

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED
(Company Registration No. 91120000103100784F)
(Incorporated in People's Republic of China)

RESPONSE TO SGX QUERIES ON FULL YEAR RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020

All capitalised terms used herein, unless the context otherwise requires, shall bear the meanings ascribed to them in the full year results for the period ended 31 December 2020.

Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) has received a query from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) regarding the Company’s full year results for the financial period ended 31 December 2020 (“**FY2020**”) announced on 30 March 2021 (the “**FY2020 Results**”). The Company’s responses to the queries of the SGX-ST are set out below:-

SGX Query 1

Please provide a breakdown and elaborate on the reason(s) for the significant trade and other payables of RMB 1,870.9 million, an increase from RMB 1,732.6 million as at 31 December 2019, when the Group recorded a cash and cash equivalent of RMB 1,987.3 million as at 31 December 2020.

Company’s response:

As of 31 December 2020, trade and other payables increased by RMB 138.3 million (or 8%) as compared to 31 December 2019 mainly due to the Company’s increased usage of bill payables written by financial institutions (increased by RMB 230 million) to settle the trade payables in order to optimize the use of funds.

The breakdown of trade and other payables are as follows:

	31 December	31 December	Change	
	2020	2019	RMB'000	%
	RMB'000	RMB'000	RMB'000	
Trade payables	666,344	660,904	5,440	0.8
Bill payables	235,907	5,749	230,158	n.m.
Other payables	790,736	856,512	(65,776)	7.7
Accrued salaries	131,112	142,940	(11,828)	(8.27)
Other tax payables	32,197	52,906	(20,709)	(39.1)
Dividend payables	14,611	13,569	1,042	7.7
Total	1,870,907	1,732,580	138,327	8.0

n.m. – not meaningful

By order of the Board

Jiao Yan
Company Secretary
9 April 2021