

**TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED**

**First Quarter Financial Statement (\*) And Dividend Announcement**

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

	<u>The Group</u>		Change
	3-month period ended 31 March 2023 RMB'000	3-month period ended 31 March 2022 RMB'000	%
<b>Revenue</b>	<b>2,154,406</b>	1,889,294	14
Cost of sales	<b>(1,124,478)</b>	(1,162,497)	(3)
<b>Gross profit</b>	<b>1,029,928</b>	726,797	42
Interest income	<b>12,288</b>	13,078	(6)
Other income and gains	<b>9,821</b>	5,062	94
Marketing and distribution expenses	<b>(590,351)</b>	(425,793)	39
Research and development expenses	<b>(24,195)</b>	(19,333)	25
Administrative expenses	<b>(68,514)</b>	(96,880)	(29)
Finance costs	<b>(8,067)</b>	(28)	n.m
Other losses	<b>(6,317)</b>	(14,522)	(57)
Share of results of equity-accounted associates	<b>100,195</b>	44,419	n.m
<b>Profit before tax</b>	<b>454,788</b>	232,800	95
Income tax expense	<b>(57,006)</b>	(30,554)	87
<b>Profit, net of tax</b>	<b>397,782</b>	202,246	97
<b>Other comprehensive income</b>			
<b><i>Items that will not be reclassified to profit or loss</i></b>			
Fair value gain on equity investment measured at FVTOCI, net of tax	-	(805)	n.m
Share of other comprehensive income from equity-accounted associates, net of tax	<b>102</b>	465	(78)
<b>Other comprehensive Income/(loss)</b>	<b>102</b>	(340)	n.m
<b>Total comprehensive income</b>	<b>397,884</b>	201,906	97

	The Group		Change
	3-month period ended 31 March 2023 RMB'000	3-month period ended 31 March 2022 RMB'000	%
<b>Profit, net of tax attributable to:</b>			
Owners of the parent	<b>400,788</b>	199,604	n.m
Non-controlling interests	<b>(3,006)</b>	2,642	n.m
	<b>397,782</b>	202,246	97
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	<b>400,890</b>	199,264	n.m
Non-controlling interests	<b>(3,006)</b>	2,642	n.m
	<b>397,884</b>	201,906	97
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 shares on issue</b>	<b>0.52</b>	0.26	100

(\*) 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.**

	<b>Group</b>		
	<b>3-month period ended 31 March 2023 RMB'000</b>	3-month period ended 31 March 2022 RMB'000	Change %
Profit for the year is arrived at after crediting/(charging):			
Other income (including government grants)	<b>8,496</b>	5,047	68
Interest income	<b>12,288</b>	13,078	(6)
Interest on borrowings	<b>(8,067)</b>	(28)	n.m
Allowance for impairment of trade receivables – losses	<b>(5,828)</b>	(5,566)	5
Allowance for impairment of other receivables – losses	<b>(487)</b>	(4,513)	(89)
Inventories written down – reversal / (losses)	<b>1,054</b>	(4,444)	n.m
Foreign currency translation gains, net	<b>213</b>	86	n.m
Net gains / (losses) on disposal of property, plant and equipment, intangible assets and other non-current assets	<b>58</b>	(71)	n.m
Share-based payments	<b>20,276</b>	(1,782)	n.m
Depreciation and amortisation	<b>(32,544)</b>	(29,936)	9

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

	Note	The Group			The Company		
		31 March 2023 RMB'000	31 December 2022 RMB'000	Change %	31 March 2023 RMB'000	31 December 2022 RMB'000	Change %
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment		1,444,597	1,461,594	(1)	972,309	987,931	(2)
Right-of-use assets		2,455	2,994	(18)	-	-	
Investment properties		13,831	14,099	(2)	13,065	13,321	(2)
Land use rights		181,234	204,021	(11)	155,706	152,096	2
Intangibles assets		161,896	88,109	84	67,757	17,257	n.m
Goodwill	12	84,693	84,693	-			
Investment in subsidiaries	7	-	-	-	1,589,065	1,536,265	3
Investment in associates	8	753,784	760,193	(1)	753,784	760,193	(1)
Other financial assets	9	41,590	41,272	1	321	321	-
Deferred tax assets		234,389	208,352	12	201,238	179,689	12
Other assets	10	44,294	46,210	(4)	38,828	40,550	(4)
<b>Total non-current assets</b>		<b>2,962,763</b>	<b>2,911,537</b>	<b>2</b>	<b>3,792,073</b>	<b>3,687,623</b>	<b>3</b>
<b>Current assets</b>							
Inventories		1,463,636	1,429,452	2	865,046	785,984	10
Trade and other receivables	11	2,813,719	2,785,117	1	2,095,412	2,337,302	(10)
Other financial assets	9	40,825	40,615	1	-	-	
Other assets	10	130,277	107,736	21	44,594	14,377	n.m
Cash and cash equivalents		3,455,307	2,882,524	20	2,763,549	2,075,925	33
<b>Total current assets</b>		<b>7,903,764</b>	<b>7,245,444</b>	<b>9</b>	<b>5,768,601</b>	<b>5,213,588</b>	<b>11</b>
<b>Total assets</b>		<b>10,866,527</b>	<b>10,156,981</b>	<b>7</b>	<b>9,560,674</b>	<b>8,901,211</b>	<b>7</b>
<b>EQUITY</b>							
<b>Equity</b>							
Share capital	13	773,443	773,443	-	773,443	773,443	-
Treasury shares	13	(3,193)	-	n.m	(3,193)	-	
Share premium		1,211,221	1,228,740	(1)	1,211,221	1,228,740	(1)
Retained earnings		4,776,576	4,372,462	9	4,715,902	4,275,060	10
Other reserves		156,209	176,564	(12)	539,067	559,241	(4)
<b>Total equity attributable to equity holders of the Company</b>		<b>6,914,256</b>	<b>6,551,209</b>	<b>6</b>	<b>7,236,440</b>	<b>6,836,484</b>	<b>6</b>
Non-controlling interests		27,487	30,493	(10)	-	-	
<b>Total equity</b>		<b>6,941,743</b>	<b>6,581,702</b>	<b>5</b>	<b>7,236,440</b>	<b>6,836,484</b>	<b>6</b>

	Note	The Group			The Company		
		31 March 2023 RMB'000	31 December 2022 RMB'000	Change %	31 March 2023 RMB'000	31 December 2022 RMB'000	Change %
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Deferred tax liabilities		8,818	8,818	-	-	-	-
Trade payables		10,091	10,091	-	9,005	9,005	-
Lease liabilities		582	871	(33)	-	-	-
Other financial liabilities	14	253,540	151,300	68	225,650	123,310	83
Other liabilities		100,063	100,513	-	55,258	55,379	-
<b>Total non-current liabilities</b>		<b>373,094</b>	<b>271,593</b>	<b>37</b>	<b>289,913</b>	<b>187,694</b>	<b>54</b>
<b>Current liabilities</b>							
Income tax payable		158,377	93,280	70	142,774	76,138	88
Trade and other payables	15	2,912,656	2,885,422	1	1,621,342	1,516,835	7
Other financial liabilities	14	351,277	101,639	n.m	150,169	80,531	86
Lease liabilities		1,306	4,097	(68)	-	-	-
Other liabilities		128,074	219,248	(42)	120,036	203,529	(41)
<b>Total current liabilities</b>		<b>3,551,690</b>	<b>3,303,686</b>	<b>8</b>	<b>2,034,321</b>	<b>1,877,033</b>	<b>8</b>
<b>Total liabilities</b>		<b>3,924,784</b>	<b>3,575,279</b>	<b>10</b>	<b>2,324,234</b>	<b>2,064,727</b>	<b>13</b>
<b>Total equity and liabilities</b>		<b>10,866,527</b>	<b>10,156,981</b>	<b>7</b>	<b>9,560,674</b>	<b>8,901,211</b>	<b>7</b>

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

RMB'000

Group	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	Parent sub-total	Non-controlling interests	Total equity
Balance at 1 January 2023	773,443	-	1,228,740	176,564	4,372,462	6,551,209	30,493	6,581,702
Total comprehensive income for the period	-	-	-	102	400,788	400,890	(3,006)	397,884
Restricted A-Shares buy-back	-	(3,193)	(17,519)	-	3,326	(17,386)	-	(17,386)
Non-cash contribution to subsidiary	-	-	-	(181)	-	(181)	-	(181)
Share-based payments	-	-	-	(20,276)	-	(20,276)	-	(20,276)

Balance at 31 March 2023	773,443	(3,193)	1,211,221	156,209	4,776,576	6,914,256	27,487	6,941,743
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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	-	-	(340)	199,604	199,264	2,642	201,906
Distributions to non-controlling interests	-	-	-	-	-	(14,400)	(14,400)
Share-based payments	-	-	1,782	-	1,782	-	1,782
Balance at 31 March 2022	773,443	1,228,740	505,519	4,089,854	6,597,556	137,594	6,735,150

RMB'000

Company	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2023	773,443	-	1,228,740	559,241	4,275,060	6,836,484
Total comprehensive income for the period	-	-	-	102	437,516	437,618
Restricted A-Shares buy-back	-	(3,193)	(17,519)	-	3,326	(17,386)
Share-based payments	-	-	-	(20,276)	-	(20,276)
Balance at 31 March 2023	773,443	(3,193)	1,211,221	539,067	4,715,902	7,236,440

Company	Share capital	Share premium	Other reserves (Restated)	Retained earnings (Restated)	Total equity (Restated)
Balance at 1 January 2022	773,443	1,228,740	553,504	3,818,874	6,374,561
Total comprehensive income for the period	-	-	(340)	226,052	225,712
Share-based payments	-	-	1,782	-	1,782
Balance at 31 March 2022	773,443	1,228,740	554,946	4,044,926	6,602,055

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

	<u>The Group</u>	
	3-month period ended 31 March 2023 RMB'000	3-month period ended 31 March 2022 RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	454,788	232,800
Adjustments for:		
Interest income	(12,288)	(13,078)
Interest expense	8,067	28
Gain on maturity and disposal of financial assets	(1,121)	(3,870)
Share of results of equity-accounted associates	(100,195)	(44,419)
Depreciation and amortisation of property, plant and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other assets	32,544	29,936
Net (losses)/gains on disposal of property, plant and equipment, intangible assets and other non-current assets	(58)	71
Impairment losses on receivables and inventories	5,262	14,523
Share-based payments	(20,276)	1,782
<b>Operating cash flows before changes in working capital</b>	<b>366,723</b>	<b>217,773</b>
Inventories	(33,130)	108,419
Trade and other receivables	(50,451)	(357,160)
Other assets	(21,288)	54,220
Trade and other payables	12,612	90,171
Cash restricted in use	9,557	-
Other liabilities	(91,624)	(45,961)
<b>Net cash flows from operations</b>	<b>192,399</b>	<b>67,462</b>
Income tax paid	(17,720)	(1,721)
<b>Net cash flows from operating activities</b>	<b>174,679</b>	<b>65,741</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(44,477)	(45,510)
Acquisition of financial assets	-	(40,000)
Proceeds from disposal of financial assets	9,649	389,920
Dividend income received from associates and financial assets	106,706	12,000
Proceeds from disposal of property, plant and equipment and intangible assets	3	4
Interest income received	12,287	(13,078)
<b>Net cash flows generated from investing activities</b>	<b>84,168</b>	<b>362,877</b>

	<u>The Group</u>	
	<b>3-month period ended 31 March 2023 RMB'000</b>	3-month period ended 31 March 2022 RMB'000
<b>Cash flows from financing activities</b>		
Increase in new loans and borrowings	<b>372,856</b>	-
Distributions to non-controlling interests	-	(14,400)
Interest expense paid	<b>(1,049)</b>	(273)
repayment of borrowings	<b>(20,977)</b>	(2,000)
Repayment of lease liabilities	<b>(27,334)</b>	(847)
<b>Net cash flows used in financing activities</b>	<b>323,496</b>	(17,520)
<b>Net increase in cash and cash equivalents</b>	<b>582,343</b>	411,098
Unrealised foreign exchange adjustments	<b>(2)</b>	-
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	<b>2,711,533</b>	2,283,181
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance</b>	<b>3,293,874</b>	2,694,279



## Notes to the Condensed Interim Financial Statements

31 March 2023

### 1. General

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

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

The board of directors of the Company had, on 28 April 2023, 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

	Chinese <u>medicine</u>	Western <u>medicine</u>	<u>Others</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000
3-month period ended 31 March 2023				
Revenue	<b>1,644,360</b>	<b>396,440</b>	<b>113,606</b>	<b>2,154,406</b>
Cost of sales	<b>656,301</b>	<b>369,168</b>	<b>99,009</b>	<b>1,124,478</b>
Gross profit	<b>988,059</b>	<b>27,272</b>	<b>14,597</b>	<b>1,029,928</b>
3-month period ended 31 March 2022				
Revenue	1,238,028	486,937	164,329	1,889,294
Cost of sales	577,594	438,567	146,336	1,162,497
Gross profit	660,434	48,370	17,993	726,797

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

	<u>Group</u>	
	<b>3-month period ended 31 March 2023 RMB'000</b>	3-month period ended 31 March 2022 RMB'000
Sale of goods recognised at point-in-time	2,152,256	1,885,539
Revenue recognised over time	2,150	3,755
	<b>2,154,406</b>	1,889,294

## 3. Income tax

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

	<u>Group</u>	
	<b>3-month period ended 31 March 2023 RMB'000</b>	3-month period ended 31 March 2022 RMB'000
<u>Current tax</u>		
Current tax expense	83,062	45,843
Adjustments in respect of prior years	(18)	348
	<b>83,043</b>	46,191
<u>Deferred tax</u>		
Deferred tax expense	(26,037)	(15,637)
	<b>57,006</b>	30,554

The income tax expense varied from the amount determined by applying the PRC statutory corporate tax rate of 25% (2022: 25%) to profit before tax as a result of the following differences:

	<u>Group</u>	
	<b>3-month period ended 31 March 2023 RMB'000</b>	3-month period ended 31 March 2022 RMB'000
Profit before tax	454,789	232,800
Loss: Share of results of equity-accounted associates	(100,195)	(44,419)
	<b>354,593</b>	188,382
Income tax expense at tax rate of 25%	88,648	47,095
Effect of concessionary tax rate at 15%	(21,671)	(13,461)
Non-deductible items	45	89
Non-taxable items	(15,029)	(9,425)
Unrecognised deferred tax assets	5,031	5,908
Adjustments in respect of prior years	(18)	348
	<b>57,006</b>	30,554

#### 4. Disposal of subsidiaries

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

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

#### 5. Dividends on equity shares

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

#### 6. Acquisition of subsidiaries / subsidiary / business combination

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

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

#### 7. Investments in subsidiaries

	<u>Company</u>
	3-month period ended 31 March 2023
	RMB'000
Movements during the period:	
At beginning of the period	1,536,265
Additions	52,800
At the end of the period	1,589,065

In addition, the Company acquired additional shareholding in its associate, Newscen Coast Bio-Pharmaceutical Co., Ltd. ("**NewScen Coast**") (天津中新科炬生物制药股份有限公司). Upon completion of the acquisition, NewScen Coast became a subsidiary of the Company. The Company further increased its investment in NewScen Coast by RMB 52.8 million through private equity placement after its first acquisition.

## 8. Investments in associates

	<u>Group</u>
	3-month period ended 31 March 2023
	RMB'000
Movements in carrying value:	
At beginning of the period	760,193
Share of results of associates	100,195
Dividends	(106,706)
Other equity movements	102
At end of the period	753,784

## 9. Other financial assets

	<u>Group</u>	
	<b>31 March 2023 RMB'000</b>	31 December 2022 RMB'000
Other financial assets - current assets		
Investment in debt instruments at amortised cost	<b>40,825</b>	40,615
Other financial assets - non-current assets		
Investment in debt instruments at amortised cost	<b>41,269</b>	40,951
Investment in equity instruments at fair value through other comprehensive income	<b>321</b>	321
	<b>41,590</b>	41,272
	<b>82,415</b>	81,887

## 10. Other assets

	<u>Group</u>	
	<b>31 March 2023 RMB'000</b>	31 December 2022 RMB'000
Current assets		
Prepayments	<b>91,594</b>	71,529
Value-added taxes recoverable	<b>38,672</b>	35,968
Income tax recoverable	<b>11</b>	239
	<b>130,277</b>	107,736
Non-current assets		
Prepayment	<b>44,294</b>	46,210
	<b>174,571</b>	153,946

## 11. Trade and other receivables

	<u>Group</u>	
	31 March 2023 RMB'000	31 December 2022 RMB'000
<b>Trade receivables</b>		
Bills receivable	<b>336,050</b>	578,369
Interest receivable	<b>2,558,423</b>	2,260,367
Outside parties	<b>4,158</b>	4,758
Associates	<b>37,265</b>	35,586
Related parties	<b>(7,211)</b>	(10,203)
Less: Allowance for expected credit losses	<b>(152,347)</b>	(144,295)
	<b>2,776,338</b>	2,724,582
<b>Other receivables</b>	<b>42,901</b>	56,507
Outside parties	<b>17,561</b>	17,561
Associates	<b>17,630</b>	26,690
Less: Allowance for expected credit losses	<b>(40,711)</b>	(40,223)
	<b>37,381</b>	60,535
<b>Total</b>	<b>2,813,719</b>	2,785,117

The ageing of the trade receivables balances was as follows:

	<u>Group</u>		
	<u>Gross amount</u> RMB'000	<u>ECL</u> %	<u>Loss allowance</u> RMB'000
31 March 2023			
Within 1 year	<b>2,371,357</b>	<b>0.14</b>	<b>3,384</b>
1 – 2 years	<b>81,102</b>	<b>19.00</b>	<b>15,841</b>
2 – 3 years	<b>8,142</b>	<b>27.00</b>	<b>2,241</b>
Over 3 years	<b>132,034</b>	<b>99.00</b>	<b>130,881</b>
Total	<b>2,592,635</b>		<b>152,347</b>
31 December 2022			
Within 1 year	2,108,454	0.14	2,936
1 – 2 years	42,443	19.00	8,212
2 – 3 years	5,847	31.00	1,815
Over 3 years	133,765	98.00	131,332
Total	2,290,509		144,295

## 12. Goodwill

There was no change in goodwill in the current period.

## 13. Share capital and treasury shares

	Group	
	Number of ordinary shares	Amount of share capital
	31 March 2023 '000	31 March 2023 RMB'000
Movements in share capital:		
At beginning of the period		
Restricted A-Shares buy-back	(3,193)	(3,193)
At end of the period	(3,193)	(3,193)

There has been no change in the Company's share capital since the end of the previous period reported on, being 31 December 2022.

The Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 March 2023 and 31 March 2022.

The Company does not hold any treasury shares and there are no subsidiary holdings as at 31 March 2023 and 31 March 2022.

	As at 31 March 2023	As at 31 December 2022
Number of issued shares excluding treasury shares	770,250,076	773,443,076
Number of treasury shares held	3,193,000	Nil

As announced on 10 January 2023, 3,193,000 Restricted A-Shares will be repurchased or cancelled by the Company in accordance with the relevant provisions of the 2019 Restricted A-Shares Incentive Scheme. Upon completion, the total number of shares in the capital of the Company will be reduced from 773,443,076 shares to 770,250,076 shares. As at 31 March 2023, these repurchases or cancellations have not been completed.

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

	<u>Secured</u>		<u>Unsecured</u>	
	<b>31 March</b>	31 December	<b>31 March</b>	31 December
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
<u>Repayable in</u>				
<u>one year or</u>				
<u>less, or on</u>				
<u>demand:</u>				
Bank				
borrowings	<b>230</b>	10,230	<b>351,047</b>	91,409
Subtotal	<b>230</b>	10,230	<b>351,047</b>	91,409
<u>Repayable after</u>				
<u>one year:</u>				
Bank				
borrowings	<b>27,890</b>	27,990	<b>225,650</b>	123,310
Subtotal	<b>27,890</b>	27,990	<b>225,650</b>	123,310
Total	<b>28,120</b>	38,220	<b>576,697</b>	214,719

#### 14A. Details of any collaterals

Our subsidiary company mainly used its land use right worth RMB 25.03 million as collateral for a loan of RMB 27.89 million, and used its shareholder's equity worth RMB 1.39 million as collateral for another loan of RMB 0.23 million

#### 15. Trade and other payables

	<u>Group</u>	
	<b>31 March 2023</b>	31 December 2022
	<b>RMB'000</b>	RMB'000
Trade payables		
Bills payable	<b>594,567</b>	681,563
Outside parties	<b>660,042</b>	688,693
Associates	<b>7,015</b>	6,352
Related parties	<b>19,672</b>	29,280
Employee benefits payables	<b>236,087</b>	206,061
	<b>1,517,383</b>	1,611,949
Other payables		
Outside parties	<b>1,305,401</b>	1,135,590
taxes payables	<b>56,305</b>	103,575
Dividend payable	<b>19,141</b>	17,596



Associates	<b>2,000</b>	3,800
Related parties	<b>12,425</b>	12,912
Subtotal	<b>1,395,272</b>	1,273,473
Total	<b>2,912,655</b>	2,885,422

#### 16. Capital commitments

	<u>Group</u>	
	<b>31 March 2023 RMB'000</b>	31 December 2022 RMB'000
Contractual obligations to purchase and construct	<b>179,428</b>	180,009

#### 17. Categories of financial assets and liabilities

	<u>Group</u>	
	<b>31 March 2023 RMB'000</b>	31 December 2022 RMB'000
<u>Financial assets</u>		
Financial assets at amortised cost	<b>6,351,120</b>	5,749,207
Financial assets at fair value through other comprehensive income	<b>321</b>	321
	<b>6,351,441</b>	5,749,528
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	<b>2,924,634</b>	2,900,482

#### 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 2022.

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

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

	Group	
	3-month period ended 31 March 2023	3-month period ended 31 March 2022
	RMB	RMB
Based on weighted average number of ordinary shares in issue	0.52	0.26

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	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	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	8.94	8.47	9.36	8.84

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

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

(a) Revenue:

The Group's revenue in the first quarter of the financial year ending 31 December 2023 ("1Q FY2023") was approximately RMB 2,154 million, an increase of approximately RMB 265 million or 14% compared to the same period of financial year ended 31 December 2022 (RMB 1,889 million), mainly due to an increase in sales revenue of major products.

(b) Gross Profit Margin:

The Group's gross profit in 1Q FY2023 increased by approximately RMB 303 million or 42% from approximately RMB 727 million in 1Q FY2022 to approximately RMB 1,030 million in 1Q FY2023. The gross profit margin increased from 38% in 1Q FY2022 to 48% in 1Q FY2023. The increase was mainly due to changes in sales structure, with a higher proportion of sales revenue from major products with higher gross margins, which increased the overall gross margin.

(c) Other Gains:

Other gains in 1Q FY2023 was approximately RMB 10 million, an increase of approximately RMB 5 million or 94%, from RMB 5 million in 1Q FY2022, mainly due to an increase in other gains of 6.22 million yuan.

(d) Major Expenses:

- (i) Marketing and Distribution expenses in 1Q FY2023 was approximately RMB 590 million, an increase by approximately RMB 165 million or 39% from approximately RMB 426 million in the previous corresponding period, mainly due to the year-on-year increase in sales revenue.
- (ii) Research and development expenses in 1Q FY2023 was approximately RMB 24 million, an increase by approximately RMB 5 million or 25% from approximately RMB 19 million in the previous corresponding period, mainly due to an increase in research and development activities.
- (iii) Administrative expenses in 1Q FY2023 was approximately RMB 69 million, a decrease by approximately RMB 28 million or 29% from approximately RMB 97 million in the previous corresponding period. The decrease was mainly due to the repurchase of some restricted shares and a year-on-year decrease of 22.06 million yuan in equity incentive expenses.

- (iv) Other losses in 1Q FY2023 decreased by approximately RMB 8 million or 57%, from approximately RMB 14 million in 1Q FY2022 to approximately RMB 6 million in 1Q FY2023. mainly due to a year-on-year decrease in impairment losses.

(e) Share of results of associated companies:

The Group's share of profits of associates in 1Q FY2023 was approximately RMB 100 million, an increase by approximately RMB 56 million or 126% from approximately RMB 44 million in the previous corresponding period. This was mainly due to a year-on-year increase in investment income from Sino-American Tianjin SmithKline & French Lab., Ltd. (中美天津史克制药有限公司)'s profit growth.

(f) Total comprehensive income:

The Group's total comprehensive income (net of tax) in 1Q FY2023 was approximately RMB 398 million, an increase by RMB 196 million or 97% from approximately RMB 202 million in the previous corresponding period.

(g) Major changes in statement of financial positions:

- (i) As at 31 March 2023, the Group's cash and cash equivalents amounted to approximately RMB 3,455 million, which is an increase of approximately RMB 573 million or 20% over the balance as at 31 December 2022. The Group's short-term borrowings as at 31 March 2023 amounted to RMB 351 million, which is an increase of approximately RMB 250 million over the balance as at 31 December 2022.
- (ii) Trade and other receivables was approximately RMB 2,814 million as at 31 March 2023, which is an increase of approximately RMB 29 million or 1% over the balance as at 31 December 2022.
- (iii) Inventories were approximately RMB 1,464 million as at 31 March 2023, which is an increase by approximately RMB 34 million or 2% from the balance as at 31 December 2022.
- (iv) Other current assets increased by approximately RMB 23 million or 21% to approximately RMB 130 million as at 31 March 2023.
- (v) Investments in associates of the Group decreased by approximately RMB 6 million or 1% to approximately RMB 754 million.
- (vi) Property, plant and equipment decreased by approximately RMB 17 million or 1% to RMB 1,445 million.

(h) Changes in cash flow position:

- (i) In 1Q FY2023, the Group recorded net cash inflow from operating activities of approximately RMB 175 million which has increased by RMB 109 million as compared to 1Q FY2022. The increase was mainly due to year-on-year increase in cash received from sales of goods and provision of services compared to the same period last year.
- (ii) Cash inflow from investing activities was approximately RMB 84 million in 1Q FY2023 which has decreased by RMB 279 million as compared to 1Q FY2022. The decrease is mainly attributable to reduction in cash received from investments, which decreased by CNY 380.27 million, partially offset by an increase of CNY 94.71 million in investment income such as dividends received.
- (iii) Cash inflow from financing activities was approximately RMB 323 million in 1Q FY2023 which has increased by RMB 341 million as compared to 1Q FY2022. This was mainly attributable to cash received from borrowings, which increased by CNY 372.86 million compared to the same period last year.

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

There was no forecast or 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**

The traditional Chinese medicine industry is an important industry in China. In the post-epidemic era, the traditional Chinese medicine industry will usher in new development opportunities. On one hand, the country continues to deepen the reform of the medical and health system, and continuously issues new policies in the "medical insurance, medical care, and medicine" reform. The supportive policies for traditional Chinese medicine are also more intensive than before. The recently released "Special Regulations on Registration and Management of Chinese Medicine" in February 2023 is expected to become a booster for the inheritance, innovation, standardisation, and development of the traditional Chinese medicine industry. On the other hand, in the post-epidemic era, residents' awareness of health is constantly increasing. They are paying more attention to disease prevention and daily health maintenance. Traditional Chinese medicine has unique advantages in the prevention and treatment of common diseases, frequently occurring diseases, chronic diseases, difficult miscellaneous diseases, and major infectious diseases, and its outstanding features are easy to verify and low in cost, which will be favored by more and more residents. Overall, the traditional Chinese medicine industry will play a greater role in building a healthy China. In the future, the traditional Chinese medicine industry will venture abroad and achieve new international development.

Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited is the inheritor of traditional Chinese medicine essence and the pioneer of modernisation of traditional Chinese medicine in China. In response to the call of the national "14th Five-Year Plan", the company has completed its name change, integrated marketing resources, continued to deepen the market, and promoted sales growth. At the same time, the company has optimised its organizational structure, adhered to cost reduction and expense control, and improved management efficiency. The company has opened a new era of development. In the first quarter of 2023, the company achieved operating income of 2.15 billion yuan, a year-on-year increase of 14%, and a net profit attributable to shareholders of 400 million yuan, a year-on-year increase of 101.2%.

**24. If a decision regarding dividend has been made:**

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

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

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

**25. Related party transactions**

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

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

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

	3 months ended 31 March	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Sale of goods to associates	407	227
Purchase of goods from associates	(26,049)	(19,040)
Interest income from an associate	2,763	1,354
Interest expense payable to an associate	(347)	(271)
Rental income from an associate	-	-

	3 months ended 31 March	
	2023 RMB'000	2022 RMB'000
Sale of goods to related companies	57,478	37,320
Purchase of goods from related companies	(46,763)	(61,832)
Rental expenses to related companies	(696)	(770)
Rental income from related companies	-	27

## 26. Interested Person Transactions disclosure

The Group has obtained a general mandate (the “**IPT General Mandate**”) from the Shareholders for interested person transactions (the “**IPTs**”) at the annual general meeting held on 17 May 2021 for the financial year ended 31 December 2020. 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 165 to 186 of the Company’s annual report for the financial year ended 31 December 2020) 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 foregoing IPT (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)	
		3-month period ended 31 March 2023 RMB'000	3-month period ended 31 March 2022 RMB'000	3-month period ended 31 March 2023 RMB'000	3-month period ended 31 March 2022 RMB'000
Tianjin Pharmaceutical Group Finance Co.,	Subsidiary of Tianjin Pharmaceutical	The interest payable on the credit			



Ltd. (“TPGF”) (天津医药集团财务 有限公司)	Holdings Co., Ltd. (天津市医药 集团有限公司), the controlling shareholder of the Company	facilities provided by TPGF: 347	271	-	-
Total		347	271	-	-

Note: As at 31 March 2023, placement of deposit with TPGF amounted to approximately RMB 585 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 on 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 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 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 RMB600 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 585 million placed with TPGF falls within the limit of RMB600 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	365,094	220,000	585,094

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 585 million placed with TPGF as at 31 March 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 these condensed consolidated interim financial results for the financial period ended 31 March 2023, 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.