

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED

Second Quarter Financial Statement (\*) And Dividend Announcement

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

	Note	The Group					
		3-month period from 1 April to 30 June 2024 RMB'000	3-month period from 1 April to 30 June 2023 RMB'000	Change %	6-month period from 1 January to 30 June 2024 RMB'000	6-month period from 1 January to 30 June 2023 RMB'000	Change %
<b>Revenue</b>	2	<b>1,879,153</b>	1,933,903	(3)	<b>3,964,741</b>	4,088,309	(3)
Cost of sales	2	<b>(995,665)</b>	(1,088,293)	(9)	<b>(2,028,892)</b>	(2,212,771)	(8)
<b>Gross profit</b>		<b>883,488</b>	845,610	4	<b>1,935,849</b>	1,875,538	3
Interest income		<b>13,007</b>	23,443	(45)	<b>19,885</b>	35,731	(44)
Dividend income		<b>80</b>	-	n.m	80	-	n.m
Other income and gains		<b>14,950</b>	2,593	n.m	<b>33,054</b>	12,414	n.m
Marketing and distribution costs		<b>(477,480)</b>	(475,324)	-	<b>(1,030,828)</b>	(1,065,675)	(3)
Research and development costs		<b>(21,917)</b>	(27,834)	(21)	<b>(46,652)</b>	(52,029)	(10)
Administrative expenses		<b>(129,226)</b>	(95,562)	35	<b>(244,125)</b>	(164,076)	49
Finance costs		<b>(7,121)</b>	(2,867)	n.m	<b>(11,785)</b>	(10,934)	8
Other losses		<b>(17,641)</b>	(11,195)	58	<b>(29,400)</b>	(17,512)	68
Share of profit of associates		<b>48,973</b>	95,083	(48)	<b>121,571</b>	195,278	(38)
<b>Profit before income tax</b>		<b>307,113</b>	353,947	(13)	<b>747,649</b>	808,735	(8)
Income tax expense	3	<b>(39,321)</b>	(37,262)	6	<b>(96,476)</b>	(94,268)	2
<b>Profit, net of tax</b>		<b>267,792</b>	316,685	(15)	<b>651,173</b>	714,467	(9)

		<u>The Group</u>					
		<b>3-month period from 1 April to 30 June 2024</b>	3-month period from 1 April to 30 June 2023	Change	<b>6-month period from 1 January to 30 June 2024</b>	6-month period from 1 January to 30 June 2023	Change
	<b>Note</b>	<b>RMB'000</b>	RMB'000	%	<b>RMB'000</b>	RMB'000	%
<b>Other Comprehensive Loss Items that will not be reclassified to profit or loss:</b>							
Change in fair Value of equity investment at FVTOCI, net of tax		<b>(91)</b>	(2)	n.m	(113)	(2)	n.m
Share of other comprehensive (loss)/ income from equity-accounted associates, net of tax		<b>(623)</b>	1,271	n.m	<b>(1,667)</b>	1,373	n.m
<b>Other Comprehensive Income Items that may be reclassified subsequently to profit or loss:</b>							
Total Other Comprehensive (loss)/ income, Net of Tax		<b>(714)</b>	1,269	n.m	<b>(1,780)</b>	1,371	n.m
<b>Total comprehensive income</b>		<b>267,078</b>	317,954	(16)	<b>649,393</b>	715,838	(9)

		<u>The Group</u>					
	Note	<b>3-month period from 1 April to 30 June 2024 RMB'000</b>	3-month period from 1 April to 30 June 2023 RMB'000	Change %	<b>6-month period from 1 January to 30 June 2024 RMB'000</b>	6-month period from 1 January to 30 June 2023 RMB'000	Change %
<b>Profit, net of tax attributable to:</b>							
Owners of the parent		<b>270,395</b>	321,703	(16)	<b>657,720</b>	722,491	(9)
Non-controlling interests		<b>(2,603)</b>	(5,018)	(48)	<b>(6,547)</b>	(8,024)	(18)
		<b>267,792</b>	316,685	(15)	<b>651,173</b>	714,467	(9)
<b>Total comprehensive income attributable to:</b>							
Owners of the parent		<b>269,681</b>	322,972	(17)	<b>655,940</b>	723,862	(9)
Non-controlling interests		<b>(2,603)</b>	(5,018)	(48)	<b>(6,547)</b>	(8,024)	(18)
		<b>267,078</b>	317,954	(16)	<b>649,393</b>	715,838	(9)
Earnings per ordinary share for the period based on net profits after deducting any provision for preference dividends:							
<b>Based on weighted average number of ordinary share on issue</b>		<b>0.35</b>	0.42	(17)	<b>0.85</b>	0.94	(10)

(\*) 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>The Group</u>					
	<b>3-month period from 1 April to 30 June 2024 RMB'000</b>	3-month period from 1 April to 30 June 2023 RMB'000	Change %	<b>6-month period from 1 January to 30 June 2024 RMB'000</b>	6-month period from 1 January to 30 June 2023 RMB'000	Change %
Profit, net of tax is arrived at after crediting / (charging):						
Other income (including government grant)	<b>13,900</b>	3,397	n.m	<b>28,290</b>	11,893	n.m
Interest income	<b>13,007</b>	23,443	(45)	<b>19,885</b>	35,731	(44)
Interest on borrowings	<b>(7,121)</b>	(2,867)	n.m	<b>(11,785)</b>	(10,934)	8
Allowance for impairment on trade receivables – reversal / (loss)	<b>(3,859)</b>	(4,302)	(10)	<b>(13,447)</b>	(10,130)	33
Allowance for impairment on other receivables – reversal / (loss)	<b>473</b>	861	(45)	<b>419</b>	374	12
Allowance for impairment of notes receivables	<b>631</b>	-	n.m	<b>4,345</b>	-	n.m
Impairment loss on inventories	<b>(14,313)</b>	(6,968)	n.m	<b>(15,759)</b>	(5,914)	n.m
Foreign currency translation losses, net	<b>356</b>	(1,679)	n.m	<b>(138)</b>	(1,466)	(91)
Gain on disposal of property, plant and equipment, intangible assets and other non-current assets	<b>120</b>	89	35	<b>(56)</b>	147	n.m
Dividend income	<b>80</b>	-	n.m	<b>80</b>	-	n.m
Share-based payments	<b>(175)</b>	(571)	(69)	<b>(350)</b>	19,705	n.m
Depreciation and amortisation	<b>(31,579)</b>	(32,545)	(3)	<b>(63,108)</b>	(65,089)	(3)

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

	Note	The Group			The Company		
		As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	Change %	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	Change %
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment		1,456,633	1,434,742	2	1,014,672	980,909	3
Right-of-use assets		4,728	6,769	(30)	-	-	
Investment properties		12,494	13,029	(4)	11,789	12,299	(4)
Land use rights		248,070	251,739	(1)	200,702	203,677	(1)
Intangibles assets		74,072	79,086	(6)	19,644	19,216	2
Goodwill	12	65,911	65,911	-	-	-	
Investment in subsidiaries	7	-	-		1,687,454	1,652,454	2
Investment in associates	8	831,594	882,307	(6)	831,594	882,307	(6)
Other financial assets	9	711,247	622,812	14	569,486	560,873	2
Deferred tax assets		319,246	265,993	20	280,249	232,063	21
Other assets	10	9,719	56,039	(83)	5,145	51,293	(90)
<b>Total non-current assets</b>		<b>3,733,714</b>	<b>3,678,427</b>	<b>2</b>	<b>4,620,735</b>	<b>4,595,091</b>	<b>1</b>
<b>Current assets</b>							
Inventories		1,554,971	1,566,518	(1)	1,109,010	1,123,625	(1)
Trade and other receivables	11	2,986,644	2,686,929	11	1,496,474	2,042,065	(27)
Other financial assets	9	52,253	61,699	(15)	-	-	
Other assets	10	119,397	111,329	7	35,168	34,623	2
Cash and cash equivalents		3,454,126	2,125,200	63	2,921,887	1,441,871	103
<b>Total current assets</b>		<b>8,167,391</b>	<b>6,551,675</b>	<b>25</b>	<b>5,562,539</b>	<b>4,642,184</b>	<b>20</b>
<b>Total assets</b>		<b>11,901,105</b>	<b>10,230,102</b>	<b>16</b>	<b>10,183,274</b>	<b>9,237,275</b>	<b>10</b>
<b>EQUITY</b>							
<b>Equity</b>							
Share capital	13	770,158	770,158	-	770,158	770,158	-
Share premium		1,207,326	1,207,326	-	1,207,326	1,207,326	-
Retained earnings		4,171,937	4,500,020	(7)	4,131,510	4,456,460	(7)
Other reserves		128,794	130,224	(1)	543,637	545,067	-
<b>Total equity attributable to equity holders of the Company</b>		<b>6,278,215</b>	<b>6,607,728</b>	<b>(5)</b>	<b>6,652,631</b>	<b>6,979,011</b>	<b>(5)</b>
Non-controlling interests		37,999	44,546	(15)	-	-	
<b>Total equity</b>		<b>6,316,214</b>	<b>6,652,274</b>	<b>(5)</b>	<b>6,652,631</b>	<b>6,979,011</b>	<b>(5)</b>

	The Group				The Company		
	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	Change %		As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	Change %
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Deferred tax liabilities	6,720	7,333	(8)		-	-	
Trade payables	7,939	8,149	(3)		5,683	5,749	(1)
Lease liabilities	2,029	2,743	(26)		-	-	
Other financial liabilities	14	232,254	241,035	(4)	219,254	241,035	(9)
Other liabilities		91,356	92,682	(1)	57,253	57,879	(1)
<b>Total non-current liabilities</b>		<b>340,298</b>	<b>351,942</b>	<b>(3)</b>	<b>282,190</b>	<b>304,663</b>	<b>(7)</b>
<b>Current liabilities</b>							
Income tax payable		101,066	76,678	32	32,979	52,373	(37)
Trade and other payables	15	4,151,387	2,890,284	44	3,048,346	1,759,115	73
Other financial liabilities	14	825,572	81,800	n.m	21,372	-	n.m
Lease liabilities		2,813	3,564	(21)	-	-	
Other liabilities		163,755	173,560	(6)	145,756	142,113	3
<b>Total current liabilities</b>		<b>5,244,593</b>	<b>3,225,886</b>	<b>63</b>	<b>3,248,453</b>	<b>1,953,601</b>	<b>66</b>
<b>Total liabilities</b>		<b>5,584,891</b>	<b>3,577,828</b>	<b>56</b>	<b>3,530,643</b>	<b>2,258,264</b>	<b>56</b>
<b>Total equity and liabilities</b>		<b>11,901,105</b>	<b>10,230,102</b>	<b>16</b>	<b>10,183,274</b>	<b>9,237,275</b>	<b>10</b>

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

All in RMB'000

Group	Share capital	Share premium	Other reserves	Retained earnings	Parent sub-total	Non-cont rolling interests	Total equity
Balance at 1 January 2024	770,158	1,207,326	130,224	4,500,020	6,607,728	44,546	6,652,274
Total comprehensive income for the period	-	-	(1,780)	657,720	655,940	(6,547)	649,393
Dividends	-	-	-	(985,803)	(985,803)	-	(985,803)
Share-based payments	-	-	350	-	350	-	350
Balance at 30 June 2024	770,158	1,207,326	128,794	4,171,937	6,278,215	37,999	6,316,214

<b>Group</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Parent sub-total</b>	<b>Non-cont rolling interests</b>	<b>Total equity</b>
Balance at 1 January 2023	773,443	1,228,740	176,564	4,372,462	6,551,209	30,493	6,581,702
Owner's contribution	-	-	-	-	-	2,880	2,880
Total comprehensive income for the period	-	-	1,371	722,491	723,862	(8,024)	715,838
Restricted A-Shares buy-back	(3,193)	(20,845)	-	3,326	(20,712)	-	(20,712)
Dividends	-	-	-	(862,680)	(862,680)	-	(862,680)
Non-cash contribution to subsidiary	-	-	(32,166)	-	(32,166)	31,985	(181)
Share-based payments	-	-	(19,705)	-	(19,705)	-	(19,705)
Balance at 30 June 2023	770,250	1,207,895	126,064	4,235,599	6,339,808	57,334	6,397,142

All in RMB'000

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Balance at 1 January 2024	770,158	1,207,326	545,067	4,456,460	6,979,011
Total comprehensive income for the period	-	-	(1,780)	660,853	659,073
Dividends	-	-	-	(985,803)	(985,803)
Share-based payments	-	-	350	-	350
Balance at 30 June 2024	770,158	1,207,326	543,637	4,131,510	6,652,631

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
Balance at 1 January 2023	773,443	1,228,740	559,241	4,275,060	6,836,484
Total comprehensive income for the period	-	-	1,371	756,300	757,671
Restricted A-Shares buy-back	(3,193)	(20,845)	-	3,326	(20,712)
Dividends	-	-	-	(862,680)	(862,680)
Share-based payments	-	-	(19,705)	-	(19,705)
Balance at 30 June 2023	770,250	1,207,895	540,907	4,172,006	6,691,058

### 1(c) Condensed Interim Consolidated Statement of Cash Flows

	<u>The Group</u>			
	<b>3-month period from 1 April to 30 June 2024 RMB'000</b>	3-month period from 1 April to 30 June 2023 RMB'000	<b>6-month period from 1 January to 30 June 2024 RMB'000</b>	6-month period from 1 January to 30 June 2023 RMB'000
<b><u>Cash flows from operating activities</u></b>				
Profit before income tax	<b>307,112</b>	353,947	<b>747,649</b>	808,735
Interest income	<b>(13,007)</b>	(23,443)	<b>(19,885)</b>	(35,731)
Interest expense	<b>7,121</b>	2,867	<b>11,785</b>	10,934
Dividend income	<b>(80)</b>	-	<b>(80)</b>	-
Gain upon maturity and disposal of financial assets	<b>(5,429)</b>	(2,206)	<b>(10,734)</b>	(3,327)
Share of profit of equity-accounted associates	<b>(48,973)</b>	(95,083)	<b>(121,571)</b>	(195,278)
Depreciation and amortisation of property, plant and equipment, investment properties, land use rights and intangible assets	<b>31,579</b>	32,545	<b>63,108</b>	65,089
Gain on disposals of property, plant and equipment, intangible assets and other non-current assets	<b>(120)</b>	(89)	<b>56</b>	(147)
Impairment on trade and other receivables – loss / (reversal)	<b>17,069</b>	10,408	<b>24,443</b>	15,670
Share-based payments	<b>175</b>	571	<b>350</b>	(19,705)
<b>Operating cash flows before changes in working capital</b>	<b>295,447</b>	279,517	<b>695,121</b>	646,240



	<u>The Group</u>			
	<b>3-month period from 1 April to 30 June 2024 RMB'000</b>	3-month period from 1 April to 30 June 2023 RMB'000	<b>6-month period from 1 January to 30 June 2024 RMB'000</b>	6-month period from 1 January to 30 June 2023 RMB'000
Inventories	<b>(80,709)</b>	(221,274)	<b>998</b>	(254,404)
Trade and other receivables	<b>341,972</b>	(34,490)	<b>(340,796)</b>	(84,941)
Other non-financial assets	<b>(29,373)</b>	29,329	<b>37,357</b>	8,041
Trade and other payables	<b>124,294</b>	(76,840)	<b>268,531</b>	(64,228)
Cash restricted in use	<b>22,082</b>	59,003	<b>11,193</b>	68,560
Other non-financial liabilities	<b>26,260</b>	(2,773)	<b>(11,131)</b>	(94,397)
<b>Net cash flows from operations</b>	<b>699,973</b>	32,472	<b>661,273</b>	224,871
Income tax paid	<b>(68,466)</b>	(120,448)	<b>(125,944)</b>	(138,168)
<b>Net cash from/(used in) operating activities</b>	<b>631,507</b>	(87,976)	<b>535,329</b>	86,703
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment, intangibles, land use rights and investment properties	<b>(23,114)</b>	(20,623)	<b>(37,313)</b>	(65,100)
Acquisition of financial assets	<b>(70,000)</b>	(580,000)	<b>(110,000)</b>	(580,000)
Proceeds from disposal of financial assets	<b>40,000</b>	40,000	<b>40,000</b>	49,649
Dividends income received from associates and financial assets	<b>80</b>	525	<b>170,696</b>	107,231
Proceeds from disposals of property, plant and equipment, intangible assets and other assets	<b>53</b>	183	<b>79</b>	186
Interest income received	<b>14,619</b>	24,296	<b>21,497</b>	36,583
<b>Net cash used in investing activities</b>	<b>(38,362)</b>	(535,619)	<b>84,959</b>	(451,451)

	<u>The Group</u>			
	<b>3-month period from 1 April to 30 June 2024 RMB'000</b>	3-month period from 1 April to 30 June 2023 RMB'000	<b>6-month period from 1 January to 30 June 2024 RMB'000</b>	6-month period from 1 January to 30 June 2023 RMB'000
<b>Cash flows from financing activities</b>				
Cash Received from Minority Shareholders for Subsidiary Equity Absorption	-	2,880	-	2,880
Proceeds from new borrowings	<b>515,455</b>	196,202	<b>815,455</b>	569,058
Dividends paid to equity owners	-	(858,408)	-	(858,408)
Interest expense paid	<b>(8,950)</b>	(6,761)	(11,171)	(7,810)
Repayment of borrowings	<b>(80,464)</b>	(1,516)	(80,464)	(22,493)
Repayment of lease liabilities	<b>(581)</b>	(329)	<b>(3,921)</b>	(27,663)
<b>Net cash generated from/ (used in) financing activities</b>	<b>425,460</b>	(667,932)	<b>719,899</b>	(344,436)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>1,018,605</b>	(1,291,527)	<b>1,340,187</b>	(709,184)
Unrealised foreign exchange adjustments	<b>(12)</b>	(820)	(68)	(822)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	<b>2,318,912</b>	3,293,874	<b>1,997,386</b>	2,711,533
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance</b>	<b>3,337,505</b>	2,001,527	<b>3,337,505</b>	2,001,527

## Notes to the Condensed Interim Financial Statements

30 June 2024

### 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 13 August 2024, 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 and Western Medicine major strategic operating segments.

### 2B. Profit or loss from continuing operations and reconciliations

	<u>Chinese medicine</u>	<u>Western medicine</u>	<u>Other</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000
6-month period ended 30 June 2024				
Revenue	<b>3,062,934</b>	<b>623,296</b>	<b>278,511</b>	<b>3,964,741</b>
Cost of sales	<b>1,217,132</b>	<b>588,860</b>	<b>222,900</b>	<b>2,028,892</b>
Gross profit	<b>1,845,802</b>	<b>34,436</b>	<b>55,611</b>	<b>1,935,849</b>
6-month period ended 30 June 2023				
Revenue	3,050,909	735,670	301,730	4,088,309
Cost of sales	1,266,601	683,454	262,716	2,212,771
Gross profit	1,784,308	52,216	39,014	1,875,538

## 2C. Disaggregation of revenue from contracts with customers

	<u>Group</u>	
	<b>6-month period ended 30 June 2024 RMB'000</b>	6-month period ended 30 June 2023 RMB'000
Sale of goods recognised at point in time	<b>3,959,370</b>	4,081,972
Revenue recognised over time	<b>5,371</b>	6,337
	<b>3,964,741</b>	4,088,309

## 3. Income tax

### Components of tax expense recognised in profit or loss

	<u>Group</u>	
	<b>6-month period ended 30 June 2024 RMB'000</b>	6-month period ended 30 June 2023 RMB'000
<u>Current income tax</u>		
Current income tax	<b>149,730</b>	128,893
Adjustments in respect of prior years	-	(1,573)
	<b>149,730</b>	127,320
<u>Deferred tax</u>		
Deferred tax	<b>(53,254)</b>	(33,052)
	<b>96,476</b>	94,268

	<u>Group</u>	
	<b>6-month period ended 30 June 2024 RMB'000</b>	6-month period ended 30 June 2023 RMB'000
The income tax expense varied from the amount determined by applying the PRC statutory corporate tax rate of 25% (2023: 25%) to profit before tax as a result of the following differences:		
Profit (Loss) before tax	<b>747,649</b>	808,736
Loss: Share of profit of equity-accounted associates	<b>(121,571)</b>	(195,278)
	<b>626,078</b>	613,458
Income tax expense at the above rate	<b>156,520</b>	153,364
Effect of concessionary tax rate at 15%	<b>(48,603)</b>	(36,625)
Non-deductible items	<b>905</b>	63
Non-taxable items	<b>(21,347)</b>	(29,292)
Unrecognised deferred tax assets	<b>9,001</b>	8,331
Adjustments in respect of prior years	-	(1,573)

	<b>96,476</b>	94,268
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#### 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

	<b>6-month period ended 30 June 2024</b>	6-month period ended 30 June 2023
Type	<b>Cash</b>	Cash
Dividend rate	<b>RMB1.28 per ordinary share</b>	RMB1.12 per ordinary share
Record date	<b>3 July 2024</b>	29 May 2023
Date paid or payable	<b>12 July 2024</b>	6 June 2023

The total dividends paid on ordinary shares for the financial year ended 31 December 2023 (“**FY2023**”) were RMB985,802,593.28 (FY2022: RMB862,680,085.12).

#### 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, during the current financial period reported on, the Group did not acquire any shares of a company that would result in such company becoming a subsidiary or an associated company of the Company, nor did it acquire any shares that would increase the Company’s shareholding percentage in a subsidiary or an associated company.

## 7. Investments in subsidiaries

	<u>Company</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Movements during the period:		
At beginning of the period	<b>1,652,454</b>	1,536,265
Additions	<b>35,000</b>	239,770
Reductions	-	123,581
At the end of the period	<b>1,687,454</b>	1,652,454

During the current financial period reported on, the Company made a capital injection of RMB35,000,000 into its wholly-owned subsidiary, Darentang (Tianjin) Traditional Chinese Medicine Decoction Pieces Co., Ltd. (达仁堂(天津)中药饮片有限公司).

## 8. Investments in associates

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Movements in carrying value:		
At beginning of the period	<b>882,307</b>	760,193
Share of profit of associates	<b>121,570</b>	294,577
Dividends	<b>(170,616)</b>	(177,230)
Other equity movements	<b>(1,667)</b>	4,767
At end of the period	<b>831,594</b>	882,307

## 9. Other financial assets

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b>Other financial assets - current assets</b>		
Investment in debt instruments at amortised cost	<b>52,253</b>	61,699
<b>Other financial assets - non-current assets</b>		
Investment in debt instruments at amortised cost	<b>711,013</b>	622,445
Investment in equity instruments at fair value through other comprehensive income	<b>234</b>	367
	<b>711,247</b>	622,812
	<b>763,500</b>	684,511

## 10. Other non-financial assets

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b>Current assets</b>		
Prepayments	<b>83,055</b>	75,718
Value-added taxes recoverable	<b>36,342</b>	35,354
Income tax recoverable	-	257
	<b>119,397</b>	111,329
<b>Non-current assets</b>		
Prepayment	<b>9,719</b>	56,039
	<b>129,116</b>	167,368



## 11. Trade and other receivables

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b><u>Trade receivables</u></b>		
Bills receivable	<b>346,279</b>	480,381
Outside parties	<b>2,742,125</b>	2,313,482
Associates	<b>3,698</b>	3,698
Related parties	<b>35,745</b>	25,643
Less: Allowance for credit impaired	<b>(10,653)</b>	(9,243)
Less: Allowance for expected credit losses	<b>(172,917)</b>	(160,880)
	<b>2,944,277</b>	2,653,081
<b><u>Other receivables</u></b>		
Outside parties	<b>60,499</b>	55,859
Associates	<b>18,712</b>	17,561
Related parties	<b>2,657</b>	348
Less: Allowance for expected credit losses	<b>(39,501)</b>	(39,920)
	<b>42,367</b>	33,848
<b>Total</b>	<b>2,986,644</b>	2,686,929

The ageing of the trade receivables balances was as follows:

	<u>Group</u>		
	<u>Gross amount RMB'000</u>	<u>ECL %</u>	<u>Loss allowance RMB'000</u>
As at 30 June 2024			
Within 1 year	<b>2,512,580</b>	<b>0.13</b>	<b>3,374</b>
1 – 2 years	<b>94,219</b>	<b>20</b>	<b>18,843</b>
2 – 3 years	<b>26,832</b>	<b>50</b>	<b>13,416</b>
Over 3 years	<b>137,284</b>	<b>100</b>	<b>137,284</b>
<b>Total</b>	<b>2,770,915</b>		<b>172,917</b>
As at 31 December 2023			
Within 1 year	2,104,435	0.13	2,733
1 – 2 years	80,156	20	16,032
2 – 3 years	13,748	50	6,874
Over 3 years	135,241	100	135,241
<b>Total</b>	<b>2,333,580</b>		<b>160,880</b>

## 12. Goodwill

	Group	
	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Beginning balance	65,911	84,693
Additions	-	-
Reductions	-	18,782
Ending balance	65,911	65,911

## 13. Share capital and treasury shares

	Group			
	Number of treasury shares		Amount of treasury shares	
	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Movements in share capital:				
At beginning of the period	770,158	773,443	770,158	773,443
Restricted A-Shares buy-back	-	(3,285)	-	(3,285)
At end of the period	770,158	770,158	770,158	770,158

There has been no change in the Company's share capital since the end of the previous period reported on, being 31 March 2024.

The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 June 2024 and 30 June 2023.

The Company does not hold any treasury shares and there are no subsidiary holdings as at 30 June 2024 and 30 June 2023.

	As at 30 June 2024	As at 31 December 2023
Number of issued shares excluding treasury shares	770,158,276	770,158,276
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 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
<u>Repayable in</u> <u>one year or less,</u> <u>or on demand:</u>				
Bank borrowings	-	-	825,572	81,800
Subtotal	-	-	825,572	81,800
<u>Repayable after</u> <u>one year:</u>				
Bank borrowings	-	-	232,254	241,035
Subtotal	-	-	232,254	241,035
Total	-	-	1,057,826	322,835

#### 15. Trade and other payables

	<u>Group</u>	
	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
<u>Trade payables</u>		
Bills payable	362,338	510,708
Outside parties	653,156	590,924
Associates	6,162	7,612
Related parties	42,900	16,848
Employee benefits payables	333,467	251,441
	1,398,023	1,377,533
<u>Other payables</u>		
Outside parties	1,644,238	1,400,350
taxes payables	88,012	77,606
Dividend payable	1,009,478	22,746
Associates	-	-
Related parties	11,636	12,049
Subtotal	2,753,364	1,512,751
Total	4,151,387	2,890,284

## 16. Capital commitments

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Contractual obligations to purchase and construct	<b>58,835</b>	72,573

## 17. Categories of financial assets and liabilities

	<u>Group</u>	
	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<u>Financial assets</u>		
Financial assets at amortised cost	<b>7,204,036</b>	5,496,273
Financial assets at fair value through other comprehensive income	<b>234</b>	367
	<b>7,204,270</b>	5,496,640
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	<b>4,164,168</b>	2,904,740

## 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 the same accounting policies and method of computation as presented in the audited financial statements of the Group for the reporting year ended 31 December 2023.

**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	
	6-month period ended 30 June 2024	6-month period ended 30 June 2023
	RMB	RMB
Based on weighted average number of ordinary shares in issue	0.85	0.94

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 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
	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	8.15	8.58	8.64	9.06

**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 is not significantly affected by any of the seasonality or cyclicity of interim operations.

(a) Revenue:

The Group's revenue in the second quarter of the financial year ending 31 December 2024 ("2Q FY2024") was approximately RMB 1,879 million, a decrease of approximately RMB 55 million, or 3%, from RMB 1,934 million in the second quarter of FY2023 ("2Q FY2023"). For the 6 months ended 30 June 2024 ("1H24"), the Group recorded a revenue of approximately RMB 3,965 million, a decrease of approximately RMB 124 million, or approximately 3% over the corresponding period in FY2023. This was mainly due to a year-on-year decrease in sale of goods.

(b) Gross Profit Margin:

The Group's gross profit in 2Q FY2024 increased by approximately 4% from approximately RMB 846 million in 2Q FY2023 to approximately RMB 883 million. For 1H24, the Group's gross profit was approximately RMB 1,936 million compared to approximately RMB 1,876 million in the corresponding period of FY2023, with an increase of approximately 3% amounting to approximately RMB 60 million. The gross profit margin increased from 46% in the 6 months ended 30 June 2023 ("1H23") to 49% in 1H24. The increase was mainly due to changes in sales structure, with a higher proportion of sales revenue from major products with higher gross profit margins, which increased the overall gross profit margin.

(c) Other Gains:

Other gains in 2Q FY2024 were RMB 15 million. For 1H24, the Group's other gains were approximately RMB 33 million, an increase of approximately RMB 21 million over the previous corresponding period, mainly due to an increase in proceeds of approximately RMB 7.41 million from the bank certificates of deposit, along with an RMB 8.48 million increase in other income. A provision of RMB 4.35 million was made for the impairment of receivable notes.

(d) Major Expenses:

(i) Marketing and Distribution costs in 2Q FY2024 increased by approximately RMB 2 million to approximately RMB 477 million. For 1H24, the Marketing and Distribution costs were approximately RMB 1,031 million, a decrease of approximately RMB 35 million or 3% over the previous corresponding period, mainly due to a decrease of approximately RMB 7.3 million in sales remuneration and a decrease of approximately RMB 28.81 million in consulting fees.

(ii) Research and Development costs in 2Q FY2024 were approximately RMB 22 million, a

decrease of approximately RMB 6 million or 21% over the previous corresponding period. For 1H24, the Research and Development costs decreased by approximately RMB 5 million, from approximately RMB 52 million in 1H23 to approximately RMB 47 million.

(iii) Administrative expenses in 2Q FY2024 increased by approximately RMB 34 million, from approximately RMB 96 million in 2Q FY2023. For 1H24, the administration expenses were approximately RMB 244 million, an increase of approximately RMB 80 million. This increase was primarily due to the repurchase of restricted shares during the same period last year, offsetting previously accounted expenses. Additionally, there was a year-on-year increase of RMB 20.45 million in equity incentive expenses and a RMB 15.2 million increase in strategic consulting service fees in current financial year.

(iv) Finance costs in 2Q FY2024 increased by approximately RMB 4 million to approximately RMB 7 million, while for 1H24, the finance costs were approximately RMB 12 million, an increase of approximately RMB 1 million over the previous corresponding period.

(v) Other losses in 2Q FY2024 increased by approximately RMB 6 million. For 1H24, the other losses were approximately RMB 29 million, an increase of approximately RMB 12 million over the previous corresponding period, mainly due to an increase of RMB 9.84 million inventory write-down provisions and an increase of RMB 3.32 million in receivable impairments.

(e) Share of results of associated companies:

The Group's share of profits of associated companies in 2Q FY2024 was approximately RMB 49 million, a decrease of approximately RMB 46 million or 48% over the previous corresponding period. The Group's share of profits of associated companies in 1H24 decreased from approximately RMB 74 million to approximately RMB 122 million. This was mainly due to a year-on-year decrease in investment income, with a reduction of RMB 58.73 million from Sino-American Tianjin SmithKline & French Lab., Ltd. (中美天津史克制药有限公司) and a decrease of RMB 5.24 million from Tianjin Hong Ren Tang Pharmaceutical Co., Ltd. (天津宏仁堂药业有限公司).

(f) Total comprehensive income:

The Group's total comprehensive income (net of tax) in 2Q FY2024 was approximately RMB 267 million, a decrease of 16% over the previous corresponding period. The Group's total comprehensive income (net of tax) in 1H24 was approximately RMB 649 million, a decrease of approximately RMB 66 million or 9% over the previous corresponding period.

The profit attributable to equity holders of parent (net of tax) in 2Q FY2024 was approximately RMB 270 million, a decrease of 16% over the previous corresponding period. The profit attributable to equity holders of parent (net of tax) in 1H24 was approximately RMB 658 million, a decrease of approximately RMB 65 million, or 9% from RMB 722 million of the corresponding period in 1H23.

(g) Major changes in statement of financial positions:

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB 3,454 million, which was an increase of approximately RMB 1,329 million, or 63% over the balance as at 31 December 2023. The Group's borrowings as at 30 June 2024 amounted to RMB 1,058 million. This was mainly due to an increase in cash receipts from sales of goods by industrial enterprises, as well as an increase in borrowings from commercial enterprises financial institutions.

Trade and other receivables increased by approximately 11% or RMB 300 million to approximately RMB 2,987 million as at 30 June 2024.

Inventories was approximately RMB 1,555 million at 30 June 2024, which was a decrease of approximately RMB 12 million, or 1% over the balance as at 31 December 2023.

Other current assets increased by approximately 7% or RMB 8 million to approximately RMB 119 million as at 30 June 2024.

Investment in associates of the Group decreased by 6% to approximately RMB 832 million.

Property, plant and equipment increased by approximately RMB 22 million to approximately RMB 1,457 million.

(h) Change in cash flow position:

In 1H24, the Group recorded net cash inflow from operating activities of approximately RMB 535 million which has increased by RMB 449 million as compared to 1H23. The increase was mainly due to the decrease in cash paid for goods and services compared to the same period last year.

Cash inflow from investing activities was approximately RMB 85 million in 1H24 which has increased by RMB 536 million as compared to 1H23. This was mainly attributable to the purchase of financial products worth RMB 580 million in FY2023.

Cash inflow from financing activities was approximately RMB 720 million in 1H24 which has increased by RMB 1,064 million as compared to 1H23. The increase was mainly due to no dividend payment from January to June 2024.



## **22. Forecast, or a prospect statement**

There was no forecast or a 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**

China places high importance on the development of traditional Chinese medicine (TCM) and has introduced a series of policy measures to support this industry. For instance, the "Traditional Chinese Medicine Development Strategy Outline (2016-2030) (《中医药发展战略规划纲要 (2016-2030 年)》)" signifies that TCM development has been integrated into the national development strategy. Additionally, the Chinese government has intensified efforts to protect traditional Chinese medicinal resources. Relevant policies have ensured high-quality raw materials for the modernization of TCM and have also driven advancements in the production and technological innovation of Chinese patent medicine industry. With increasing household income levels, ongoing urbanization, and the change of the aging population structure, there is a growing national capacity and willingness to consume medical products.

In recent years, there has been stricter regulation of medical insurance funds, rapid implementation of pharmaceutical procurement, optimization of the medical insurance catalog, and reforms in Diagnosis Related Groups (DRG)/ Diagnosis-Intervention Packet (DIP) payment methods. The acceleration of prescription drug flow due to medical insurance outpatient pooling and pharmacy coordination has made medical insurance a significant factor in the industry's development. These policy changes and adjustments have brought major shifts to the pharmaceutical sector.

Amidst this blend of opportunities and challenges, the importance of the TCM industry in the construction of a healthy China has become increasingly prominent. As a century-old enterprise with a deep brand heritage, the Group has achieved comprehensive coverage of the entire TCM industry chain through generations of dedication and continuous effort, with a rich and diverse product reserve. Well-known products such as Suoxiao Jiuxin Wan have deeply resonated with consumers. Currently, the Company is resolutely implementing its strategic plan, positioning itself with the strategy of "strengthening and expanding green TCM" with a focus on brand strength, product capability, and service quality. The Company is committed to grassroots development, innovation, and striving to achieve its development goals.

**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.

Please refer to note 5 above for details on the dividends declared and paid in respect of FY2023 during the current period reported on.

## **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 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 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>6-month period ended 30 June</u>	
	<u>2024</u> RMB'000	<u>2023</u> RMB'000
Sale of goods to associates	100	407
Purchase of goods from associates	(35,706)	(47,933)
Interest income from an associate	13,118	8,957
Interest expense payable to an associate	(5,030)	(3,530)

	<u>6-month period ended 30 June</u>	
	<u>2024</u> RMB'000	<u>2023</u> RMB'000
Sale of goods to related companies	99,476	112,632
Purchase of goods from related companies	(149,161)	(106,976)
Rental expenses to related companies	(1,869)	(1,214)
Rental income from related companies	73	123
Purchase of assets from related companies	183	-

## 26. Interested Person Transaction disclosure

The Group has obtained a general mandate (the “**IPT General Mandate**”) from the Shareholders for interested person transactions (the “**IPTs**”) at the annual general meeting held on 15 May 2023 for the financial year ended 31 December 2022 (“**FY2022**”). Please refer to the annexure accompanying the notice of annual general meeting in relation to the proposed renewal of mandate for IPTs (as set out on pages 169 to 189 of the Company’s annual report for the FY2022) for further details on the IPT General Mandate.

Shareholders’ approval has also been 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) as an IPT and all transactions arising therefrom, at the annual general meeting held on 15 May 2023 for 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.

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

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the 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)		Aggregate value of all interested person transactions conducted 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)	
		<b>6-month period ended 30 June 2024</b>	6-month period ended 30 June 2023	<b>6-month period ended 30 June</b>	6-month period ended 30 June 2023

		2024			
		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) (“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: 5,030	3,530	-	-
Total		5,030	3,530	-	-

Note(s):

- (1) The disclosure under “Related parties transactions” stated in note 25 above represents the aggregation of all related parties transactions for the current financial period reported on (including the interested person transactions disclosed in this note 26) comprising: (i) sale of goods to associates and related companies; (ii) purchase of goods from associates and related companies; (iii) rental expenses to related companies; (iv) rental income from an associate and related companies; (v) interest income from an associate; and (vi) interest expense payable to an associate; while the “Interested Person Transactions disclosure” stated in this note 26 pertains only to the interest payable on the credit facilities provided by TPGF (being an associate of the Company) which amounts to RMB 5,030,000 (i.e., item (vi)) and interested person transactions not less than S\$100,000. The items (i) to (v) are excluded from disclosure in this note 26 as the respective amounts thereof are individually less than S\$100,000 and are therefore not subject to the disclosure requirement under Rule 907 of the Listing Manual of the SGX ST.
- (2) As at 30 June 2024, placement of deposit with TPGF amounted to approximately RMB 870 million.

As disclosed in the 28 April 2023 Annexure in relation to the proposed financial services agreement to be entered into between the Company and TPGF as an interested person transaction, 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 and 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 RMB 1,500 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 RMB 870 million placed with TPGF as at 30 June 2024 falls within the limit of RMB 1,500 million. Further details on the deposit are set out below:

Unit: RMB '000

<b>Duration of deposit</b>	<b>Current deposit (1-7 days)</b>	<b>Fixed deposit (12 months)</b>	<b>Total</b>
Balance of deposit	560,123	310,000	870,123

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 RMB 870 million placed with TPGF as at 30 June 2024 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 the unaudited interim consolidated financial results for the financial period ended 30 June 2024, 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.