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 2021

FINANCIAL HIGHLIGHTS FOR THE FIRST HALF OF 2021

- Revenue decreased by approximately 7.9% to approximately RMB123.7 million (First half of 2020: approximately RMB134.3 million)
- Gross profit decreased by approximately 8.8% to approximately RMB72.2 million (First half of 2020: approximately RMB79.2 million)
- Loss for the period was approximately RMB6.9 million (First half of 2020: loss of approximately RMB6.2 million)
- Basic loss per share was approximately RMB0.73 cent (First half of 2020: loss per share approximately RMB0.65 cent)
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (First half of 2020: 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 2021 together with the comparative figures for the corresponding period in 2020 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 2021

		For the six months ended 30 June	
		2021	2020
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*2, 3*	**123,711**	134,300
Cost of sales		**(51,548)**	(55,110)
Gross profit		**72,163**	79,190
Other income and gains	*3*	**8,236**	7,759
Selling and distribution expenses		**(50,496)**	(52,255)
Administrative expenses		**(33,916)**	(36,122)
Finance costs		**(366)**	(812)
Other expenses		**(2,455)**	(2,407)
Loss before tax	*4*	**(6,834)**	(4,647)
Income tax expense	*5*	**(33)**	(1,528)
Loss for the period		**(6,867)**	(6,175)
Loss attributable to:			
Owners of the parent		**(6,867)**	(6,175)
Other comprehensive income/(loss)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax			
Exchange differences on translation of foreign operations		**(3,173)**	(2,894)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax			
Gains on property revaluation		**4,266**	–
Other comprehensive income/(loss) for the period		**1,093**	(2,894)
Total comprehensive loss for the period		**(5,774)**	(9,069)
Total comprehensive loss attributable to:			
Owners of the parent		**(5,774)**	(9,069)
Loss per share attributable to ordinary equity holders of the parent:			
— Basic and diluted for loss	*7*	**RMB(0.73) cent**	RMB(0.65) cent

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Notes	**30 June 2021 *RMB'000* (unaudited)**	31 December 2020 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*8*	**98,847**	108,363
Investment properties		**55,076**	40,608
Right-of-use assets		**15,144**	19,514
Goodwill		**33,100**	34,491
Other intangible assets		**12,120**	24,751
Deferred tax assets		**8,893**	9,830
Other non-current assets		**–**	176
Total non-current assets		**223,180**	237,733
Current assets			
Inventories	*9*	**77,033**	83,145
Trade receivables	*10*	**24,877**	33,040
Prepayments, deposits and other receivables		**19,710**	14,431
Tax recoverable		**2,995**	2,995
Pledged deposits		**610**	1,271
Cash and cash equivalents		**66,356**	77,116
Total current assets		**191,581**	211,998
Total assets		**414,761**	449,731
Current liabilities			
Trade payables	*11*	**16,894**	16,185
Other payables and accruals		**24,082**	42,999
Lease liabilities		**3,988**	4,777
Tax payables		**278**	6,445
Total current liabilities		**45,242**	70,406
NET CURRENT ASSETS		**146,339**	141,592
TOTAL ASSETS LESS CURRENT LIABILITIES		**369,519**	379,325

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021 (continued)

	Notes	**30 June 2021** *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities		**6,565**	8,686
Deferred tax liabilities		**5,609**	7,499
Provision		**756**	777
Total non-current liabilities		**12,930**	16,962
NET ASSETS		**356,589**	362,363
Equity			
Equity attributable to owners of the parent			
Share capital		**94,630**	94,630
Other reserves		**261,959**	267,733
TOTAL EQUITY		**356,589**	362,363

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 2021 (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 2020.

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 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the period's financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

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 segments

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**"), 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 PRC, New Zealand and Australia. The Group's revenue from external customers is primarily derived in the PRC, 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 2021	For the six months ended 30 June 2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC	**74,739**	76,825
New Zealand	**41,870**	50,607
Australia	**2,778**	1,732
Other countries	**4,324**	5,136
	123,711	134,300

(c) Non-current assets

	As at 30 June 2021	As at 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
PRC	**151,220**	161,264
New Zealand	**27,684**	31,742
Australia	**2,283**	230
	181,187	193,236

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 2021 ***RMB'000*** **(unaudited)**	For the six months ended 30 June 2020 *RMB'000* (unaudited)
Type of goods or services		
Sale of goods	**123,649**	134,268
Rendering of services	**62**	32
	123,711	134,300
Timing of revenue recognition		
Goods or services transferred at a point in time	**123,711**	134,300
Total revenue from contracts with customers	**123,711**	134,300
Other income and gains		
Bank interest income	**203**	371
Reversal of impairment of trade receivables	**354**	1,810
Government grants*	**874**	5,289
Gain on disposal of a subsidiary	**4,736**	–
Rental income	**1,407**	85
Other	**662**	204
	8,236	7,759

* 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 2021 ***RMB'000*** **(unaudited)**	For the six months ended 30 June 2020 *RMB'000* (unaudited)
Cost of inventories sold	**51,548**	55,110
Staff costs	**30,654**	33,139
Depreciation of right-of-use assets	**2,058**	3,245
Amortisation of intangible assets	**1,147**	1,801
Depreciation of property, plant and equipment	**5,764**	6,998
Lease payments not included in the measurement of lease liabilities	**–**	650
Reversal of impairment of trade receivables	**(354)**	(1,810)
Exchange differences, net	**2,358**	2,263
Government grants	**(874)**	(5,289)
Gain on disposal of a subsidiary	**(4,736)**	–
Research and development expenses	**757**	601

5. INCOME TAX EXPENSE

(a) 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 2021 ***RMB'000*** **(unaudited)**	For the six months ended 30 June 2020 *RMB'000* (unaudited)
Current		
— PRC	**–**	81
— New Zealand	**–**	5
	–	86
Deferred tax	**33**	1,442
Total tax expense for the period	**33**	1,528

One of the Group's subsidiaries obtained the Certificate of High and New Technology Enterprise in 2019 and was approved by tax authorities to enjoy the preferential tax rate of 15%. Except for the aforementioned subsidiary, 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 the period and comparing period.

6. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2021 (For the six months ended 30 June 2020: nil).

No proposed dividend declared by the Board for the year ended 31 December 2020.

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 (first half of 2020: 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 2021 and 2020.

8. PROPERTY, PLANT AND EQUIPMENT

No impairment losses were recognised in respect of property, plant and equipment for both periods. During the period, additions to property, plant and equipment amounted to RMB5,853,000 (For the six months ended 30 June 2020: RMB3,336,000).

9. INVENTORIES

	30 June 2021 *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (audited)
Raw materials	**20,699**	23,518
Work-in-progress	**784**	1,432
Finished goods	**55,179**	57,557
Goods merchandise	**371**	638
	77,033	83,145

10. TRADE RECEIVABLES

	30 June 2021 *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (audited)
Trade receivables	**26,942**	35,539
Impairment	**(2,065)**	(2,499)
	24,877	33,040

10. TRADE RECEIVABLES (CONTINUED)

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

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 month	**17,684**	20,883
Over 1 month but within 3 months	**5,479**	9,480
Over 3 months but within 1 year	**862**	1,941
Over 1 year	**852**	736
	24,877	33,040

11. TRADE PAYABLES

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

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 month	**12,437**	7,103
Over 1 month but within 3 months	**2,137**	6,109
Over 3 months but within 1 year	**1,592**	2,223
Over 1 year	**728**	750
	16,894	16,185

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The PRC market is one of the most important and the most promising consumer markets for the Group's business. In the first half of 2021, the Group continued to focus on the business development of the cross-border e-commerce of nutritional supplements under the Good Health brand in the PRC and the distribution channels of the maternity and child series products under the Good Health brand in the PRC. Due to the disposal of Shanghai Hejian Nutritional Food Products Company Limited* (上海禾健營養食品有限公司) ("**Shanghai Hejian**") by the Group in the first half of 2021 and decrease in the sales of general trading products in TV shopping channels, the revenue of the Group decreased by approximately 7.9% to approximately RMB123.7 million for the six months ended 30 June 2021 from approximately RMB134.3 million for the six months ended 30 June 2020. The selling and distribution expenses and administrative expenses of the Group decreased by approximately RMB4.0 million in aggregate as compared with the corresponding period last year. Due to the decrease in sales revenue, the loss of the Group for the six months ended 30 June 2021 amounted to approximately RMB6.9 million, representing an increase of approximately RMB0.7 million as compared to the loss of approximately RMB6.2 million for the six months ended 30 June 2020.

In the first half of 2021, 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. 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 2021, in order to enhance market competitiveness of its products and meet the evolving consumer demands, the Group adopted a market-oriented strategy for research and product development to further strengthen the new products development. During the six months ended 30 June 2021, the Group launched a total of twenty-eight new products, including two Zhongsheng series products, twenty-two Good Health series products and four Living Nature series products. The new products mainly comprised Viralex Breathe, Healthy Lungs Premium, Joint Active UCII, Magnesium Organic Ultra, Viralex Attack, Vermouth yeast β - Dextran chewable tablets, Fish collagen peptide solid beverage, etc..

For the PRC market, the Group continued to make great effort to develop domestic distribution network and e-commerce platforms in the first half of 2021. In terms of e-commerce platforms, the Group continued to cooperate with e-commerce platforms such as Tmall International, JD.com, xiaohongshu.com, Youzan, vip.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. At the same time, the Group has initially completed the layout of the distribution channels of the maternity and child series products under the Good Health brand in the PRC market.

The Group's overseas diversified sales platforms mainly include international distribution network broadly distributed in 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.

* *For identification purpose only*

FINANCIAL REVIEW

Results

The revenue of the Group in the first half of 2021 was approximately RMB123.7 million, representing a decrease of approximately 7.9% from approximately RMB134.3 million in the first half of 2020.

The Group recorded a loss of approximately RMB6.9 million for the first half of 2021, representing an increase of approximately RMB0.7 million as compared with a loss of approximately RMB6.2 million in the first half of 2020. The Company's loss per share was approximately RMB0.73 cent (First half of 2020: loss per share of approximately RMB0.65 cent) based on the weighted average number of 946,298,370 (First half of 2020: 946,298,370) ordinary shares of the Company in issue during the first half of 2021.

Revenue

The revenue of the Group decreased by approximately 7.9% from approximately RMB134.3 million in the first half of 2020 to approximately RMB123.7 million in the first half of 2021. The decrease in revenue in the first half of 2021 was due to the disposal of Shanghai Hejian and the decrease in sales of general trading products in TV shopping channels.

Gross profit

The Group's gross profit decreased by approximately RMB7.0 million from approximately RMB79.2 million in the first half of 2020 to approximately RMB72.2 million in the first half of 2021. The gross profit margin in the first half of 2021 remained stable at approximately 58.3% as compared with the gross profit margin in the first half of 2020.

Other income and gains

The Group's other income and gains mainly comprised gain on disposal of Shanghai Hejian, government grants, bank interest income, reversal of impairment of trade receivables and rental income, which increased from approximately RMB7.8 million in the first half of 2020 to approximately RMB8.2 million in the first half of 2021.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately 3.4% or approximately RMB1.8 million from approximately RMB52.3 million in the first half of 2020 to approximately RMB50.5 million in the first half of 2021. Such decrease in selling and distribution expenses was mainly due to the decrease in the selling and distribution expenses of Shanghai Hejian recorded in the first half of 2021 as compared with the corresponding period last year as a result of the disposal of Shanghai Hejian and the decrease in the Group's depreciation of fixed assets and amortisation of intangible assets.

Administrative expenses

The Group's administrative expenses decreased by approximately 6.1% or approximately RMB2.2 million from approximately RMB36.1 million for the first half of 2020 to approximately RMB33.9 million for the first half of 2021. Such decrease in administrative expenses was mainly due to the decrease in administrative expenses of Shanghai Hejian recorded in the first half of 2021 as compared with the corresponding period last year as a result of the disposal of Shanghai Hejian and the decrease in the Group's depreciation of fixed assets and professional service and consulting fee.

Income tax expense

The Group's income tax expense decreased from approximately RMB1.5 million in the first half of 2020 to approximately RMB0.03 million in the first half of 2021, representing a decrease of approximately RMB1.5 million.

Loss for the period

The revenue of the Group decreased by approximately RMB10.6 million to approximately RMB123.7 million for the six months ended 30 June 2021 from approximately RMB134.3 million for the six months ended 30 June 2020. The selling and distribution expenses and administrative expenses of the Group decreased by approximately RMB4.0 million in aggregate as compared with the corresponding period last year. Therefore, due to the decrease in sales revenue, the loss of the Group for the six months ended 30 June 2021 amounted to approximately RMB6.9 million, representing an increase of RMB0.7 million as compared to the loss of approximately RMB6.2 million for the six months ended 30 June 2020.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

As at 30 June 2021, the Group's cash and cash equivalents decreased by approximately RMB10.8 million as compared with 31 December 2020, which mainly comprised the net cash outflow from operating activities with the amount of approximately RMB6.0 million, net cash outflow from investing activities with the amount of approximately RMB0.9 million, net cash outflow from financing activities with the amount of approximately RMB2.4 million and cash outflow from exchange effects of approximately RMB1.5 million.

Inventories

The Group's inventories amounted to approximately RMB77.0 million as at 30 June 2021 (as at 31 December 2020: approximately RMB83.1 million), representing a decrease of approximately RMB6.1 million. The Group's inventories include raw materials, work-in-progress, finished goods and goods merchandise. The decrease in inventories was mainly because Good Health reduced its inventory level to accelerate the turnover rate. The inventory turnover days were approximately 280 days in the first half of 2021 (first half of 2020: 286 days), decreased by 6 days as compared with the corresponding period last year mainly because of the Group's efforts in accelerating the turnover of the inventory.

Trade receivables

The Group's trade receivables amounted to approximately RMB24.9 million as at 30 June 2021 (as at 31 December 2020: approximately RMB33.0 million), representing a decrease of approximately RMB8.1 million or 24.5%. Such decrease in trade receivables was mainly due to the management of Good Health in New Zealand accelerating the collection of trade receivables.

Trade payables

The Group's trade payables remained stable at approximately RMB16.9 million as at 30 June 2021 (as at 31 December 2020: approximately RMB16.2 million).

Foreign exchange exposure

As the Group conducts in-bound transactions principally in RMB and outbound transactions principally in New Zealand dollars and Australian dollars, the Group had not utilised any financial instruments for hedging purposes as at 30 June 2021.

Borrowings and pledge of assets

As at 30 June 2021, the Group did not have any outstanding borrowings or pledge of assets.

Capital expenditure

The Group invested approximately RMB5.9 million in the first half of 2021 (first half of 2020: approximately RMB3.3 million) for fixed assets.

Capital commitments and contingent liabilities

As at 30 June 2021, the Group did not have capital commitments (as at 31 December 2020: nil). The Group had no material contingent liabilities as at 30 June 2021 (as at 31 December 2020: nil).

Discloseable transaction in relation to disposal of Shanghai Hejian

Shanghai Hejian is a company established in the PRC with limited liability and principally engaged in retailing of health food products, mainly the Hejian brand products, via online call centres. To implement the development strategies of the Group, which focuses on the Good Health brand by optimising distribution channels, the Company and Zhongke Health Industry Group Co., Limited* (中科健康產業集團股份有限公司) ("**Zhongke**") entered into an equity purchase agreement in March 2021, pursuant to which, Zhongke conditionally agreed to purchase 100% equity interest in Shanghai Hejian at a consideration of RMB10.0 million to be settled by cash. For details of the disposal of Shanghai Hejian, please refer to the announcement of the Company dated 18 March 2021. As at the date of this announcement, such transaction was successfully completed with the consideration received in full.

OUTLOOK

In the first half of 2021, China's overall economy continued to rebound and was in the midst of a steady recovery. Wider vaccination coverage and adequate fiscal space remain keys to the recovery of global economy. Higher vaccination rates and continued government fiscal support in developed economies will drive the rapid recovery of the global economy in the second half of the year. The widespread of Delta variant of COVID-19 in the second quarter of 2021 had an adverse impact on production and business activities, which in turn affected the sustainability of global economic recovery. Currently, there are still uncertainties in the global economy.

In the nutritional supplements industry, large international companies engaged in businesses similar with the Group continued to increase their investments in the PRC market. Some large domestic pharmaceutical enterprises and food enterprises have also expanded into the nutritional supplements industry, while more overseas brands have stepped into the PRC market through cross-border e-commerce channels. In view of the above, coupled with the emergence of new channels, new technology applications and new business models, competition in the industry has intensified.

In the meantime, there is still a big gap between the PRC nutritional supplements market and that of other developed countries in terms of population coverage and per capita consumption levels. However, the PRC market has seen an upgrade in consumption, with consumers' demand for products becoming more diversified and segmented; and the continuous improvement and tightening of domestic regulations has created a more regulated market environment for market players. Due to these factors, there is a huge growth potential for the nutritional supplements industry.

In the second half of 2021, in addition to continuing to focus on strategic priorities to build its core competencies, the Group will enhance the influence of the Good Health brand by making full use of new media, new channels and continuous innovation in marketing strategies. In addition, it will increase investments in training and promotion for distributor channels in the PRC market, and strengthen cooperation with distributors to enhance channel force and service ability and promote refined management of terminals. While maintaining the improvement of sales of product with core strengths, the Group will develop new products precisely tailored to the needs in various market segments to improve its performance in such market segments.

* *For identification purpose only*

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 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 2021, the Group employed work force of 299, including 176 employees of Zhongsheng, 93 employees of Good Health, 3 employees of Australia and 27 employees of Living Nature. The total salaries and related costs for the six months ended 30 June 2021 amounted to approximately RMB30.7 million (first half of 2020: approximately RMB33.1 million).

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

For the six months ended 30 June 2021, 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 all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2021 and up to the date of this announcement.

CODE OF CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company has complied with the Corporate Governance Code and Corporate Governance Report ("**CG Code**") as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2021 and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (For the six months ended 30 June 2020: nil).

REVIEW OF THE INTERIM RESULTS

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2021 have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Audit Committee has been established in compliance with Rule 3.21 and Rule 3.22 of 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. Zhang Jitong, 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 2021 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, 27 August 2021

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. Zhang Jitong, Ms. Cai Tianchen and Mr. Wang Wei.

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