

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED

Third Quarter Financial Statement (*) And Dividend Announcement

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

	The Group					
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	Change %	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000	Change %
Revenue	1,788,247	1,711,802	4	5,563,011	5,352,223	4
Cost of sales	(1,076,523)	(1,015,649)	6	(3,334,948)	(3,150,152)	6
Gross profit	711,724	696,153	2	2,228,063	2,202,071	1
Interest income	10,461	6,734	55	39,967	26,570	50
Dividend income	-	-	n.m	-	-	n.m
Other gains	78,449	20,074	n.m	88,901	41,608	n.m
Marketing and distribution costs	(388,941)	(374,171)	4	(1,244,739)	(1,209,341)	3
Research and development costs	(37,088)	(28,267)	31	(92,260)	(94,466)	(2)
Administrative expenses	(95,973)	(114,187)	(16)	(275,407)	(315,986)	(13)
Finance costs	(251)	(16)	n.m	(288)	(55)	n.m
Other losses	(11,017)	(21,329)	(48)	(27,663)	(35,518)	(22)
Share of profit of associates	30,735	39,358	(22)	131,346	149,032	(12)
Profit before income tax	298,098	224,349	33	847,920	763,915	11
Income tax expense	(29,850)	(19,946)	50	(101,707)	(86,911)	17
Profit, net of tax	268,248	204,403	31	746,213	677,004	10

	<u>The Group</u>					
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	Change %	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000	Change %
Other Comprehensive Loss Items that will not be reclassified to profit or loss:						
Fair Value Gain / (Loss) on equity investment measured at FVTOCI, net of tax	(129)	3,347	n.m	(845)	2,484	n.m
Share of other comprehensive income / (loss) from equity-accounted associates, net of tax	2,888	(11,735)	n.m	2,564	(12,098)	n.m
Other Comprehensive Income/(Loss) Items that may be reclassified subsequently to profit or loss:						
Total Other Comprehensive Income / (Loss), Net of Tax	2,759	(8,388)	n.m	1,719	(9,614)	n.m
Total comprehensive income	271,007	196,015	38	747,932	667,390	12

	The Group					
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	Change %	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000	Change %
Profit, net of tax attributable to:						
Owners of the parent	260,176	198,962	31	728,961	661,511	10
Non-controlling interests	8,072	5,441	48	17,252	15,493	11
	268,248	204,403	31	746,213	677,004	10
Total comprehensive income attributable to:						
Owners of the parent	262,935	190,574	38	730,680	651,897	12
Non-controlling interests	8,072	5,441	48	17,252	15,493	11
	271,007	196,015	38	747,932	667,390	12
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 share on issue	0.34	0.26	31	0.95	0.86	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>					
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	Change %	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000	Change %
Profit, net of tax is arrived at after crediting / (charging):						
Other income (including government grant)	75,343	19,732	n.m	84,322	31,564	n.m
Interest income	10,461	6,734	55	39,967	26,570	50
Interest on borrowings	(251)	(16)	n.m	(288)	(55)	n.m
Allowance for impairment on trade receivables – reversal / (loss)	(3,816)	(6,100)	(37)	(9,982)	(9,790)	2
Allowance for impairment on other receivables – reversal / (loss)	3,106	(9,203)	n.m	4,579	(13,073)	n.m
Impairment loss on inventories	(5,459)	(6,027)	(9)	(14,397)	(12,655)	14
Foreign currency translation losses, net	(1,274)	(98)	n.m	(2,813)	363	n.m
Gain on disposal of property, plant and equipment, intangible assets and other non-current assets	(95)	440	n.m	(213)	9,681	n.m
Share-based payments	(1,603)	(2,708)	(41)	(5,179)	(7,483)	(31)
Depreciation and amortisation	(45,135)	(27,067)	67	(103,534)	(88,241)	17

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

	Note	The Group			The Company		
		As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000	Change %	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000	Change %
ASSETS							
Non-current assets							
Property, plant and equipment		1,469,120	1,483,273	(1)	982,795	1,047,816	(6)
Right-of-use assets		2,491	3,054	(18)	-	-	
Investment properties		14,369	15,177	(5)	13,578	14,349	(5)
Land use rights		205,606	182,638	13	153,297	156,907	(2)
Intangibles assets		89,180	20,270	n.m	17,276	18,568	(7)
Goodwill	12	98,168	-	n.m	-	-	n.m
Investment in subsidiaries	7	-	-		1,083,898	535,525	n.m
Investment in associates	8	698,495	729,660	(4)	698,495	729,660	(4)
Other financial assets	9	41,597	11,081	n.m	971	11,081	(91)
Deferred tax assets		183,337	154,605	19	143,382	140,059	2
Other non-financial assets	10	32,587	42,333	(23)	24,111	40,067	(40)
Total non-current assets		2,834,950	2,642,091	7	3,117,803	2,694,032	16
Current assets							
Inventories		1,343,867	1,525,089	(12)	754,114	1,391,957	(46)
Trade and other receivables	11	3,114,608	2,011,319	55	2,645,593	1,941,982	36
Other financial assets	9	40,232	484,464	(92)	-	374,829	n.m
Other non-financial assets	10	67,230	120,940	(44)	9,255	103,188	(91)
Cash and cash equivalents		2,349,095	2,283,181	3	1,755,638	2,055,683	(15)
Total current assets		6,915,032	6,424,993	8	5,164,600	5,867,639	(12)
Total assets		9,749,982	9,067,084	8	8,282,403	8,561,671	(3)
EQUITY							
Equity							
Share capital	13	773,443	773,443	-	773,443	773,443	-
Share premium		1,228,740	1,228,740	-	1,228,740	1,228,740	-
Retained earnings		4,239,302	3,890,250	9	4,184,674	3,818,874	10
Other reserves		495,089	504,077	(2)	553,589	553,504	-
Total equity attributable to equity holders of the Company		6,736,574	6,396,510	5	6,740,446	6,374,561	6
Non-controlling interests		169,173	149,352	13	-	-	
Total equity		6,905,747	6,545,862	5	6,740,446	6,374,561	6

	The Group				The Company		
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000	Change %	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000	Change %	
LIABILITIES							
Non-current liabilities							
Deferred tax liabilities	11,682	4,212	n.m	2,861	4,212	(32)	
Trade payables	12,445	12,445	-	12,297	12,297	-	
Lease liabilities	1,057	1,572	(33)	-	-	-	
Other financial liabilities	66,930	-	n.m	-	-	-	
Other non-financial liabilities	101,351	101,124	0	93,264	66,757	40	
Total non-current liabilities	193,465	119,353	62	108,422	83,266	30	
Current liabilities							
Income tax payable	76,898	9,530	n.m	76,984	-	n.m	
Trade and other payables	15 2,439,605	2,145,133	14	1,273,694	1,896,456	(33)	
Other financial liabilities	14 43,107	30,000	44	-	-	-	
Lease liabilities	1,216	1,597	(24)	-	-	-	
Other non-financial liabilities	89,944	215,609	(58)	82,857	207,388	(60)	
Total current liabilities	2,650,770	2,401,869	10	1,433,535	2,103,844	(32)	
Total liabilities	2,844,235	2,521,222	13	1,541,957	2,187,110	(29)	
Total equity and liabilities	9,749,982	9,067,084	8	8,282,403	8,561,671	(3)	

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-controlling interests	Total equity
Balance at 1 January 2022	773,443	1,228,740	504,077	3,890,250	6,396,510	149,352	6,545,862
Total comprehensive income for the period	-	-	1,719	728,961	730,680	17,252	747,932
Transfers from equity instruments at FVTOCI reserve	-	-	(6,813)	6,813	-	-	-
Dividends	-	-	-	(386,722)	(386,722)	-	(386,722)
Distribution to non-controlling interests	-	-	-	-	-	(14,965)	(14,965)
Acquisition of subsidiary	-	-	(9,073)	-	(9,073)	17,534	8,461

Share-based payments	-	-	5,179	-	5,179	-	5,179
Balance at 30 September 2022	773,443	1,228,740	495,089	4,239,302	6,736,574	169,173	6,905,747

Group	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	Parent sub-total	Non-controlling interests	Total equity
Balance at 1 January 2021	773,643	-	1,229,980	486,491	3,353,080	5,843,194	141,484	5,984,678
Total comprehensive income for the period	-	-	-	(9,614)	661,512	651,898	15,493	667,391
Dividends	-	-	-	-	(232,093)	(232,093)	-	(232,093)
Distribution to non-controlling interests	-	-	-	-	-	-	(9,600)	(9,600)
Restricted A-Shares buy-back	-	(200)	(1,120)	-	-	(1,320)	-	(1,320)
Share-based payments	-	-	-	7,483	-	7,483	-	7,483
Balance at 30 September 2021	773,643	(200)	1,228,860	484,360	3,782,499	6,269,162	147,377	6,416,539

All in RMB'000

Company	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2022	773,443	1,228,740	553,504	3,818,874	6,374,561
Total comprehensive income for the period	-	-	1,719	745,708	747,427
Transfers from equity instruments at FVTOCI reserve	-	-	(6,813)	6,813	-
Dividends	-	-	-	(386,721)	(386,721)
Share-based payments	-	-	5,179	-	5,179
Balance at 30 September 2022	773,443	1,228,740	553,589	4,184,674	6,740,446

Company	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021	773,643	-	1,229,980	536,706	3,278,987	5,819,316
Total comprehensive income for the period	-	-	-	(9,614)	674,007	664,393
Dividends	-	-	-	-	(232,093)	(232,093)
Restricted A-Shares buy-back	-	(200)	(1,120)	-	-	(1,320)
Share-based payments	-	-	-	7,483	-	7,483
Balance at 30 September 2021	773,643	(200)	1,228,860	534,575	3,720,901	6,257,779

1(c) Condensed Interim Consolidated Statement of Cash Flows

	The Group			
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000
<u>Cash flows from operating activities</u>				
Profit before income tax	298,098	224,349	847,920	763,915
Interest income	(10,461)	(6,734)	(39,967)	(26,570)
Interest expense	251	16	288	55
Dividend income	-	-	-	-
Other gains	(72,611)	(12,294)	(77,059)	(14,476)
Share of profit of equity-accounted associates	(30,735)	(39,358)	(131,346)	(149,032)
Depreciation and amortisation of property, plant and equipment, investment properties, land use rights and intangible assets	45,135	27,067	103,534	88,241
Gain on disposals of property, plant and equipment, intangible assets and other non-current assets	95	(440)	213	(9,681)
Impairment on trade and other receivables – loss / (reversal)	6,168	21,329	19,800	35,518

	<u>The Group</u>			
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000
Share-based payments	1,603	2,708	5,179	7,483
Operating cash flows before changes in working capital	237,544	216,643	728,563	695,453
Inventories	(41,882)	5,500	189,857	74,072
Trade and other receivables	(118,063)	124,010	(782,692)	(453,015)
Other assets	6,590	31,578	61,614	29,806
Trade and other payables	40,851	27,609	213,600	464,181
Cash restricted in use	(63,324)	-	(149,210)	-
Other liabilities	(10,883)	(70,670)	(125,438)	(84,819)
Net cash flows from operations	50,833	334,670	136,294	725,678
Income tax paid	(23,875)	(34,178)	(49,787)	(75,138)
Net cash flows from operating activities	26,958	300,492	86,507	650,540
Cash flows from investing activities				
Purchase of property, plant and equipment, intangibles, land use rights and investment properties	(16,928)	(41,740)	(70,324)	(113,255)
Acquisition of financial assets	(300,000)	(349,910)	(380,000)	(349,910)
Acquisition of subsidiary (net of cash acquired)	(47,848)	-	(47,848)	-
Proceeds from disposal of financial assets	-	15,000	454,920	15,000
Dividends income received from associates and financial assets	-	119,096	165,075	148,586
Proceeds from disposals of property, plant and equipment, intangible assets and other assets	(91)	2,414	(87)	25,035
Interest income received	10,461	7,048	73,715	27,511
Net cash flows used in investing activities	(354,406)	(248,092)	195,451	(247,033)

	<u>The Group</u>			
	3-month period from 1 July to 30 September 2022 RMB'000	3-month period from 1 July to 30 September 2021 RMB'000	9-month period from 1 January to 30 September 2022 RMB'000	9-month period from 1 January to 30 September 2021 RMB'000
Cash flows from financing activities				
Increase in new loans and borrowings	17,409	-	38,940	-
Dividends paid to equity owners	(120)	(6,206)	(385,357)	(230,874)
Distribution to non-controlling interests	(565)	-	(14,965)	(9,600)
Interest paid	(262)	-	(802)	-
Loans and borrowings paid	(10)	-	(2,010)	-
Restricted A-Shares buy-back	-	(1,349)	-	(1,349)
Repayment of borrowings and lease liabilities	(168)	(529)	(1,059)	(1,059)
Net cash flows used in financing activities	16,284	(8,084)	(365,253)	(242,882)
Net (decrease) / increase in cash and cash equivalents	(311,164)	44,316	(83,295)	160,625
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	2,511,050	2,103,643	2,283,181	1,987,334
Cash and cash equivalents, consolidated statement of cash flows, ending balance	2,199,886	2,147,959	2,199,886	2,147,959

Notes to the Condensed Interim Financial Statements

30 September 2022

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 October 2022, 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.

The COVID-19 pandemic has no significant adverse effect on the Group’s financial position and results for the current financial period reported on.

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
9-month period ended 30 September 2022				
Revenue	3,926,852	1,211,843	424,316	5,563,011
Cost of sales	1,845,606	1,103,753	385,589	3,334,948
Gross profit	2,081,246	108,090	38,727	2,228,063
9-month period ended 30 September 2021				
Revenue	3,628,015	1,280,395	443,813	5,352,223
Cost of sales	1,684,298	1,096,519	369,335	3,150,152
Gross profit	1,943,717	183,876	74,478	2,202,071

2C. Disaggregation of revenue from contracts with customers

	<u>Group</u>	
	9-month period ended 30 September 2022 RMB'000	9-month period ended 30 September 2021 RMB'000
Sale of goods recognised at point in time	5,549,376	5,340,013
Revenue recognised over time	13,635	12,210
	5,563,011	5,352,223

3. Income tax

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

	<u>Group</u>	
	9-month period ended 30 September 2022 RMB'000	9-month period ended 30 September 2021 RMB'000
<u>Current income tax</u>		
Current income tax	130,089	94,922
Adjustments in respect of prior years	350	1,579
	130,439	96,501
<u>Deferred tax</u>		
Deferred tax	(28,732)	(9,590)
	101,707	86,911

3B. Adjustments for current income tax

	<u>Group</u>	
	9-month period ended 30 September 2022 RMB'000	9-month period ended 30 September 2021 RMB'000
Profit (Loss) before tax	847,919	763,915
Loss: Share of profit of equity-accounted associates	(131,346)	(149,033)
	716,573	614,882
Income tax expense at the above rate	179,143	153,721
Effect of concessionary tax rate at 15%	(39,214)	(40,413)
Non-deductible items	97	181
Non-taxable items	(40,084)	(25,594)
Unrecognised deferred tax assets	1,415	(2,563)
Adjustments in respect of prior years	350	1,579
	101,707	86,911

4. Disposal of subsidiaries

During the 9-month period ended 30 September 2022, the Company transferred the entire equity interest held by it in its wholly-owned subsidiary, Tianjin Da Ren Tang (Bozhou) Chinese Medicine Co., Ltd. (天津达仁堂(亳州)中药饮片有限公司) (“**Da Ren Tang (Bozhou)**”), to its other wholly-owned subsidiary, Da Ren Tang (Tianjin) Chinese Medicinal Slices Co., Ltd. (达仁堂(天津)中药饮片有限公司) (“**Chinese Medicinal Slices Co.**”) (the “**1st Transfer**”). Upon the completion of the 1st Transfer, Da Ren Tang (Bozhou) became a direct wholly-owned subsidiary of Chinese Medicinal Slices Co. and indirect subsidiary of the Company. Further, during the 9-month period ended 30 September 2022, the Company’s wholly-owned subsidiary, Zhong Xin Bohai Rim Pharmaceutical Co., Ltd. (天津中新药业集团环渤海药业有限公司), was deregistered.

In addition, during the current financial period reported on, pursuant to the Proposed Asset Restructuring (as defined in the announcement dated 17 December 2021 made by the Company), the Company transferred the entire equity interest held by it in the following three (3) controlled subsidiaries (as determined in accordance with the laws of the PRC) (the “**Three Controlled Subsidiaries**”): (i) Tianjin Zhongxin Pharmaceutical Binhai Co., Ltd. (天津中新药业滨海有限公司) (being 53.6%), (ii) Tianjin Zhongxin Pharmaceutical Group Guowei Medicine Co., Ltd. (天津中新药业集团国卫医药有限公司) (being 51%) and (iii) Tianjin Zhongxin Pharmaceutical Group Xuzhi Pharmaceutical Technology Co., Ltd. (天津中新药业集团旭志医药科技有限公司) (being 51%) respectively to its wholly-owned subsidiary, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) (“**TJZX Medicine**”) (the “**2nd Transfer**”). Following the completion of the 2nd Transfer, each of the Three Controlled Subsidiaries became a direct wholly-owned subsidiary of TJZX Medicine and indirect subsidiary of the Company. Please refer to the announcement dated 17 December 2021 made by the Company on the resolutions passed at the 11th Board meeting for the financial year ended 31 December 2021 (“**FY2021**”) in relation to, *inter alia*, the Proposed Asset Restructuring for further details.

In particular, for the purposes of Rule 706A of the Listing Manual, for the current financial period reported on, save as disclosed above, 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

	9-month period ended 30 September 2022	9-month period ended 30 September 2021
Type	Cash	Cash
Dividend rate	RMB0.5 per ordinary share	RMB0.3 per ordinary share
Record date	25 May 2022	16 June 2021
Date paid or payable	2 June 2022	24 June 2021

The total dividends paid on ordinary shares for FY2021 was RMB386,721,538 (2020: RMB230,942,593.20).

6. Acquisition of subsidiaries / subsidiary / business combination

During the current financial period reported on, the Company acquired an additional 5,735,899 shares from the existing shareholders of Newscen Coast Bio-Pharmaceutical Co., Ltd. (天津中新科炬生物制药股份有限公司) (“**NewScen Coast**”) (being an associated company of the Company then), at a price of RMB9.00 per share of NewScen Coast, representing 21.56% of the entire equity interest in NewScen Coast (the “**Acquisition**”). Prior to the Acquisition, the Company held approximately 26.29% of the entire equity interest in NewScen Coast. Upon completion of the Acquisition, the Company holds approximately 47.85% of the entire equity interest in NewScen Coast, and in substance, NewScen Coast became a subsidiary of the Company (as determined in accordance with the laws of the PRC).

The consideration of the Acquisition was RMB51.62 million and, as part of the Acquisition, the Company recognised in profit or loss a gain on previously held interest in the associate of RMB72.17 million and goodwill of RMB98.17 million. The Company is currently in the process of conducting the purchase price allocation (收购价格分摊) exercise and to identify the fair value of the identified assets, liabilities and contingent liabilities as at the completion date of Acquisition. Accordingly, the relevant figures may change upon the completion of the aforesaid purchase price allocation exercise.

Please refer to the announcement dated 22 August 2022 made by the Company on the resolutions passed at the 5th Board meeting for the financial year ending 31 December 2022 (“**FY2022**”) in relation to, *inter alia*, the Acquisition and the supplemental announcement made by the Company on 23 August 2022 for further details on the Acquisition.

In particular, for the purposes of Rule 706A of the Listing Manual, for the current financial period reported on, save as disclosed above, 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

	Company
	9-month period ended 30 September 2022
	RMB'000
Movements during the period:	
At beginning of the period	535,525

Additions	548,373
At the end of the period	1,083,898

During the 9-month period ended 30 September 2022, the Company increased its investment in its subsidiaries, TJZX Medicine and Tianjin Hebei Da Ren Tang Hospital Co., Ltd. (天津河北达仁堂医院有限公司).

In addition, as disclosed in note 6 above, during the current financial period reported on, the Company acquired an additional 21.56% shareholding in Newscen Coast. Upon completion of the Acquisition, the Company holds approximately 47.85% of the entire equity interest in NewScen Coast, and in substance, NewScen Coast became a subsidiary of the Company (as determined in accordance with the laws of the PRC).

8. Investments in associates

	<u>Group</u>
	9-month period ended 30 September 2022
	RMB'000
Movements in carrying value:	
At beginning of the period	729,660
Share of profit of associates	131,346
Dividends	(165,075)
Other equity movements	2,564
At end of the period	698,495

9. Other financial assets

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
Other financial assets - current assets		
Investment in debt instruments at amortised cost	40,232	484,464
Other financial assets - non-current assets		
Investment in debt instruments at amortised cost	40,626	-
Investment in equity instruments at fair value through other comprehensive income	971	11,081
	41,597	11,081
	81,829	495,545

During the current financial period reported on, the Group redeemed its matured investment in debt instruments.

The decrease in other financial assets in the current period is mainly due to the redemption of its debt investments.

10. Other non-financial assets

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
Current assets		
Prepayments	47,728	48,538
Value-added taxes recoverable	19,502	59,202
Income tax recoverable	-	13,200
	67,230	120,940
Non-current assets		
Prepayment	32,587	42,333
	99,817	163,273

11. Trade and other receivables

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
<u>Trade receivables</u>		
Bills receivable	381,310	433,592
Interest receivable	-	15,550
Outside parties	2,502,849	1,649,775
Associates	3,154	4,937
Related parties	39,090	26,125
Less: Allowance for credit impaired	(8,148)	(6,349)
Less: Allowance for expected credit losses	(159,321)	(137,495)
	2,758,934	1,986,135
<u>Other receivable</u>		
Outside parties	379,460	52,428
Associates	17,567	27,861
Related parties	9,336	-
Less: Allowance for expected credit losses	(50,689)	(55,105)
	355,674	25,184

Total	3,114,608	2,011,319
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The ageing of the trade receivables balances was as follows:

	<u>Group</u>		
	<u>Gross amount</u> RMB'000	<u>ELR</u> %	<u>Loss allowance</u> RMB'000
As at 30 September 2022			
Within 1 year	2,335,004	0.13	3,052
1 – 2 years	48,067	20.00	9,615
2 – 3 years	14,440	50.00	7,220
Over 3 years	139,434	100.00	139,434
Total	2,536,945		159,321
As at 31 December 2021			
Within 1 year	1,528,997	0.13	1,990
1 – 2 years	11,060	20.00	2,212
2 – 3 years	2,277	50.00	1,139
Over 3 years	132,154	100.00	132,154
Total	1,674,488		137,495

12. Goodwill

As disclosed in note 6 above, during the current financial period reported on, the Company acquired an additional 21.56% shareholding in Newscen Coast. Upon completion of the Acquisition, the Company holds approximately 47.85% of the entire equity interest in NewScen Coast, and in substance, NewScen Coast became a subsidiary of the Company (as determined in accordance with the laws of the PRC) and Company recognised goodwill of approximately RMB98.17 million.

13. Share capital and treasury shares

	<u>Group</u>	
	Number of treasury shares	Amount of treasury shares
	As at 30 September 2022 '000	As at 30 September 2022 RMB'000
Movements in share capital:		
At beginning of the period	-	-
Restricted A-Shares buy-back	-	-
At end of the period	-	-

There has been no change in the Company's share capital since the end of the previous period reported on, being 30 June 2022.

The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 September 2022 and 30 September 2021.

The Company does not hold any treasury shares and there are no subsidiary holdings as at 30 September 2022 and 30 September 2021.

	As at 30 September 2022	As at 31 December 2021
Number of issued shares excluding treasury shares	773,443,076	773,443,076
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 September 2022 RMB'000	As at 31 December 2021 RMB'000	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
<u>Repayable in one year or less, or on demand:</u>				
Bank borrowings	26,230	30,000	16,877	-
Subtotal	26,230	30,000	16,877	-
<u>Repayable after one year:</u>				
Bank borrowings	27,990	-	38,940	-
Subtotal	27,990	-	38,940	-
Total	54,220	30,000	55,817	-

14A. Details of any collaterals

The aforementioned loan of principal amount of RMB28 million is secured by a subsidiary's land use rights valued at a valuation of approximately RMB25 million as at 30 September 2022; the loan of principal amount of RMB16 million is secured by a subsidiary's properties valued at a valuation of approximately RMB13 million as at 30 September 2022; and the loan of principal amount of RMB10 million is secured by shareholders' equity interests valued at a valuation of

approximately RMB1.4 million as at 30 September 2022.

15. Trade and other payables

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
<u>Trade payables</u>		
Bills payable	522,968	643,887
Outside parties	615,507	588,094
Associates	6,240	2,178
Related parties	47,098	8,340
Employee benefits payables	188,333	132,057
	1,380,146	1,374,556
<u>Other payables</u>		
Outside parties	935,774	719,461
taxes payables	105,254	34,548
Dividend payable	17,894	15,725
Associates	-	39
Related parties	537	804
Subtotal	1,059,459	770,577
Total	2,439,605	2,145,133

16. Capital commitments

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
Contractual obligations to purchase and construct	173,634	219,231

17. Categories of financial assets and liabilities

	<u>Group</u>	
	As at 30 September 2022 RMB'000	As at 31 December 2021 RMB'000
<u>Financial assets</u>		
Financial assets at amortised cost	5,544,561	4,778,964
Financial assets at fair value through other comprehensive income	971	11,081
	5,545,532	4,790,045
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	2,564,360	2,160,747

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 2021.

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	
	9-month period ended 30 September 2022	9-month period ended 30 September 2021
	RMB	RMB
Based on weighted average number of ordinary shares in issue	0.95	0.86

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 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	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	8.71	8.27	8.71	8.24

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 third quarter of FY2022 ("**3Q FY2022**") was approximately RMB 1,788 million, an increase of approximately RMB 76 million, or 4%, from RMB 1,712 million in the third quarter of FY2021 ("**3Q FY2021**"). For the 9-month period ended 30 September 2022 ("**9M 2022**"), the Group recorded a revenue of approximately RMB 5,563 million, an increase of approximately RMB 211 million, approximately 4% over the corresponding period in FY2021.

(b) Gross Profit Margin:

The Group's gross profit in 3Q FY2022 increased by approximately 2% from approximately RMB 696 million in 3Q FY2021 to approximately RMB 712 million. For 9M 2022, the Group's gross profit was approximately RMB 2,228 million compared to approximately RMB 2,202 million in the corresponding period of FY2021, with an increase of approximately 1% amounting to approximately RMB 26 million. The gross profit margin has decreased from 41% in the 9-month period ended 30 September 2021 ("**9M 2021**") to 40% in 9M 2022.

(c) Other Gains:

Other gains in 3Q FY2022 were RMB 78 million. For 9M 2022, the Group's other gains were approximately RMB 89 million, an increase of approximately RMB 47 million over the previous corresponding period mainly due to the year-on-year increase in gain on previously held interest in the associate (i.e., NewScen Coast) of RMB72.17 million following the Acquisition.

(d) Major Expenses:

(i) Marketing and Distribution costs in 3Q FY2022 increased by approximately 4% to approximately RMB 389 million. For 9M 2022, the Marketing and Distribution costs were approximately RMB 1,245 million, an increase of approximately RMB 35 million or 3% over the previous corresponding period.

(ii) Research and Development costs in 3Q FY2022 were approximately RMB 37 million, an increase of approximately RMB 9 million or 31% over the previous corresponding period. For 9M 2022, the Research and Development costs decreased by approximately RMB 2 million, from approximately RMB 94 million in 9M 2021 to approximately RMB 92 million.

(iii) Administrative expenses in 3Q FY2022 decreased by approximately RMB 18 million, from

approximately RMB 114 million in 3Q FY2021. For 9M 2022, the administration expenses were approximately RMB 275 million, a decrease of approximately RMB 41 million. The decrease was mainly due to decrease in Chinese Communist Party (CCP) building (党建) expenses, office expenses and conference expenses, etc.

(iv) Finance costs in 3Q FY2022 increased by approximately RMB 0.04 million to approximately RMB 0.25 million, while for 9M 2022, the finance costs increased by approximately RMB 0.23 million from approximately RMB 0.06 million to approximately RMB 0.29 million.

(v) Other losses in 3Q FY2022 decreased by approximately RMB 10 million, while for 9M 2022, the other losses were approximately RMB 28 million, a decrease of approximately RMB 8 million.

(e) Share of results of associated companies:

The Group's share of profits of associated companies in 3Q FY2022 was approximately RMB 31 million, a decrease of approximately RMB 9 million or 22% over the previous corresponding period. The Group's share of profits of associated companies in 9M 2022 decreased from approximately RMB 18 million to approximately RMB 131 million. This decrease is mainly due to the decrease of the Company's share of profit from Sino-American Tianjin SmithKline & French Lab., Ltd. (中美天津史克制药有限公司) year-on-year.

(f) Total comprehensive income:

The Group's total comprehensive income (net of tax) in 3Q FY2022 was approximately RMB 271 million, an increase of 38% over the previous corresponding period. The Group's total comprehensive income (net of tax) in 9M 2022 was approximately RMB 748 million, an increase of approximately RMB 81 million or 12% over the previous corresponding period.

The profit attributable to equity holders of parent (net of tax) in 3Q FY2022 was approximately RMB 260 million, an increase of 31% over the previous corresponding period. The profit attributable to equity holders of parent (net of tax) in 9M 2022 was approximately RMB 729 million, an increase of approximately RMB 67 million, or 10% from RMB 662 million of the corresponding period in 9M 2021.

(g) Major changes in statement of financial positions:

As at 30 September 2022, the Group's cash and cash equivalents amounted to approximately RMB 2,349 million, which is an increase of approximately RMB 66 million, or 3% over the balance as at 31 December 2021. The Group's borrowings as at 30 September 2022 amounted to RMB 110 million.

Trade and other receivables increased by approximately 55% or RMB 1,103 million to

approximately RMB 3,115 million as at 30 September 2022. Trade receivables increased by approximately RMB 840 million.

Inventories were approximately RMB 1,344 million as at 30 September 2022, which is a decrease of approximately RMB 181 million, or 12% over the balance as at 31 December 2021.

Other current assets decreased by approximately 44% or RMB 54 million to approximately RMB 67 million as at 30 September 2022.

Investment in associates of the Group decreased by 4% to approximately RMB 698 million due to the decrease in sharing of profits from associates.

Property, plant and equipment decreased by approximately RMB 14 million to approximately RMB 1,469 million.

(h) Change in cash flow position:

In 9M 2022, the Group recorded net cash inflow from operating activities of approximately RMB 87 million which has decreased by RMB 564 million as compared to 9M 2021. The decrease was mainly due to the increase in amount used in working capital.

Cash inflow from investing activities was approximately RMB 195 million in 9M 2022 which has increased by RMB 442 million as compared to 9M 2021. This was mainly attributable to proceeds received from disposal of other financial assets during the current period reporting on.

Cash outflow from financing activities was approximately RMB 365 million in 9M 2022 which has increased by RMB 122 million as compared to 9M 2021. The increase was mainly due to increase in dividend, profit and interest paid to non-controlling interest.

22. Forecast, or a prospect statement

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

Please see note 1 above, for the effect of the COVID-19 pandemic on the Group's financial position and results for the current financial period reported on.

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

Since the beginning of 2022, the international environment has been complicated and challenging, and the world economic growth has been slowing down. The spread of the COVID-19 pandemic has caused significant impact on the stability of domestic economic growth. Despite the tense economic environment and market conditions, the pharmaceutical industry has maintained its continuous development. In 2022, the reform of the medical and health system continues to deepen, and various authorities including the National Healthcare Security Administration (国家医疗保障局) and the National Administration of Traditional Chinese Medicine (国家中医药管理局) have issued several policy documents to deepen the coordinating reform of medical care, medical insurance and medicine. In terms of medical care, the PRC government continues to accelerate the construction of an orderly new structure of medical care, diagnosis and treatment, accelerate the establishment and construction of national medical centres and carry out national and regional medical center construction projects; give play to the driving role of provincial high-level hospitals; enhance the service capability of hospitals at the city and county levels; enhance the level of grass-roots medical and health services; and continue to promote hierarchical diagnosis and treatment and optimise the order of medical treatment. In terms of medical insurance, the security system has been gradually improved and various measures have been adopted including the national unification of the medical insurance drug catalogue, the deepening of the reform of payment methods, the promotion of the construction of a national unified medical insurance information platform, the improvement of the settlement of medical treatment in different places, and the monitoring of medical prices, so as to promote the in-depth development of domestic medical services. In terms of medicine, the PRC government continues to support the development of traditional Chinese medicine (“TCM”). As a treasure of the Chinese nation, TCM will play a greater role in the construction of health China due to its unique role in the prevention and treatment of common diseases, frequently-occurring diseases, chronic diseases and intractable diseases, as well as major infectious diseases. TCM industry is facing significant development opportunities.

Under the influence of the economic challenges arising from the COVID-19 pandemic and the opportunities arising from PRC national policies, the Company actively adapting to the changes in the industry and prepare to meet the challenges. In 2022, the Company has implemented various measures including change of its company name to give full play to the role of time-honored brands, optimisation of its organisational restructure to improve management efficiency, continuous reduction of cost and improvement of production efficiency to promote the coordination of production and sales, improvement of production efficiency to ensure market supply, continuous exploration of the market to promote sales growth, strengthening scientific research and innovation and refining financial control. The Company has demonstrated its corporate social responsibility during the fight against the COVID-19 pandemic. In the first three quarters of 2022, despite the COVID-19 pandemic, the Group achieved an operating income of RMB 5.56 billion, representing a year-on-year increase of 4%, and net profit attributable to the parent of RMB 729 million, representing a year-on-year increase of 10%.

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 further details on the dividends declared and paid in respect of FY2021 during the 9-month period ended 30 September 2022.

25. Related party transactions

There are transactions and arrangements between the Group and its subsidiaries and associates and the effects of these on 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>9-month period ended 30 September</u>	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Sale of goods to associates	239	2,360
Purchase of goods from associates	(54,771)	(59,397)
Interest income from an associate	8,153	5,789
Interest expense payable to an associate	(802)	(891)
Rental income from an associate	-	220

	<u>9-month period ended 30 September</u>	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Sale of goods to related companies	117,200	92,625
Purchase of goods from related companies	(196,787)	(147,345)
Rental expenses to related companies	(2,263)	(1,938)
Rental income from related companies	55	-

26. Interested Person Transaction disclosure

The Group has obtained a general mandate (the “**IPT General Mandate**”) from shareholders for interested person transactions (the “**IPTs**”) at the annual general meeting held on 16 May 2022 for FY2021. 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 173 to 193 of the Company’s annual report for FY2021) 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 5 June 2020 for the financial year ended 31 December 2019 (“**FY2019**”). Please refer to the annexure dated 21 May 2020 (the “**21 May 2020 Annexure**”) in relation to the aforesaid financial services agreement (as set out on pages 187 to 224 of the Company’s annual report for FY2019) for further details.

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)	
		9-month period ended 30 September 2022 RMB'000	9-month period ended 30 September 2021 RMB'000	9-month period ended 30 September 2022 RMB'000	9-month period ended 30 September 2021 RMB'000
Tianjin	Subsidiary of	The interest			

Pharmaceutical Group Finance Co., Ltd (天津医药集团财务有限公司) (“TPGF”)	Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) (“TPH”), the controlling shareholder of the Company	payable on the credit facilities provided by TPGF: 802	891	-	-
Total		802	891	-	-

Note: As at 30 September 2022, placement of deposit with TPGF amounted to approximately RMB 591.85 million.

As disclosed in the 21 May 2020 Annexure in relation to the proposed financial services agreement to be entered into between the Company and TPGF as an interested person transaction (as set out in pages 187 to 224 of the Company’s annual report for FY2019), TPGF shall provide certain financial services to the Company under the aforesaid financial services agreement, including deposit business services.

As further disclosed in the 21 May 2020 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 21 May 2020 Annexure, the Company 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 600 million. Please refer to the 21 May 2020 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 5 June 2020 for FY2019.

The deposit of approximately RMB 591.85 million placed with TPGF as at 30 September 2022 falls within the limit of RMB 600 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)	Total
Balance of deposit	371,848	220,000	591,848

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 591.85 million placed with TPGF as at 30 September 2022 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 September 2022, 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

Save 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.

Save 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.