

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED

First Quarter Financial Statement (*) And Dividend Announcement

1(a) Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

	Note	The Group		Change
		3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000	%
Revenue	2	1,515,204	1,455,300	4
Cost of sales	2	(360,476)	(402,769)	(11)
Gross profit		1,154,728	1,052,531	10
Interest income		3,313	3,347	(1)
Other income and gains		20,308	16,805	21
Marketing and distribution expenses		(533,503)	(543,943)	(2)
Research and development expenses		(29,805)	(25,778)	16
Administrative expenses		(94,851)	(89,343)	6
Finance costs		(185)	(250)	(26)
Other losses		(38,657)	(16,496)	n.m
Share of results of equity-accounted associates		12,948	39,817	(67)
Profit before tax		494,296	436,690	13
Income tax expense	3	(71,226)	(64,903)	10
Profit, net of tax		423,070	371,787	14
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Fair value gain on equity investment measured at FVTOCI, net of tax		-	(35)	n.m
Share of other comprehensive income from equity-accounted associates, net of tax		1,304	(79)	n.m
Other reserve reclassified to profit or loss upon disposal of associate, net of tax		(2,234)	-	-
Other comprehensive loss		(930)	(114)	n.m
Total comprehensive income		422,140	371,673	14

	Note	The Group		Change
		3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000	%
Profit, net of tax attributable to:				
Owners of the parent		423,805	374,248	13
Non-controlling interests		(735)	(2,462)	(70)
		423,070	371,786	14
Total comprehensive income attributable to:				
Owners of the parent		422,875	374,134	13
Non-controlling interests		(735)	(2,462)	(70)
		422,140	371,672	14
Earnings per ordinary share for the period based on net profits after deducting any provision for preference dividends:				
Based on weighted average number of ordinary shares on issue		0.55	0.49	12

(*) prepared under International Financial Reporting Standards

n.m Not Meaningful

Additional information on the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income. The following significant items of gains / (charges) were included in the statement of income.

	<u>Note</u>	Group		
		3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000	Change %
Profit for the year is arrived at after crediting/(charging):				
Other income (including government grants)		17,255	16,804	3
Interest income		3,313	3,347	(1)
Interest on borrowings		(185)	(250)	(26)
Allowance for impairment of trade receivables – losses		(2,508)	(5,459)	(54)
Allowance for impairment of other receivables – losses		173	(44)	n.m
Inventories written down – reversal / (losses)		(36,078)	(8,804)	n.m
Foreign currency translation gains, net		59	(21)	n.m
Net (losses)/gains on disposal of property, plant and equipment, intangible assets and other non-current assets		595	(92)	n.m
Gain on partial disposal of an associate		2,226	-	n.m
Depreciation and amortisation		(30,400)	(28,748)	6

1(b)(i) Condensed Interim Statements of Financial Position

	Note	The Group			The Company		
		As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000	Change %	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000	Change %
ASSETS							
Non-current assets							
Property, plant and equipment		1,120,290	1,133,999	(1)	904,710	914,299	(1)
Right-of-use assets		11,063	7,548	47	2,887	1,861	55
Investment properties		109,355	110,367	(1)	109,355	110,367	(1)
Land use rights		222,763	224,507	(1)	190,288	191,776	(1)
Intangibles assets		84,423	86,639	(3)	77,272	78,966	(2)
Goodwill	12	-	-	-	-	-	-
Investment in subsidiaries	7	-	-	-	933,404	933,404	-
Investment in associates	8	1,171,781	1,165,662	1	1,171,781	1,165,662	1
Other financial assets	9	1,188,616	1,427,139	(17)	1,054,700	1,273,018	(17)
Deferred tax assets		368,267	341,007	8	342,253	315,253	9
Other assets	10	43,419	38,347	13	33,563	30,762	9
Total non-current assets		4,319,977	4,535,215	(5)	4,820,213	5,015,368	(4)
Current assets							
Inventories		1,077,786	1,132,968	(5)	969,927	1,026,147	(5)
Trade and other receivables	11	1,830,696	1,603,694	14	1,616,199	1,456,156	11
Other financial assets	9	2,228,320	3,316,008	(33)	2,102,677	3,191,129	(34)
Other assets	10	76,810	85,422	(10)	59,026	66,133	(11)
Cash and cash equivalents		902,123	1,016,427	(11)	638,650	765,339	(17)
Total current assets		6,115,735	7,154,519	(15)	5,386,479	6,504,904	(17)
Total assets		10,435,712	11,689,734	(11)	10,206,692	11,520,272	(11)
EQUITY							
Equity							
Share capital	13	770,094	770,094	-	770,094	770,094	-
Share premium		1,206,930	1,206,930	-	1,206,930	1,206,930	-
Retained earnings		5,426,151	5,002,346	8	5,075,182	4,681,566	8
Other reserves		119,199	120,129	(1)	533,848	534,778	(0)
Total equity attributable to equity holders of the Company		7,522,374	7,099,499	6	7,586,054	7,193,368	5
Non-controlling interests		(289)	446	n.m	-	-	-
Total equity		7,522,085	7,099,945	6	7,586,054	7,193,368	5

	Note	The Group			The Company		
		As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000	Change %	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000	Change %
LIABILITIES							
Non-current liabilities							
Deferred tax liabilities		243	276	(12)	-	-	-
Trade payables		2,399	2,399	-	2,263	2,259	0
Lease liabilities		5,905	4,658	27	864	510	69
Other financial liabilities	14	-	-	-	-	-	-
Other liabilities		76,014	76,018	(0)	63,121	63,067	0
Total non-current liabilities		84,561	83,351	1	66,248	65,836	1
Current liabilities							
Income tax payable		99,085	29,216	n.m	92,507	25,192	n.m
Trade and other payables	15	2,534,502	4,212,730	(40)	2,283,633	3,991,547	(43)
Other financial liabilities	14	47,560	57,903	(18)	42,560	48,864	(13)
Lease liabilities		4,378	3,125	40	1,441	1,190	21
Other liabilities		143,541	203,464	(29)	134,249	194,275	(31)
Total current liabilities		2,829,066	4,506,438	(37)	2,554,390	4,261,068	(40)
Total liabilities		2,913,627	4,589,789	(37)	2,620,638	4,326,904	(39)
Total equity and liabilities		10,435,712	11,689,734	(11)	10,206,692	11,520,272	(11)

1(b)(ii) Condensed Interim Statements of Changes in Equity

RMB'000

Group	Share capital	Share premium	Other reserves	Retained earnings	Parent sub-total	Non-controlling interests	Total equity
Balance at 1 January 2026	770,094	1,206,930	120,129	5,002,346	7,099,499	446	7,099,945
Total comprehensive income for the period	-	-	(930)	423,805	422,875	(735)	422,140
Balance at 31 March 2026	770,094	1,206,930	119,199	5,426,151	7,522,374	(289)	7,522,085

Group	Share capital	Share premium	Other reserves	Retained earnings	Parent sub-total	Non-controlling interests	Total equity
Balance at 1 January 2025	770,094	1,206,930	122,794	5,743,776	7,843,594	6,344	7,849,938
Total comprehensive income for the period	-	-	(114)	374,248	374,134	(2,462)	371,672
Balance at 31 March 2025	770,094	1,206,930	122,680	6,118,024	8,217,728	3,882	8,221,610

RMB'000

Company	Share capital	Share premium	Other reserves (Restated)	Retained earnings (Restated)	Total equity (Restated)
Balance at 1 January 2026	770,094	1,206,930	534,778	4,681,566	7,193,368
Total comprehensive income for the period	-	-	(930)	393,616	392,686
Balance at 31 March 2026	770,094	1,206,930	533,848	5,075,182	7,586,054

Company	Share capital	Share premium	Other reserves (Restated)	Retained earnings (Restated)	Total equity (Restated)
Balance at 1 January 2025	770,094	1,206,930	537,637	5,531,353	8,046,014
Total comprehensive income for the period	-	-	(114)	349,540	349,426
Balance at 31 March 2025	770,094	1,206,930	537,523	5,880,893	8,395,440

1(c) Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000
Cash flows from operating activities		
Profit before tax	494,296	436,690
Adjustments for:		
Interest income	(3,313)	(3,347)
Interest expense	185	250
Investment income on debts instruments at amortised cost	(15,248)	(13,658)
Share of results of equity-accounted associates	(12,948)	(39,817)
Depreciation and amortisation of property, plant and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other assets	30,400	28,748
Net gains on disposal of property, plant and equipment, intangible assets and other non-current assets	(595)	92
Impairment losses on receivables and inventories	38,413	14,308
Gain on partial disposal of an associate	(2,226)	-
Operating cash flows before changes in working capital	528,964	423,266
Inventories	26,101	75,989
Trade and other receivables	(219,959)	(379,292)
Other assets	675	8,017
Trade and other payables	171,015	318,315
Cash restricted in use	(230)	-
Other liabilities	(59,927)	(51,787)
Net cash flows from operations	446,639	394,508
Income tax paid	(27,783)	(298,719)
Net cash flows generated from operating activities	418,856	95,789
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(16,404)	(24,005)
Acquisition of financial assets	(725,000)	(2,140,000)
Proceeds from redemption of financial assets	2,072,590	570,000
Proceeds from disposal of property, plant and equipment and intangible assets	-	57
Interest income received	14,771	8,519
Net cash flows generated from/ (used in) investing activities	1,345,957	(1,585,429)

	<u>The Group</u>	
	3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000
Cash flows from financing activities		
Dividends paid	(1,877,109)	-
Interest expense paid	(38)	(16)
Repayment of lease liabilities	(1,862)	(207)
Net cash flows used in financing activities	(1,879,009)	(223)
Net decrease in cash and cash equivalents	(114,196)	(1,489,863)
Unrealised foreign exchange adjustments	(338)	(2)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	1,016,427	2,944,433
Cash and cash equivalents, consolidated statement of cash flows, ending balance	901,893	1,454,568

Notes to the Condensed Interim Financial Statements

31 March 2026

1. General

Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the “**Company**”) is incorporated in the People’s Republic of China (the “**PRC**”) as a joint stock limited company. The Company is listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the Shanghai Stock Exchange (the “**SSE**”).

The financial statements are presented in Chinese Renminbi (“**RMB**”) and have been rounded to the nearest thousand (“**RMB’000**”) unless when otherwise indicated, and they cover the Company and its subsidiaries (collectively, the “**Group**”), and the Group’s interests in associates.

The board of directors of the Company had, on 28 April 2026, approved and authorised these condensed interim financial statements for announcement on SGXNET.

The principal activities of the Group are disclosed in note 2 on segment information.

The registered office of the Company is located at 17 Baidi Road, Nankai District, Tianjin, the PRC 300193. The principal place of business of the Company is in Tianjin, the PRC.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

The Company is not required to announce its quarterly financial statements on SGXNET pursuant to the requirements of the listing manual of the SGX-ST (the “**Listing Manual**”). However, since the Company is required to announce its quarterly financial statements in accordance with the requirements of the SSE, the Company is voluntarily announcing its quarterly financial statements on SGXNET.

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the

selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the Group since the latest audited annual financial statements.

The estimates and assumptions contained in these condensed consolidated interim financial statements are periodically monitored to ensure that they incorporate all relevant information available at the date when the financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclosed with further details in the relevant Notes to these condensed consolidated interim financial statements.

2. Financial information by operating segments

2A. Information about reportable segment profit or loss

For management purposes, the Group is segregated into the Chinese Medicine, Western Medicine and Raw Chinese Medicine & Pieces major strategic operating segments.

2B. Profit or loss from continuing operations and reconciliations

	<u>Chinese medicine</u>	<u>Western medicine</u>	<u>Raw Chinese Medicine & Pieces</u>	<u>Others</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
3-month period ended 31 March 2026					
Revenue	1,414,207	8,554	68,321	24,122	1,515,204
Cost of sales	(302,615)	(5,311)	(35,642)	(16,908)	(360,476)
Gross profit	1,111,592	3,243	32,679	7,214	1,154,728
3-month period ended 31 March 2025					
Revenue	1,326,818	19,168	88,505	20,809	1,455,300
Cost of sales	(322,555)	(12,533)	(56,676)	(11,005)	(402,769)
Gross profit	1,004,263	6,635	31,829	9,804	1,052,531

2C. Disaggregation of revenue from contracts with customers

	Group	
	3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000
Sale of goods recognised at point-in-time	1,514,564	1,454,348
Revenue recognised over time	640	952
	1,515,204	1,455,300

3. Income tax

3A. Components of tax expense recognised in profit or loss

	Group	
	3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000
<u>Current tax</u>		
Current tax expense	98,453	90,294
Adjustments in respect of prior years		
	98,453	90,294
<u>Deferred tax</u>		
Deferred tax expense	(27,227)	(25,391)
	71,226	64,903

3B. Adjustments for current tax

	Group	
	3-month period ended 31 March 2026 RMB'000	3-month period ended 31 March 2025 RMB'000
Profit before tax	494,296	436,690
Loss: Share of results of equity-accounted associates	(12,948)	(39,817)
	481,348	396,873
Income tax expense at tax rate of 25%	120,337	99,218
Effect of concessionary tax rate at 15%	(45,310)	(28,976)
Non-deductible items		948
Non-taxable items	(3,122)	(6,245)
Unrecognised deferred tax assets	(679)	(42)
Adjustments in respect of prior years		-
	71,226	64,903

4. Disposal of subsidiaries

There was no disposal of subsidiaries in the current financial period reported on.

In particular, for the purposes of Rule 706A of the Listing Manual, for the current financial period reported on, the Group had not disposed of shares resulting in a company ceasing to be a subsidiary or an associated company of the Company and had also not disposed of shares resulting in the Company reducing its shareholding percentage in a subsidiary or an associated company.

5. Dividends on equity shares

No dividend has been declared for the current financial period reported on. No dividend was declared for the corresponding period of the immediately preceding financial year.

6. Acquisition of subsidiaries / subsidiary / business combination

There was no company which became a subsidiary of the Company through acquisition or business combination in the current financial period reported on.

In particular, for the purposes of Rule 706A of the Listing Manual, for the current financial period reported on, the Group had not acquired any shares of a company resulting in such company becoming a subsidiary or an associated company of the Company and had also not acquired any shares resulting in the Company increasing its shareholding percentage in a subsidiary or an associated company.

7. Investments in subsidiaries

	<u>Company</u>	
	As at 31 March 2026	As at 31 December 2025
	RMB'000	RMB'000
Movements during the period:		
At beginning of the period	933,404	1,048,534
Additions	-	3,000
Reductions	-	(118,130)
At the end of the period	933,404	933,404

8. Investments in associates

	<u>Group</u>	
	As at 31 March 2026	As at 31 December 2025
	RMB'000	RMB'000
Movements in carrying value:		
At beginning of the period	1,165,662	1,293,528
Share of profit of associates	22,410	(21,966)
Dividends	-	(14,400)
Additions	-	-
Less: Partial disposal of an associate	17,595	80,537
Other equity movements	1,304	(10,963)
At end of the period	1,171,781	1,165,662

9. Other financial assets

	<u>Group</u>	
	As at 31 March 2026	As at 31 December 2025
	RMB'000	RMB'000
Other financial assets - current assets		
Investment in debt instruments at amortised cost	2,228,320	3,316,008
Other financial assets - non-current assets	-	-
Investment in debt instruments at amortised cost	1,188,616	1,427,139
Investment in equity instruments at fair value through other comprehensive income	-	-
	1,188,616	1,427,139
	3,416,936	4,743,147

10. Other assets

	<u>Group</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Current assets		
Prepayments	28,517	32,912
Right of return assets	6,542	6,542
Value-added taxes recoverable	41,751	45,116
Income tax recoverable	-	852
	76,810	85,422
Non-current assets		
Prepayment	43,419	38,347
	120,229	123,769

11. Trade and other receivables

	<u>Group</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Trade receivables		
Bills receivable	517,703	598,111
Third parties	906,889	704,044
Associates	278,847	151,749
Related parties	202,708	223,877
Less: Allowance for credit impaired	(16,418)	(17,666)
Less: Allowance for expected credit losses	(92,556)	(88,800)
	1,797,173	1,571,315
Other receivables		
Interest receivable	3,016	3,016
Third parties	48,409	47,545
Associates	17,522	17,522
Related parties	3,356	3,215
Less: Allowance for expected credit losses	(38,780)	(38,919)
	33,523	32,379
Total	1,830,696	1,603,694

The ageing of the trade receivables balances was as follows:

	Group		
	Gross amount RMB'000	ECL %	Loss allowance RMB'000
As at 31 March 2026			
Within 1 year	1,254,351	0.13	1,631
1 – 2 years	23,009	20.00	4,598
2 – 3 years	16,677	50.00	8,338
Over 3 years	77,989	100.00	77,989
Total	1,372,026		92,556
As at 31 December 2025			
Within 1 year	946,369	0.13	1,227
1 – 2 years	30,853	20.00	6,171
2 – 3 years	6,761	50.00	3,381
Over 3 years	78,021	100.00	78,021
Total	1,062,004		88,800

12. Goodwill

	Group	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Beginning balance	-	12,301
Additions	-	-
Reductions	-	(12,301)
Ending balance	-	-

13. Share capital and treasury shares

	Group			
	Number of ordinary shares		Amount of share capital	
	As at 31 March 2026 '000	As at 31 December 2025 '000	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Movements in share capital:				
At beginning of the period	770,094	770,094	770,094	770,094
Restricted A-Shares buy-back	-	-	-	-
At end of the period	770,094	770,094	770,094	770,094

There has been no change in the Company's share capital since the end of the previous period reported on, being 31 December 2025.

The Company does not hold any treasury shares and there are no subsidiary holdings as at 31 March 2026 and 31 March 2025.

	As at 31 March 2026	As at 31 December 2025
Number of issued shares excluding treasury shares	770,094,356	770,094,356
Number of treasury shares held	Nil	Nil

14. Aggregate amount of the group's borrowings and debt securities

	<u>Secured</u>		<u>Unsecured</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
<u>Repayable in one year or less, or on demand:</u>				
Bank borrowings	-	-	47,560	57,903
Subtotal	-	-	47,560	57,903
<u>Repayable after one year:</u>				
Bank borrowings	-	-	-	-
Subtotal	-	-	-	-
Total	-	-	47,560	57,903

15. Trade and other payables

	<u>Group</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Trade payables		
Third parties	232,763	213,930
Associates	4,822	3,332
Related parties	511	792
Employee benefits payables	234,001	225,051
	472,097	443,105
Other payables		
Third parties	1,896,573	1,753,631
Tax payables	114,013	86,719
Dividend payable	41,637	1,919,093
Associates	-	-
Related parties	10,182	10,182
Subtotal	2,062,405	3,769,625
Total	2,534,502	4,212,730

16. Capital commitments

	<u>Group</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
Contractual obligations to purchase and construct	17,806	17,938

17. Categories of financial assets and liabilities

	<u>Group</u>	
	As at 31 March 2026 RMB'000	As at 31 December 2025 RMB'000
<u>Financial assets</u>		
Financial assets at amortised cost	6,149,755	7,363,268
Financial assets at fair value through other comprehensive income	-	-
	6,149,755	7,363,268
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	2,547,184	4,222,912

18. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

The Group has applied same accounting policies and method of computation as presented in the audited financial statements of the Group for the reporting year ended 31 December 2025.

19. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Group	
	3-month period ended 31 March 2026	3-month period ended 31 March 2025
	RMB	RMB
Based on weighted average number of ordinary shares in issue	0.55	0.49

Diluted earnings per share is the same as basic earnings per share as the Company does not have any potential ordinary shares that have a dilutive effect on earnings per share as at the end of the period reported on.

20. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	As at 31 March 2026	As at 31 December 2025	As at 31 March 2026	As at 31 December 2025
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	9.77	9.22	9.85	9.34

21. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.

The financial performance of the Group is not significantly affected by any of the seasonality or cyclicity of interim operations.

(a) Revenue:

The Group's revenue in the first quarter of the financial year ending 31 December 2026 ("1Q FY2026") was approximately RMB1,515.20 million, an increase of approximately RMB59.90 million or 4% compared to the first quarter of the financial year ended 31 December 2025 ("1Q FY2025"). This was mainly due to the year-on-year increase in revenue from major product lines.

(b) Gross Profit Margin:

The Group's gross profit in 1Q FY2026 was approximately RMB1,154.73 million, an increase of approximately RMB102.20 million compared to 1Q FY2025. The gross profit margin increased from 72% in 1Q FY2025 to 76% in 1Q FY2026. The increase was mainly due to the higher revenue mix of major product lines, which contributed to gross profit margin growth.

(c) Other Gains:

Other gains in 1Q FY2026 were approximately RMB20.31 million, an increase of approximately RMB3.50 million or 21% from approximately RMB16.81 million in 1Q FY2025. This was mainly due to the liquidation of the associated company, Tianjin Biochip Technology Co., Ltd. during the period, which resulted in a liquidation gain of approximately RMB2.23 million.

(d) Major Expenses:

- (i) Marketing and Distribution expenses in 1Q FY2026 were approximately RMB533.50 million, a decrease by approximately RMB10.44 million or 2% from approximately RMB543.94 million in the previous corresponding period.
- (ii) Research and development expenses in 1Q FY2026 were approximately RMB29.81 million, an increase by approximately RMB4.03 million or 16% from approximately RMB25.78 million in the previous corresponding period. This increase was mainly due to higher R&D investment compared to 1Q FY2025.
- (iii) Administrative expenses in 1Q FY2026 were approximately RMB94.85 million, an increase by approximately RMB5.51 million or 6% from approximately RMB89.34 million in the previous corresponding period. This was primarily due to the year-on-year increase in brand promotion expenditure.
- (iv) Finance costs in 1Q FY2026 decreased by approximately RMB0.06 million from

approximately RMB0.25 million to approximately RMB0.19 million.

- (v) Other losses in 1Q FY2026 increased by approximately RMB22.16 million or 134%, from approximately RMB16.50 million in 1Q FY2025 to approximately RMB38.66 million in 1Q FY2026. This was mainly due to a year-on-year increase in provision for inventory obsolescence.

(e) Share of results of associated companies:

The Group's share of profits of associates in 1Q FY2026 was approximately RMB12.95 million, a decrease by approximately RMB26.87 million or 67% from approximately RMB39.82 million in the previous corresponding period. This was mainly due to the inclusion of investment income from the then associate, Sino-American Tianjin SmithKline & French Laboratories Ltd. (天津中美史克制药有限公司) ("**Sino-American Tianjin**"), in the comparative period.

(f) Total comprehensive income:

The Group's total comprehensive income (net of tax) in 1Q FY2026 was approximately RMB422.14 million, an increase by approximately RMB50.47 million or 14% from approximately RMB371.67 million in the previous corresponding period. This was mainly due to growth in sales revenue and the increased proportion of major product line sales, which drove the increase in profit.

The profit attributable to equity holders of parent (net of tax) in 1Q FY2026 was approximately RMB423.81 million, an increase of approximately RMB49.56 million or 13% over the previous corresponding period.

(g) Major changes in statement of financial positions:

- (i) As at 31 March 2026, the Group's cash and cash equivalents amounted to approximately RMB902.12 million, which was a decrease of approximately RMB114.30 million or 11% over the balance as at 31 December 2025.
- (ii) Trade and other receivables were approximately RMB1,830.70 million as at 31 March 2026, which was an increase of approximately RMB227.00 million or 14% over the balance as at 31 December 2025.
- (iii) Inventories were approximately RMB1,077.79 million as at 31 March 2026, which was a decrease by approximately RMB55.18 million or 5% from the balance as at 31 December 2025.
- (iv) Other current assets decreased by approximately RMB8.61 million or 10% to approximately RMB76.81 million as at 31 March 2026.
- (v) Investments in associates of the Group increased by approximately RMB6.12

million or 1% to approximately RMB1,171.78 million.

- (vi) Property, plant and equipment decreased by approximately RMB13.71 million or 1% to approximately RMB1,120.29 million.
- (vii) Other financial assets decreased by approximately RMB1,326.21 million or 28% to approximately RMB3,416.94 million. This was mainly because certain large-denomination certificate-of-deposit products matured during the period and the proceeds were applied towards the distribution of dividends.

(h) Changes in cash flow position:

- (i) In 1Q FY2026, the Group recorded net cash inflow from operating activities of approximately RMB418.86 million, which increased by RMB323.07 million as compared to 1Q FY2025. This was mainly because the tax payment on the disposal of the equity interest in Sino-American Tianjin was paid in the comparative period.
- (ii) Cash inflow from investing activities was approximately RMB1,345.96 million in 1Q FY2026, which increased by approximately RMB2,931.39 million as compared to 1Q FY2025. This was mainly because large-denomination certificates of deposit and similar deposit products were purchased in the comparative period, and the balance of such deposit products held at the start of the current period matured and was redeemed.
- (iii) Cash outflow from financing activities was approximately RMB1,879.01 million in 1Q FY2026, which increased by approximately RMB1,878.79 million as compared to 1Q FY2025. This was mainly due to the actual payment of the cash dividend during the current financial period reported on, which had been declared in 2025 but remained unpaid at 31 December 2025.

22. Forecast, or a prospect statement

There was no forecast or prospect statement that had been previously disclosed to shareholders.

23. Significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Traditional Chinese Medicine (“TCM”) industry has entered a critical period of transition towards high-quality development. Amid the interplay of policy, market and technological factors, the industry faces unprecedented development opportunities, while also needing to adapt and evolve amid industry transformation. The industry is accelerating its shift from traditional manufacturing towards a more diversified, internationalised and intelligent big-health ecosystem, with continuous improvement in industry standardisation and concentration. On the policy front, major policies such as the Implementation Plan for High-Quality Development of the TCM Industry (2026-2030) 《中药工业高质量发展实施方案 (2026—2030 年)》 have been introduced, promoting quality improvement and efficiency improvement in the industry through centralised procurement and medical insurance payment reforms, while strongly supporting TCM internationalisation and mutual recognition of standards to expand overseas markets. On the technology front, intelligent manufacturing and digital transformation are increasingly applied across the entire value chain from R&D and production to marketing, significantly improving production efficiency, quality consistency and operational effectiveness. On the market front, population ageing and the rising prevalence of chronic diseases continue to drive demand for essential products such as cardiovascular and cerebrovascular products, while new business models such as medicine-food homology (药食同源), health management and preventive medicine are expanding industry boundaries and providing strong growth momentum.

While the industry is undergoing rapid transformation, it also faces multiple pressures. The normalisation of centralised procurement of Chinese patent medicines and the tightening of medical insurance cost controls continue to compress corporate profit margins. Competition is intensifying, with leading enterprises competing intensely across distribution channels, brand building and R&D. Frequent fluctuations in the prices of Chinese medicinal materials pose significant challenges for supply-chain stability and cost management. Brand rejuvenation, international market-entry barriers, and the shortage of multi-disciplinary TCM talent have also become important constraints on the industry's high-quality development.

The Company adheres to its core philosophy of "upholding tradition while pursuing innovation" (守正创新). Leveraging its four (4) major China Time-Honoured Brand clusters including Da Ren Tang (达仁堂) and Long Shun Rong (隆顺榕), its portfolio of national-level intangible cultural heritage and well-known trademarks, and its accumulated brand heritage valued in the billions of RMB, the Company has built strong competitive barriers. Together with 599 drug approval numbers, 122 exclusive products and a core technology patent portfolio, the Company has reinforced these barriers through national-level confidential products such as Suxiao Jiuxin Wan (以速效救心丸) and Jing Wan Hong (京万红), and drives growth momentum through high-growth second-tier products such as Qingyan Diwan (清咽滴丸) and Yatongting Diwan (牙痛停滴丸), strengthening synergy across the full value chain. Facing industry opportunities and challenges, the Company will continue to optimise its product portfolio structure and accelerate the market development of second-tier high-potential products; increase investment in R&D

innovation and clinical value research to drive commercialisation of technological achievements; deepen refined operations across the full value chain and enhance supply chain control and cost management; and steadily advance brand rejuvenation and international expansion, while accelerating the cultivation of multi-disciplinary talent, to comprehensively strengthen core competitiveness. The Company is committed to capturing industry strategic opportunities, effectively managing risks and challenges, and pursuing sustainable, high-quality long-term development.

24. If a decision regarding dividend has been made:

- (a) Whether an interim (final) ordinary dividend has been declared (recommended)
- (b) The amount per share, as well as for the previous corresponding period
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)
- (d) The date the dividend is payable
- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the current financial period reported on. The Company will conduct a review at the end of the financial year.

25. Related party transactions

There are transactions and arrangements between the Group and its subsidiaries and associates, and the effects of these transactions as determined between the parties are reflected in these condensed consolidated interim financial statements. The related company balances and transfer of resources, services or obligations (if any) are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intra-group transactions and balances that have been eliminated in these condensed consolidated interim financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	<u>3-months period ended 31 March</u>	
	<u>2026</u> RMB'000	<u>2025</u> RMB'000
Sale of goods to associates	161,844	13,491

Purchase of goods from associates	(4,884)	(5,293)
Interest income from an associate	2,308	2,496

	<u>3-months period ended 31 March</u>	
	2026 RMB'000	2025 RMB'000
Sale of goods to related companies	49,526	98,401
Purchase of goods from related companies	(3,357)	(3,050)
Rental expenses to related companies	(708)	(584)
Rental income from related companies	-	54

26. Interested Person Transactions disclosure

The Group has obtained a general mandate (the “**IPT General Mandate**”) from the Shareholders for interested person transactions (the “**IPTs**”, and each, an “**IPT**”) at the annual general meeting held on 15 May 2025 for the financial year ended 31 December 2024 (“**FY2024**”). The IPT General Mandate was subsequently amended at the Company’s 2nd extraordinary general meeting in 2025 held on 15 December 2025. Please refer to the annexure dated 30 April 2025 accompanying the notice of annual general meeting in relation to the proposed renewal of the IPT General Mandate (as set out on pages 164 to 186 of the Company’s annual report for FY2024), and the Company’s circular dated 28 November 2025 in relation to, *inter alia*, the proposed amendments to the IPT General Mandate, for further details. During the current financial period reported on, there are no IPTs (excluding transactions less than S\$100,000) entered into with the mandated interested persons that are conducted under the IPT General Mandate.

Shareholders’ approval was also obtained for the Company’s entry into a financial services agreement with Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司) (“**TPGF**”) as an IPT and all transactions arising therefrom at the annual general meeting held on 15 May 2023 for the financial year ended 31 December 2022 (“**FY2022**”). Please refer to the annexure dated 28 April 2023 (the “**28 April 2023 Annexure**”) accompanying the notice of annual general meeting in relation to the foregoing IPT for further details. For the avoidance of doubt, the Company has sought and obtained Shareholders’ approval for its entry into the aforesaid financial services agreement as a specific IPT. Therefore, the value of transactions conducted thereunder is not disclosed as transactions covered under the IPT General Mandate pursuant to Rule 920 of the Listing Manual.

Accordingly, the aggregate value of all IPTs during the current financial period reported on (excluding transactions less than S\$100,000) is as follows:

	Nature of relationship	Aggregate value of all interested person transactions during the	Aggregate value of all interested person transactions conducted

Name of Interested Person		financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)		during the financial period under review under a shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)	
		3-month period ended 31 March 2026	3-month period ended 31 March 2025	3-month period ended 31 March 2026	3-month period ended 31 March 2025
		RMB'000	RMB'000	RMB'000	RMB'000
Tianjin Pharmaceutical Group Finance Co., Ltd (天津医药集团财务有限公司) (i.e. TPGF)	Subsidiary of Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("TPH"), the controlling shareholder of the Company	The interest payable on the credit facilities provided by TPGF: -	-	-	-
Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) ("TJZX Medicine")	Subsidiary of Tianjin Pharmaceutical Group Taiping Medicine Co., Ltd. (津药太平医药有限公司) ("Taiping Medicine"), in which the Company and TPH hold 43.35% and 56.65%, respectively	Provision of guarantee by the Company for TJZX Medicine: 235,219	507,578	-	-
Taiping Medicine	Subsidiary of TPH	Provision of guarantee by the Company for Taiping Medicine: 183,535	-	-	-
Taiping Medicine	Subsidiary of TPH	Rent payable			

		by Taiping Medicine: 14,786	-	-	-
Total		433,540	507,578	-	-

Note(s):

- (1) As at 31 March 2026, placement of deposit with TPGF amounted to approximately RMB1,309.79 million.

As disclosed in the 28 April 2023 Annexure, TPGF shall provide certain financial services to the Company under the aforesaid financial services agreement, including deposit business services.

As further disclosed in the 28 April 2023 Annexure, the deposit services provided by TPGF will enhance the management of funds of the Company and improve the Company's efficiency in the use of available funds. The management of funds is enhanced as:

- (i) there is security of funds as TPGF provides safe and efficient online banking services to the member entities in the TPH Group (comprising TPH, its subsidiaries and associated companies, including the Company), and these member entities can monitor the changes in the funds deposited in their accounts with TPGF at any time;
- (ii) funds payment can be made and settled efficiently as any payment made by the Company for its branches can be realized through the internal transfer function of TPGF's online banking system, which is efficient and convenient; and
- (iii) TPGF can provide credit support to the Company within a short period of time, and this can reduce the Company's need to maintain a certain amount of reserves from time to time.

In this regard, as disclosed in the 28 April 2023 Annexure, the Company has opened/ will open a deposit account with TPGF and deposit the funds in such account. Further, the maximum daily balance in the deposit account (including interest) shall not exceed RMB1,500 million. Please refer to the 28 April 2023 Annexure for further details on the scope and terms of the financial services provided by TPGF to the Company under the aforesaid financial services agreement.

Shareholders' approval for the Company's entry into the aforesaid financial services agreement was obtained at the annual general meeting of the Company held on 15 May 2023 for FY2022.

The deposit of approximately RMB1,309.79 million placed with TPGF falls within the limit of RMB1,500 million. Further details on the deposit are set out below:

Unit: RMB '000

Duration of deposit	Current deposit (1-7 days)	Fixed deposit (12 months)	Fixed deposit (12 months - 36 months)	Total
Balance of deposit	569,787.26	230,000.00	510,000.00	1,309,787.26

Note: The Company may withdraw the "current deposit" at any time and may only withdraw the "fixed deposit" after its maturity.

Pursuant to Rule 904 of the Listing Manual, an "interested person transaction" means a transaction between an entity at risk and an interested person, and "transaction" includes, amongst others, the provision or receipt of goods or services, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities). As TPGF is a subsidiary of TPH, the controlling shareholder of the Company, the deposit services provided by TPGF to the Company constitute an interested person transaction. However, the deposit of approximately RMB1,309.79 million placed with TPGF as at 31 March 2026 has not been included in the IPT table set out above to prevent confusion to Shareholders. Due to the nature of deposit, the monies deposited in the account can be withdrawn and/or deposited as and when necessary, save as disclosed above in relation to fixed deposit and subject to the maximum daily balance limit as stated above. As such, it is not calculated across a financial period, and the Company is of the view that it is more meaningful to disclose the amount of the deposit placed with TPGF as at the end of the financial period under review. Accordingly, this disclosure has been presented separately from the IPT table set out above.

27. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

28. Person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that, to the best of its knowledge, belief and information, as of the date hereof, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director, Chief Executive Officer or Substantial Shareholder of the Company.

29. Statement pursuant to Rule 705(5) of the Listing Manual

The Board of Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render these condensed consolidated interim financial results for the financial period ended 31 March 2026, to be false or misleading in any material respect.

30. Additional information required on acquisitions and realisations pursuant to Rule 706A of the Listing Manual

As disclosed in note 4 above, for the current financial period reported on, the Group had not disposed of shares resulting in a company ceasing to be a subsidiary or an associated company of the Company and had also not disposed of shares resulting in the Company reducing its shareholding percentage in a subsidiary or an associated company.

As disclosed in note 6 above, for the current financial period reported on, the Group had not acquired any shares of a company resulting in such company becoming a subsidiary or an associated company of the Company and had also not acquired any shares resulting in the Company increasing its shareholding percentage in a subsidiary or an associated company.