

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

NANJING SINOLIFE UNITED COMPANY LIMITED*

南京中生聯合股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3332)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS FOR THE FIRST HALF OF 2022

- Revenue decreased by approximately 0.7% to approximately RMB122.8 million (First half of 2021: approximately RMB123.7 million)
- Gross profit decreased by approximately 0.7% to approximately RMB71.7 million (First half of 2021: approximately RMB72.2 million)
- Loss for the period decreased by approximately 24.6% to approximately RMB5.2 million (First half of 2021: loss of approximately RMB6.9 million)
- Basic loss per share was approximately RMB0.55 cent (First half of 2021: loss per share approximately RMB0.73 cent)
- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2022 (First half of 2021: Nil)

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Nanjing Sinolife United Company Limited* 南京中生聯合股份有限公司 (the “**Company**”) is pleased to announce its unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 together with the comparative figures for the corresponding period in 2021 which are as follows:

* For identification purpose only

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	2, 3	122,760	123,711
Cost of sales		(51,077)	(51,548)
Gross profit		71,683	72,163
Other income and gains	3	3,133	8,236
Selling and distribution expenses		(46,208)	(50,496)
Administrative expenses		(29,571)	(33,916)
Finance costs		(252)	(366)
Other expenses		(3,113)	(2,455)
Loss before tax	4	(4,328)	(6,834)
Income tax expense	5	(856)	(33)
Loss for the period		(5,184)	(6,867)
Loss attributable to:			
Owners of the parent		(5,184)	(6,867)
Other comprehensive income/(loss)			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax			
Gains on property revaluation		6,755	4,266
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax			
Exchange differences on translation of foreign operations		(3,287)	(3,173)
Other comprehensive income for the period		3,468	1,093
Total comprehensive loss for the period		(1,716)	(5,774)
Total comprehensive loss attributable to:			
Owners of the parent		(1,716)	(5,774)
Loss per share attributable to ordinary equity holders of the parent:			
— Basic and diluted for loss	7	RMB(0.55) cent	RMB(0.73) cent

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Notes</i>	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	82,141	89,583
Investment properties		73,390	60,229
Right-of-use assets		10,973	13,074
Goodwill		30,621	31,927
Other intangible assets		7,380	8,737
Deferred tax assets		7,295	8,976
		<hr/>	<hr/>
Total non-current assets		211,800	212,526
		<hr/>	<hr/>
Current assets			
Inventories	9	71,938	59,983
Trade receivables	10	25,825	26,226
Prepayments, deposits and other receivables		10,949	15,267
Tax recoverable		2,699	2,982
Pledged deposits		–	1,071
Cash and cash equivalents		61,731	72,057
		<hr/>	<hr/>
Total current assets		173,142	177,586
		<hr/>	<hr/>
Total assets		384,942	390,112
		<hr/> <hr/>	<hr/> <hr/>
Current liabilities			
Trade payables	11	19,626	15,660
Other payables and accruals		22,877	29,484
Lease liabilities		3,885	4,285
Tax payables		–	278
		<hr/>	<hr/>
Total current liabilities		46,388	49,707
		<hr/>	<hr/>
NET CURRENT ASSETS		126,754	127,879
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		338,554	340,405
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022 (continued)

	30 June 2022	31 December 2021
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Non-current liabilities		
Lease liabilities	2,822	4,585
Deferred tax liabilities	6,485	4,836
Provision	719	740
	<hr/>	<hr/>
Total non-current liabilities	10,026	10,161
	<hr/>	<hr/>
NET ASSETS	328,528	330,244
	<hr/> <hr/>	<hr/> <hr/>
Equity		
Equity attributable to owners of the parent		
Share capital	94,630	94,630
Other reserves	233,898	235,614
	<hr/>	<hr/>
TOTAL EQUITY	328,528	330,244
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

1.1 Basis of preparation

These unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022 (the “**period**”) have been prepared in accordance with Hong Kong Accounting Standards (“**HKASs**”) 34 Interim Financial Reporting.

These unaudited interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

These unaudited interim condensed consolidated financial statements do not include all information and disclosures required in the Group's annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

1.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The adoption of these revised standards did not have any material effect on the financial performance and position of the Group.

2. OPERATING SEGMENT INFORMATION

(a) Reportable segment

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the manufacture and sale of nutritional supplements and the sale of packaged health food products in the People's Republic of China (the "PRC" or "China"), Australia and New Zealand.

(b) Geographical information

Most of the Group's companies are domiciled in the PRC and the majority of the non-current assets is located in the Mainland China, New Zealand and Australia. The Group's revenue from external customers is primarily derived in the Mainland China, New Zealand and Australia.

The following is an analysis of the Group's revenue from its major markets:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Mainland China	75,937	74,739
New Zealand	40,264	41,870
Australia	828	2,778
Other countries	5,731	4,324
	<u>122,760</u>	<u>123,711</u>

(c) Non-current assets

	As at	As at
	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(audited)
Mainland China	153,469	147,714
New Zealand	18,778	22,057
Australia	1,637	1,852
	<u>173,884</u>	<u>171,623</u>

The non-current assets information above is based on the locations of the assets and excludes goodwill, deferred tax assets and other non-current assets.

(d) Information about major customers

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered.

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Type of goods or services		
Sale of goods	122,760	123,649
Rendering of services	–	62
	<u>122,760</u>	<u>123,711</u>
Timing of revenue recognition		
Goods or services transferred at a point in time	<u>122,760</u>	<u>123,711</u>
Total revenue from contracts with customers	<u>122,760</u>	<u>123,711</u>
	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income and gains		
Bank interest income	284	203
Reversal of impairment of trade receivables	–	354
Government grants*	278	874
Gain on disposal of a subsidiary	–	4,736
Rental income	2,215	1,407
Other	356	662
	<u>3,133</u>	<u>8,236</u>

* Various government grants have been received for the Group's contribution to the development of local economy. There are no unfulfilled conditions or contingencies relating to these grants.

4. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Cost of inventories sold	51,077	51,548
Staff costs	24,490	30,654
Depreciation of right-of-use assets	1,805	2,058
Amortisation of intangible assets	1,014	1,147
Depreciation of property, plant and equipment	5,024	5,764
Lease payments not included in the measurement of lease liabilities	94	–
Impairment of trade receivables/ (Reversal of impairment of trade receivables)	217	(354)
Exchange differences, net	2,483	2,358
Government grants	(278)	(874)
Gain on disposal of a subsidiary	–	(4,736)
Research and development expenses	457	757

5. INCOME TAX EXPENSE

The amounts of income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represent:

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax	–	–
Deferred tax	856	33
Total tax expense for the period	856	33

The income tax of the Company and its subsidiaries established in the PRC are subject to the statutory rate of 25% of the assessable profits as determined in accordance with the relevant income tax rules and regulations of the PRC. New Zealand income tax is calculated at 28% of the assessable profits of the subsidiaries operating in New Zealand. Australia income tax is calculated at 30% of the assessable profits of the subsidiary operating in Australia. The subsidiary in Australia has suffered operating loss and no income tax provision was made in both current and comparing period.

6. DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2022 (For the six months ended 30 June 2021: Nil).

No proposed dividend was declared by the Board for the year ended 31 December 2021.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 946,298,370 in issue during the period (2021: 946,298,370), as adjusted to reflect the rights issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2022 and 2021.

8. PROPERTY, PLANT AND EQUIPMENT

No impairment losses were recognised in respect of property, plant and equipment for the period and the corresponding period last year. During the period, additions to property, plant and equipment amounted to RMB1,459,000 (For the six months ended 30 June 2021: RMB5,853,000).

9. INVENTORIES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Raw materials	29,802	24,196
Work-in-progress	1,971	611
Finished goods	39,561	34,589
Goods merchandise	604	587
	71,938	59,983

10. TRADE RECEIVABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Trade receivables	28,263	28,587
Impairment	(2,438)	(2,361)
	25,825	26,226

10. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within 1 month	17,405	16,019
Over 1 month but within 3 months	6,759	8,159
Over 3 months but within 1 year	839	1,306
Over 1 year	822	742
	<u>25,825</u>	<u>26,226</u>

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Within 1 month	13,270	7,155
Over 1 month but within 3 months	4,954	7,544
Over 3 months but within 1 year	651	217
Over 1 year	751	744
	<u>19,626</u>	<u>15,660</u>

The trade payables are non-interest-bearing and are normally settled on terms between 30 and 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2022, the Group continued to focus on the business development of the cross-border e-commerce of nutritional supplements and the distribution channels of the maternity and child series products under the Good Health brand in the PRC. The Group's revenue for the first half of 2022 amounted to approximately RMB122.8 million, and remained stable as compared to that of approximately RMB123.7 million in the first half of 2021. The Group's selling and distribution expenses decreased by approximately RMB4.3 million to approximately RMB46.2 million for the first half of 2022 from approximately RMB50.5 million for the first half of 2021, representing a decrease of approximately 8.5%. The Group's administrative expenses decreased by approximately RMB4.3 million to approximately RMB29.6 million for the first half of 2022 from approximately RMB33.9 million for the first half of 2021, representing a decrease of approximately 12.7%. For the first half of 2022, the Group recorded losses of approximately RMB5.2 million, representing a decrease of approximately RMB1.7 million as compared to losses of approximately RMB6.9 million for the first half of 2021.

In the first half of 2022, the Group continued to adopt the strategies of focusing on the Good Health brand and sales promotion through distributors and e-commerce channels, so as to achieve higher brand recognition of the Good Health brand in the target markets. In terms of design, advertising and promotion, the Group strived to innovate by increasing investments in marketing and promotion of its cross-border e-commerce business in the PRC. Meanwhile, more investments were made in the research and development of new products in response to customers' demands for the maternity and child series products of the Good Health brand. The Group carried out continuous brand building and promotion mainly through a combination of distributors, TV shopping platforms and travel channels, and at the same time by flagship stores on domestic major e-commerce platforms.

In the first half of 2022, in order to enhance market competitiveness of its products and meet evolving consumer demands, the Group adopted a market-oriented strategy for research and product development to further strengthen new products development. During the six months ended 30 June 2022, the Group launched a total of 11 new products, including 1 Zhongsheng series product, 3 Good Health series products and 7 Living Nature series products. The new products mainly comprised Tianmeijian Coenzyme Q10 Tablets, Milk Calcium Gummy, DHA Gummy, Goodkids Manuka Honey Lollipops, etc..

For the PRC market, the Group continued to make great effort to develop its domestic distribution network and e-commerce platforms in the first half of 2022. In terms of e-commerce platforms, the Group continued to cooperate with e-commerce platforms such as Tmall International, JD.com, Alihealth, xiaohongshu.com, pinduoduo.com, Pharmacy Direct and Health Post, etc. to enhance brand recognition and brand adhesion among target consumers of the Good Health brand by implementing various marketing programs on these e-commerce platforms.

The Group's overseas diversified sales platforms mainly include international distribution networks that broadly distributed in various countries including the United Kingdom, Germany, Singapore, Vietnam, Netherlands, Malaysia, South Africa and Thailand, etc. and local large chain pharmacies, health goods supermarkets and tourist souvenir shops in New Zealand and Australia.

FINANCIAL REVIEW

Results

The revenue of the Group in the first half of 2022 was approximately RMB122.8 million, and remained stable as compared to that of approximately RMB123.7 million in the first half of 2021.

The Group recorded a loss of approximately RMB5.2 million for the first half of 2022, representing a decrease of approximately RMB1.7 million as compared with a loss of approximately RMB6.9 million in the first half of 2021. The Company's loss per share was approximately RMB0.55 cent (First half of 2021: loss per share of approximately RMB0.73 cent) based on the weighted average number of 946,298,370 (First half of 2021: 946,298,370) ordinary shares of the Company in issue during the first half of 2022.

Revenue

The revenue of the Group in the first half of 2022 was approximately RMB122.8 million, and remained stable as compared to that of approximately RMB123.7 million in the first half of 2021.

Gross profit

The Group's gross profit decreased by approximately RMB0.5 million from approximately RMB72.2 million in the first half of 2021 to approximately RMB71.7 million in the first half of 2022. The gross profit margin in the first half of 2022 remained stable at approximately 58.4% as compared with the gross profit margin in the first half of 2021.

Other income and gains

The Group's other income and gains, which mainly comprised property rental income, government grants and bank interest income, decreased by approximately RMB5.1 million from approximately RMB8.2 million in the first half of 2021 to approximately RMB3.1 million in the first half of 2022, which was mainly due to the gain on disposal of Shanghai Hejian Nutritional Food Products Company Limited* (上海禾健營養食品有限公司) (“**Shanghai Hejian**”) recorded in the first half of 2021.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately 8.5% or approximately RMB4.3 million from approximately RMB50.5 million in the first half of 2021 to approximately RMB46.2 million in the first half of 2022. Such decrease in selling and distribution expenses was mainly due to the Group's reduction in marketing and promotion expenses for TV shopping sales channels and its focusing of resources on distributors and e-commerce channels.

Administrative expenses

The Group's administrative expenses decreased by approximately 12.7% or approximately RMB4.3 million from approximately RMB33.9 million for the first half of 2021 to approximately RMB29.6 million for the first half of 2022. Such decrease in administrative expenses was mainly due to the reduction in staff remuneration expenses arising from the disposal of Shanghai Hejian by the Group in the first half of 2021, as well as the reduction in expenses for daily operation and consulting fee.

Income tax expense

The Group's income tax expense increased from approximately RMB0.03 million in the first half of 2021 to approximately RMB0.86 million in the first half of 2022, representing an increase of approximately RMB0.83 million. The increase in income tax expense was mainly due to an increase in income tax expense of Good Health in New Zealand due to its profit.

* *For identification purpose only*

Loss for the period

The revenue of the Group in the first half of 2022 was approximately RMB122.8 million, and remained stable as compared to that of approximately RMB123.7 million in the first half of 2021. Gross profit margin also remained stable. The selling and distribution expenses and administrative expenses of the Group decreased by approximately RMB8.6 million in aggregate as compared with the corresponding period last year, and the proportion of selling and distribution expenses and administrative expenses to revenue decreased from approximately 68.2% in the first half of 2021 to approximately 61.7% in the first half of 2022. Therefore, the loss of the Group for the six months ended 30 June 2022 amounted to approximately RMB5.2 million, representing a decrease of approximately RMB1.7 million as compared to the loss of approximately RMB6.9 million for the six months ended 30 June 2021.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

As at 30 June 2022, the Group's cash and cash equivalents decreased by approximately RMB10.3 million as compared with 31 December 2021, which mainly comprised the net cash outflow from operating activities with the amount of approximately RMB6.2 million, net cash outflow from investing activities with the amount of approximately RMB1.5 million, net cash outflow from financing activities with the amount of RMB2.1 million and exchange effects of approximately RMB0.5 million.

Inventories

The Group's inventories amounted to approximately RMB71.9 million as at 30 June 2022 (as at 31 December 2021: approximately RMB60.0 million), representing an increase of approximately RMB11.9 million. The Group's inventories include raw materials, work-in-progress, finished goods and goods merchandise. The increase in inventories was mainly due to an increase in the reserve of raw materials and finished goods of Good Health in New Zealand to meet the potential demand of e-commerce sales in the second half of 2022. The anticipated increase in trading activities was because the Group continued to strengthen its marketing, promotion and advertising of the Good Health brand on e-commerce platform during the first half of the year. The inventory turnover days were approximately 231 days in the first half of 2022 (first half of 2021: 228 days), which remained stable as compared to that of 2021.

Trade receivables

The Group's trade receivables amounted to approximately RMB25.8 million as at 30 June 2022 (as at 31 December 2021: approximately RMB26.2 million), representing a slight decrease of approximately RMB0.4 million. The trade receivables of the Group remained stable.

Trade payables

The Group's trade payables amounted to approximately RMB19.6 million as at 30 June 2022 (as at 31 December 2021: approximately RMB15.7 million), representing an increase of approximately RMB3.9 million. The increase was mainly due to an increase in the procurement of raw materials in June 2022. This was because the Group continued to vigorously develop Good Health e-commerce in the second half of 2022, and increased its inventories for the second half of the year in light of the long supply-chain delivery period caused by the instability of the COVID-19 pandemic in New Zealand.

Foreign exchange exposure

As the Group conducts in-bound transactions principally in RMB and outbound transactions principally in New Zealand dollars, United States dollars and Australian dollars, the Group had not utilised any types of financial instruments for hedging purposes as at 30 June 2022.

Borrowings and pledge of assets

As at 30 June 2022, the Group did not have any outstanding borrowings or pledge of assets.

Capital expenditure

The Group invested approximately RMB1.5 million in the first half of 2022 (first half of 2021: approximately RMB5.9 million) for fixed assets.

Capital commitments and contingent liabilities

As at 30 June 2022, the Group did not have capital commitments (as at 31 December 2021: Nil). The Group had no material contingent liabilities as at 30 June 2022 (as at 31 December 2021: Nil).

OUTLOOK

In the first half of 2022, the global economy was impacted by various factors, including the Ukraine crisis, resurgence of COVID-19 pandemic, and interest hike by the Federal Reserve, which have led to a downward forecast of economic growth in the global market. As a result, the expected economic growth has been lowered, as the economy is facing the risks of general economic stagflation and even recession. Looking into the second half of 2022, these elements may lead to adverse impacts on economic development, including shortage in power supply, food crisis, and disruption in the global industry chain. Faced with a myriad of challenges, the PRC government has introduced multiple policies and measures to stabilise the overall economic development, which is expected to play a positive and effective role in promoting the stabilisation of economic growth.

The PRC market remains as one of the most important markets in the industry where the Group operates. The industry will be increasingly competitive, as international large corporations continue with their investments, causing rapid development in overseas cross-border e-commerce, emergence of new products, new channels, and new business models. Factors including aging population in the PRC, product and consumption upgrade, growing public health awareness, and strict regulatory requirements in the industry, will contribute to the continuing positive development of the industry in the long run.

Looking into the second half of 2022, the Group will continue to focus on two business segments, namely, the cross-border e-commerce of nutritional supplements under the Good Health brand and the offline distribution channels of the maternity and child series products under the Good Health brand. In addition to continuing to increase its investments in (i) marketing and promotions; and (ii) product research and development, the Group will make use of new media and new channels, in order to continue its marketing strategies innovation, so as to extend the influence of the Good Health brand. To improve its performance, the Group will precisely position the customers' demands in the segmented markets over the course of new product development.

HUMAN RESOURCES MANAGEMENT

Quality and dedicated staff are indispensable assets to the Group's success in the competitive market. By providing comprehensive trainings and corporate culture education periodically, the Group's employees are able to obtain on-going training and development in the nutritional supplements, maternity and child nutrition industry. Furthermore, the Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure that they are in line with market practice and regulatory requirements. As at 30 June 2022, the Group employed work force of 296 employees, including 182 employees of Zhongsheng, 87 employees of Good Health, 3 employees of Australia and 24 employees of Living Nature. The total salaries and related costs for the six months ended 30 June 2022 amounted to approximately RMB27.9 million (first half of 2021: approximately RMB30.7 million).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of conduct for Directors in their dealings in the Company's securities.

The Company has made specific enquiry with the Directors and supervisors of the Company ("**Supervisors**") and all the Directors and Supervisors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2022 and up to the date of this announcement.

CODE OF CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company has complied with Part 2 of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2022 and up to the date of this announcement.

EVENTS SUBSEQUENT TO THE SIX MONTHS ENDED 30 JUNE 2022

Subsequent to the six months ended 30 June 2022 and up to the date of this announcement, there were no significant events affecting the Group.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2022 (For the six months ended 30 June 2021: Nil).

REVIEW OF THE INTERIM RESULTS

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022 have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The Audit Committee has been established in compliance with the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Yu Bo, Ms. Cai Tianchen and Mr. Wang Wei. Ms. Cai Tianchen serves as the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, internal control and risk management systems of the Company and to assist the Board to fulfill its responsibilities over audit.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.zs-united.com. The interim report of the Group for the six months ended 30 June 2022 containing all the relevant information required by the Listing Rules on the Stock Exchange will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By Order of the Board
Nanjing Sinolife United Company Limited*
Gui Pinghu
Chairman

Nanjing, the People’s Republic of China, 30 August 2022

As of the date of this announcement, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan and Ms. Zhu Feifei; and the independent non-executive Directors are Mr. Yu Bo, Ms. Cai Tianchen and Mr. Wang Wei.

* *For identification purpose only*