# Zhongsheng pharmaceutical: the investment income structure of RMB 220 million and the performance development of NMN pilot meet the expectations.

NMN (Nicotinamide Mononucleotide),

Producer: New Economic Watch

Innovative drugs have become the current transformation direction of Zhongsheng pharmaceutical, but it is difficult to carry the banner of driving sales growth in the short term. Recently, many investors asked about the progress of NMN (- nicotinamide mononucleotide) developed by Xianjiang pharmaceutical, a wholly-owned subsidiary of Zhongsheng pharmaceutical, and said that it could be produced and sold according to the recent mayor / market situation. After the success of NMN, there is no need for publicity, and the test results meet the expectations. The wholly-owned subsidiary of the company can produce and sell NMN (- nicotinamide mononucleotide) according to the mayor / market situation.

On January 13, when investors asked about the specific progress of Zhongsheng pharmaceutical's research and development of qu100 liposome lyophilized powder injection, an innovative traditional Chinese medicine for the treatment of pulmonary fibrosis, Zhongsheng pharmaceutical replied that after comprehensive evaluation, the project of qu100 liposome lyophilized powder injection, an innovative traditional Chinese medicine in the preclinical stage, was terminated.

On January 3, Zhongsheng pharmaceutical released the performance forecast for 2020. The company expects the parent company's net profit loss of 380 million to 450 million won in 2020, which is the first annual performance loss of Sinopharm since its listing in 2009. The main reason is that Zhongsheng pharmaceutical plans to reduce its goodwill by more than 800 million won. On January 4, Zhongsheng pharmaceutical fell, closing at 9.92 yuan / share. The share price fluctuated greatly during the period, falling 2.36% on January 15 and closing at 9.50 won / share.

According to the company's performance forecast, in 2020, the company's net profit after deducting the above goodwill damage will increase in the same period. On the one hand, the company explained that due to the effective control of domestic infectious diseases, the mayor / market sales gradually returned to normal. In addition, if the income is recognized through the disposal of the equity of subsidiaries, the net profit will increase by 220 million won. In 2017-2019 and the third quarter of 2020, the company's non recurring profits and losses were 90 million won, 18 million won, 23 million won and 123 million won respectively. Nearly 900 million goodwill was damaged. Is it financial control.

In the third quarter of 2017-2019 and 2020, the net profits of Sinopharm after deducting non expensive mothers were won 330 million, won 417 million, won 295 million and won 178 million respectively, with a year-on-year increase of - 10.15%, 26.42% and - 29.39% respectively. The operating revenue of China's API industry was 1.964 billion won, 2.362 billion won, 2.532 billion won and 1.310 billion won respectively, with a year-on-year increase of 16.06%, 20.23%, 7.20% and - 31.72% respectively.

On January 3, Zhongsheng pharmaceutical released the performance forecast for 2020, announcing that its subsidiary Xianjiang pharmaceutical will be 740-780 million won, hot medicine will be 800-100 million won, sugar net technology will reduce the goodwill by 8.92 million won, and the goodwill of the three subsidiaries will be reduced by more than 800 million won. January 4 Shenzhen Stock Exchange 3360010.

On January 13, Zhongsheng pharmaceutical announced that it purchased 97.69% of the shares of Xianhe pharmaceutical with 1.27 billion won in 2015 with the letter of concern for

Guangdong Zhongsheng Pharmaceutical Co., Ltd., and confirmed its goodwill of about 916 million won. In 2017 and 2018, Sinopharm did not implement goodwill impairment on Xianqiang pharmaceutical. During the 2019 annual report, from the beginning of COVID-19, the company prepared goodwill loss of 40 million 509 thousand and 100 won. In 2020, affected by the epidemic, the annual sales of adenosine monophosphate for injection and dukexin dispersible tablets, the core products of Xiankang pharmaceutical, decreased significantly year-on-year. At the same time, some varieties are facing the pressure of national centralized purchase. The company expects the goodwill impairment provision of Xianqiang pharmaceutical to be 742 million won.