	1,216,150,031.59	812,020,072.21
Net profit attributable to minority interest	944,622,685.36	619,951,039.41
6. Other comprehensive income/(loss), net of tax	(2,309,837.11)	(11,341,164.30)
Net other comprehensive income/(loss) attributable to equity holders of the parent, net of tax	(2,480,744.26)	(11,546,509.65)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(5,149,720.19)	9,089,396.84

**Consolidated Income Statement of the Group for the Three Months Ended 31 March 2021
(continued)**

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
Change in the remeasurements of post-employment benefit obligations	-	-
Change in the fair value of other equity instrument investments	(5,149,720.19)	9,089,396.84
<i>Other comprehensive income/(loss) that will be reclassified to profit or loss in subsequent periods</i>	2,668,975.93	(20,635,906.49)
Other comprehensive income using the equity method that may be reclassified to profit or loss	3,616,879.37	(16,804,670.18)
Exchange differences on translation of foreign operations	(947,903.44)	(3,831,236.31)
Net profit of other comprehensive (loss)/income attributable to minority interest, net of tax	170,907.15	205,345.35
7. Total comprehensive income	2,158,462,879.84	1,420,629,947.32
Total comprehensive income attributable to equity holders of the parent	1,213,669,287.33	800,473,562.56
Total comprehensive income attributable to minority interest	944,793,592.51	620,156,384.76
8. Earnings per share:		
Basic earnings per share	0.39	0.26
Diluted earnings per share	0.39	0.26

Consolidated Cash Flow Statement of the Group for the Three Months Ended 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	100,007,232,864.99	91,930,959,960.50
Refund of taxes and surcharges	28,488,404.48	43,650,588.45
Cash received relating to other operating activities	2,887,669,487.84	2,684,426,482.30
Sub-total of cash inflows from operating activities	102,923,390,757.31	94,659,037,031.25
Cash paid for goods and services	126,858,967,126.73	117,823,706,006.06
Cash paid to and on behalf of employees	3,811,123,950.63	3,169,880,769.75
Payments of taxes and surcharges	3,214,638,573.62	2,611,551,962.15
Cash paid relating to other operating activities	3,881,945,125.21	2,692,893,327.63
Sub-total of cash outflows from operating activities	137,766,674,776.19	126,298,032,065.59
Net cash flows used in operating activities	(34,843,284,018.88)	(31,638,995,034.34)
2. Cash flows from investing activities:		
Cash received from disposal of investments	9,741,685.61	1,070,441.64
Cash received from returns on investments	9,398,905.51	1,626,764.27
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	2,180,053.93	2,206,038.59
Net cash received from disposal of subsidiaries and other business units	-	-
Cash received relating to other investing activities	953,423,120.90	1,748,964,246.73
Sub-total of cash inflows from investing activities	974,743,765.95	1,753,867,491.23
Cash paid to acquire fixed assets, intangible assets and other long-term assets	374,648,816.22	312,173,893.87
Cash paid to acquire investments	29,079,733.00	16,561,032.15
Net cash paid to acquire subsidiaries and other business units	188,860,656.96	687,562,939.51
Cash paid relating to other investing activities	-	116,733,773.14
Sub-total of cash outflows from investing activities	592,589,206.18	1,133,031,638.67
Net cash flows from investing activities	382,154,559.76	620,835,852.56

**Consolidated Cash Flow Statement of the Group for the Three Months Ended 31 March 2021
(continued)**

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
3. Cash flows from financing activities:		
Cash received from capital contributions	109,275,000.00	3,734,311,457.30
Cash received from borrowings	39,278,734,288.70	48,263,479,343.32
Cash received relating to other financing activities	<u>5,038,033,198.33</u>	<u>359,505,276.11</u>
Sub-total of cash inflows from financing activities	<u>44,426,042,487.03</u>	<u>52,357,296,076.73</u>
Cash repayments of borrowings	29,324,490,631.82	21,645,449,157.37
Cash payments for distribution of dividends or profits and interest expenses	1,043,966,857.23	1,338,350,096.76
Cash payments relating to other financing activities	<u>716,556,413.72</u>	<u>808,675,773.37</u>
Sub-total of cash outflows from financing activities	<u>31,085,013,902.77</u>	<u>23,792,475,027.50</u>
Net cash flows from financing activities	<u>13,341,028,584.26</u>	<u>28,564,821,049.23</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	<u>1,368,832.04</u>	<u>63,870,399.11</u>
5. Net decrease in cash and cash equivalents	<u>(21,118,732,042.82)</u>	<u>(2,389,467,733.44)</u>
Add: Cash and cash equivalents at the beginning of the reporting period	50,281,949,510.01	39,243,651,043.47
6. Cash and cash equivalents at the end of the reporting period	<u>29,163,217,467.19</u>	<u>36,854,183,310.03</u>

FINANCIAL INFORMATION OF THE COMPANY FOR THE THREE MONTHS ENDED 31 MARCH 2021

Balance Sheet of the Company as at 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	As at 31 March 2021	As at 31 December 2020
Current assets:		
Cash at bank and on hand	6,966,982,252.32	20,582,759,714.18
Accounts receivables	3,301,800,858.12	2,482,442,644.37
Accounts receivable financing	97,155,983.35	98,338,847.86
Advances to suppliers	62,177,820.89	69,857,732.08
Other receivables	28,039,997,281.58	23,060,132,925.96
Inventories	562,088,248.59	659,571,209.41
Other current assets	-	560.00
Total current assets	39,030,202,444.85	46,953,103,633.86
Non-current assets:		
Long-term equity investments	32,092,203,125.90	32,043,165,620.03
Other non-current financial assets	505,976,243.27	505,976,243.27
Investment properties	1,041,977,988.69	826,008,327.00
Fixed assets	892,391,060.40	1,123,229,600.13
Construction in progress	26,045,444.33	26,094,357.23
Intangible assets	43,032,343.13	48,751,101.07
Long-term prepaid expenses	52,516,480.10	48,044,797.81
Deferred tax assets	43,647,683.78	39,451,415.45
Other non-current assets	87,748,008.64	88,914,474.80
Total non-current assets	34,785,538,378.24	34,749,635,936.79
Total assets	73,815,740,823.09	81,702,739,570.65

Balance Sheet of the Company as at 31 March 2021 (continued)*(All amounts in RMB unless otherwise stated)*

Items	As at	As at
	31 March 2021	31 December 2020
Current liabilities:		
Short-term borrowings	1,801,430,000.00	1,901,031,249.98
Notes payables	87,215,031.07	738,893,099.08
Accounts payables	1,689,144,147.63	1,874,698,933.07
Contract liabilities	4,196,969.24	12,444,059.75
Employee benefits payable	56,587,086.84	90,974,200.93
Taxes payable	36,863,924.58	34,904,979.34
Other payables	17,138,269,519.55	28,022,194,425.76
Current portion of non-current liabilities	3,509,206,694.48	3,954,394,916.95
Other current liabilities	8,028,423,970.11	5,018,446,071.38
Total current liabilities	32,351,337,343.50	41,647,981,936.24
Non-current liabilities:		
Bonds payables	8,683,483,374.37	7,684,365,426.07
Deferred income	113,452.38	115,232.19
Deferred Tax Liabilities	6,336,756.83	6,336,756.83
Other non-current liabilities	1,371,828,196.23	1,079,094,996.23
Total non-current liabilities	10,061,761,779.81	8,769,912,411.32
Total liabilities	42,413,099,123.31	50,417,894,347.56

Balance Sheet of the Company as at 31 March 2021 (continued)*(All amounts in RMB unless otherwise stated)*

Items	As at 31 March 2021	As at 31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,120,656,191.00	3,120,656,191.00
Capital surplus	24,491,031,155.21	24,491,031,155.21
Less: treasury shares held for share incentive scheme	3,838,296.96	3,838,296.96
Other comprehensive income	7,267,419.11	4,711,520.50
Surplus reserve	1,511,354,938.06	1,511,354,938.06
Undistributed profits	<u>2,276,170,293.36</u>	<u>2,160,929,715.28</u>
Total owners' equity (or shareholders' equity)	<u>31,402,641,699.78</u>	<u>31,284,845,223.09</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>73,815,740,823.09</u>	<u>81,702,739,570.65</u>

Income Statement of the Company for the Three Months Ended 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
1. Total operating revenue	3,869,601,119.07	3,376,148,672.63
Including: Operating revenue	3,869,601,119.07	3,376,148,672.63
2. Total operating cost	3,878,098,544.28	3,354,184,560.99
Including: Operating cost	3,713,696,025.16	3,220,039,049.24
Taxes and surcharges	11,531,329.24	4,566,022.06
Selling and distribution expenses	61,076,527.17	60,056,109.41
General and administrative expenses	67,484,112.28	59,179,336.74
Research and development expenses	-	-
Financial expenses	24,310,550.43	10,344,043.54
Add: Other gains (loss shall be stated as “-”)	730,988.66	33,901,779.81
Investment income (loss shall be stated as “-”)	127,747,562.17	313,747,792.27
Profit arising from changes in fair value (loss shall be stated as “-”)	(7,827,825.03)	-
Credit impairment losses (loss shall be stated as “-”)	217,114.02	(4,581,819.17)
Asset impairment losses (loss shall be stated as “-”)	-	(459,736.23)
Gains on disposal of assets (loss shall be stated as “-”)	-	-
3. Operating profit (loss shall be stated as “-”)	112,370,414.61	364,572,128.32
Add: Non-operating income	2.55	10,558.86
Less: Non-operating expenses	25,202.03	200,936.90
4. Total profit (total loss shall be stated as “-”)	112,345,215.13	364,381,750.28
Less: Income tax expenses	(2,895,362.95)	14,120,996.79
5. Net profit (net loss shall be stated as “-”)	115,240,578.08	350,260,753.49
Classification according to the continuity of operation		
Net profit from continuing operations	115,240,578.08	350,260,753.49
Net profit from discontinued operations	-	-

Income Statement of the Company for the Three Months Ended 31 March 2021 (continued)*(All amounts in RMB unless otherwise stated)*

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
6. Other comprehensive income/(loss), net of tax	2,555,898.61	(11,862,657.82)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income/(loss) that will be reclassified to profit or loss in subsequent periods</i>	2,555,898.61	(11,862,657.82)
Other comprehensive income/(loss) using the equity method that may be reclassified to profit or loss	2,555,898.61	(11,862,657.82)
7. Total comprehensive income	117,796,476.69	338,398,095.67

Cash Flow Statement of the Company for the Three Months Ended 31 March 2021

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	3,463,920,589.57	3,268,310,385.94
Refund of taxes and surcharges	-	-
Cash received relating to other operating activities	386,025,924.77	1,032,908,106.90
Sub-total of cash inflows from operating activities	3,849,946,514.34	4,301,218,492.84
Cash paid for goods and services	4,816,348,856.75	4,431,411,985.59
Cash paid to and on behalf of employees	96,713,021.36	89,284,150.05
Payments of taxes and surcharges	50,118,896.03	18,237,848.44
Cash paid relating to other operating activities	476,510,812.66	746,794,740.91
Sub-total of cash outflows from operating activities	5,439,691,586.80	5,285,728,724.99
Net cash flows used in operating activities	(1,589,745,072.46)	(984,510,232.15)
2. Cash flows from investing activities:		
Cash received from disposal of investments	4,496,162.58	1,070,441.64
Cash received from returns on investments	97,921,269.25	301,120,136.95
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	785.00	-
Net cash received from disposal of subsidiaries and other business units	-	163,115,049.98
Cash received relating to other investing activities	334,532,575.97	1,390,387,883.92
Sub-total of cash inflows from investing activities	436,950,792.80	1,855,693,512.49
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,941,683.15	6,946,139.35
Cash paid to acquire investments	-	121,334,750.00
Cash paid relating to other investing activities	4,832,560,334.87	4,201,263,290.52
Sub-total of cash outflows from investing activities	4,843,502,018.02	4,329,544,179.87
Net cash flows used in investing activities	(4,406,551,225.22)	(2,473,850,667.38)

Cash Flow Statement of the Company for the Three Months Ended 31 March 2021 (continued)

(All amounts in RMB unless otherwise stated)

Items	For the three months ended 31 March 2021	For the three months ended 31 March 2020
3. Cash flows from financing activities:		
Cash received from capital contributions	-	3,567,382,957.30
Cash received from borrowings	9,997,749,200.00	15,632,119,966.67
Cash received relating to other financing activities	92,979,440,097.43	65,448,309,536.70
Sub-total of cash inflows from financing activities	102,977,189,297.43	84,647,812,460.67
Cash repayments of borrowings	6,640,010,000.00	7,500,000,000.00
Cash payments for distribution of dividends or profits and interest expenses	57,105,737.60	207,027,024.24
Cash payments relating to other financing activities	103,899,797,533.57	72,956,087,851.21
Sub-total of cash outflows from financing activities	110,596,913,271.17	80,663,114,875.45
Net cash flows used in financing activities	(7,619,723,973.74)	3,984,697,585.22
4. Effect of foreign exchange rate changes on cash and cash equivalents	242,809.56	61,907,845.17
5. Net decrease in cash and cash equivalents	(13,615,777,461.86)	588,244,530.86
Add: Cash and cash equivalents at the beginning of the reporting period	20,582,759,714.18	11,018,498,896.24
6. Cash and cash equivalents at the end of the reporting period	6,966,982,252.32	11,606,743,427.10

By order of the Board
Sinopharm Group Co. Ltd.
Yu Qingming
Chairman

Shanghai, the PRC
27 April 2021

As at the date of this announcement, the executive directors of the Company are Mr. Yu Qingming and Mr. Liu Yong; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Ma Ping, Mr. Hu Jianwei, Mr. Deng Jindong, Mr. Wen Deyong, Ms. Guan Xiaohui and Ms. Feng Rongli; and the independent non-executive directors of the Company are Mr. Zhuo Fumin, Mr. Chen Fangruo, Mr. Li Peiyu, Mr. Wu Tak Lung and Mr. Yu Weifeng.

* The Company is registered as a non-Hong Kong company under the Hong Kong Companies Ordinance under its Chinese name and the English name "Sinopharm Group Co. Ltd."