

TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED

(Company Registration No.: 91120000103100784F)

(Incorporated in the People's Republic of China)

MINUTES OF THE ANNUAL GENERAL MEETING OF TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED (THE "COMPANY") HELD ON 5 JUNE 2020

DATE : 5 June 2020

TIME : 1:30 p.m.

VENUE : Meeting room of Zhongxin Mansion, No. 17 Baidi Road, Nankai District, Tianjin, the People's Republic of China 300193 for holders of "A" shares ("**A-Shareholders**")

Concurrently, the AGM (as defined herein) was held by electronic means for holders of "S" shares ("**S-Shareholders**", together with the A-Shareholders, the "**Shareholders**") in Singapore

CALLED BY : Board of Directors

CHAIRMAN OF THE AGM : Mr. Li Liqun

INTRODUCTION

The Chairman of the AGM ("**AGM Chairman**") welcomed all the Shareholders to the Company's annual general meeting for the financial year ended 31 December 2019 ("**FY2019**") ("**AGM**" or "**Annual General Meeting**") and stated that voting by A-Shareholders at the AGM were to be carried out through a combination of on-site voting and online voting. Concurrently, the Company has provided S-Shareholders with access to watch the AGM proceedings via live webcast in accordance with relevant regulations and rules currently implemented in Singapore due to the Covid-19 situation. The AGM Chairman then called the proceedings of the AGM to be officially started.

QUORUM

As a quorum was present, Ms. Jiao Yan (Secretary to the Board), on behalf of the AGM Chairman, called the AGM to order at 1.30 p.m.

Ms. Jiao Yan, on behalf of the AGM Chairman, then introduced the following persons who were present at the AGM or attended the AGM via live webcast or audio conference:

Physically present:

Directors

- Mr. Li Liqun (Chairman of Board)
- Mr. Tang Tiejun (Non-Independent and Non-Executive Director)
- Mr. Zhang Ping (Non-Independent and Non-Executive Director)
- Mr. Qiang Zhiyuan (Independent and Non-Executive Director)
- Mr. Wang Mai (Executive Director)

Mr. Zhou Hong (Executive Director)

- Secretary to the Board** - Ms. Jiao Yan
- Supervisors** - Mr. Wang Yuanxi (Chairman of the Supervisory Committee)
Mr. Zhao Zhibin (Supervisor)
Ms. Guo Xiumei (Employee Supervisor)
- Management** - Ms. Li Yan (General Manager)
Mr. Zhang Jian (Deputy General Manager)
Mr. Wang Xin (Deputy General Manager)
Mr. Ni Zhenguo (Deputy General Manager)
Ms. Niu Shengfang (Deputy General Manager)
- PRC Legal Counsel** - Guantao Law Firm (Tianjin Office)
Represented by: Ms. Yang Miao
Mr. Xu Tao
- PRC Auditors** - ShineWing Certified Public Accountants LLP
Represented by: Mr. Liu Tao

Attended via live webcast or audio conference:

- Directors** - Mr. Timothy Chen Teck Leng (Lead Independent and Non-Executive Director)
Mr. Wong Gang (Independent and Non-Executive Director)
- Independent Director candidate** - Mr. Liew Yoke Pheng Joseph
- Singapore Legal Counsel** - Shook Lin & Bok LLP
Represented by: Ms. Esther Ng
- International Auditors** - RSM Chio Lim LLP
Represented by: Mr. Thiam Soon Ng
Mr. Woon Wai Wong
Mr. Kelvin Chan
- Singapore Independent Financial Adviser** - RHB Securities Singapore Pte. Ltd.
Represented by: Ms. I Ping Lien
Mr. Ivan Khew

NOTICE OF MEETING AND BUSINESS OF THE AGM

Ms. Jiao Yan, on behalf of the AGM Chairman, stated that the meeting materials have been sent to Shareholders or published on the website of the Shanghai Stock Exchange and SGXNet, and the notice convening the AGM was taken as read. The AGM proceeded to consider the resolutions which were being tabled for Shareholders' approval at the AGM.

The directors and management of the Company then proceeded to answer the questions received by the Company from S-Shareholders submitted in advance of the AGM and questions raised by A-Shareholders at the AGM. Please refer to the questions raised and the Company's responses set out in **Appendix 1**.

VOTING PROCEEDINGS AND RESULTS

Ms. Jiao Yan, on behalf of the AGM Chairman, stated that voting by S-Shareholders had been conducted in advance by the appointment of the AGM Chairman as proxy and had been verified by a Singapore scrutineer appointed by the Company pursuant to the relevant regulations and rules currently implemented in Singapore due to the Covid-19 situation, and the voting results was to be declared together with those of A-Shareholders. It was noted that Drewcorp Services Pte Ltd has been appointed as the Singapore scrutineer for the AGM.

Ms. Jiao Yan, on behalf of the AGM Chairman, then stated that with respect to voting by the A-Shareholders, the scrutineer team comprised of Ms. Yang Miao (representative of PRC legal counsel), Ms. Guo Xiumei (employee supervisor), Mr. Liu Jianghai (representative of A-Shareholders) and counting personnel comprised of Ms. Jiang Ling and Mr. Wang Jian.

Ms. Yang Miao introduced the voting rules and procedures for A-Shareholders on behalf of the scrutineer team, following which the A-Shareholders proceeded to vote, and the AGM was adjourned for 1.5 hour(s).

The AGM resumed at 4:20 p.m., and Ms. Jiao Yan, on behalf of the AGM Chairman, proceeded to announce the voting results of each of the resolutions.

Resolution 1 - To consider and approve the Chairman's Report for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 2 - To consider and approve the Board of Directors' Report for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 3 - To consider and approve the Supervisory Committee's Report for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 4 - To consider and approve the Financial Report and Audit Report for FY2019 audited by ShineWing Certified Public Accountants LLP and RSM Chio Lim LLP and reviewed by the Audit Committee of the Company

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 5 - To consider and approve the scheme of profit distribution policy of the Company for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 6 - To consider and approve the remuneration of S\$60,000 for independent director Mr. Timothy Chen Teck Leng for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 7 - To consider and approve the remuneration of S\$36,700 for independent director Mr. Wong Gang for FY2019 (specifically, for the period from May 2019 to December 2019)

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 8 - To consider and approve the remuneration of S\$22,900 for independent director Mr. Toe Teow Heng for FY2019 (specifically, for the period from January 2019 to May 2019)

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 9 - To consider and approve the remuneration of RMB60,000 for independent director Mr. Qiang Zhiyuan for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 10 - To consider and approve the aggregate remuneration for directors of the Company for FY2019

The following directors of the Company had abstained from voting on this Resolution 10:

Name	Number of shares held
Li Liquan	70,000 Restricted A-shares
Yu Hong	70,000 Restricted A-shares
Wang Mai	70,000 Restricted A-shares
Zhou Hong	70,000 Restricted A-shares

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 11 - To consider and approve the aggregate remuneration for members of the Supervisory Committee for FY2019

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,659	99.999	3,000	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 12 - To consider and approve the appointment of Mr. Liew Yoke Pheng Joseph as independent director of the Company

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,973,359	99.999	3,300	0.001	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 13 - To consider and approve the appointment of Ms. Li Yan as director of the Company

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,906,329	99.980	70,330	0.020	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 14 - To consider and approve the renewal of the shareholders' mandate for the interested person transactions

Tianjin Pharmaceutical Holdings Co., Ltd., the controlling shareholder of the Company which holds 325,855,528 shares in the Company, had abstained from voting on this Resolution 14.

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
21,118,131	99.986	3,000	0.014	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 15 - To consider and approve the proposed financial services agreement to be entered into between the Company and Tianjin Pharmaceutical Group Finance Co., Ltd. as an interested person transaction and all transactions arising therefrom

Tianjin Pharmaceutical Holdings Co., Ltd., the controlling shareholder of the Company which holds 325,855,528 shares in the Company, had abstained from voting on this Resolution 15.

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
16,136,392	76.399	4,984,739	23.601	0	0

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 16 - To consider and approve the proposed “Scheme on Return of Investment to Shareholders from 2020 to 2022”

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,968,556	99.998	3,000	0.001	5,103	0.001

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 17 - To consider and approve the proposed line of credit granted to the Company up to an aggregate limit of RMB6,250,000,000

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,968,556	99.998	3,000	0.001	5,103	0.001

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

Resolution 18 - To consider and approve the proposed re-appointment of ShineWing Certified Public Accountants LLP as PRC auditors of the Company for the financial year ending 31 December 2020 (“FY2020”), re-appointment of RSM Chio Lim LLP as international auditors of

the Company for FY2020, and to authorise the Board to determine their remuneration

FOR		AGAINST		FORFEITED	
Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
346,968,556	99.998	3,000	0.001	5,103	0.001

Based on the voting results, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the motion carried.

WITNESSED BY PRC LEGAL COUNSEL

Ms. Yang Miao, the representative of the PRC legal counsel of the Company, confirmed that the calling and convening of the AGM are in compliance with provisions of relevant laws, regulations and normative documents, as well as the Articles of Association of the Company. The eligibility of the Board of Directors to call the AGM and the Shareholders present at the AGM were legitimate and valid. The voting procedures and results of the AGM were legitimate and valid.

CLOSURE

There being no other business to transact, Ms. Jiao Yan, on behalf of the AGM Chairman, declared the AGM of the Company closed at 4:35 p.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

Mr. Li Liquan
Chairman of the Board

APPENDIX 1

QUESTIONS FROM SHAREHOLDERS AND COMPANY'S RESPONSES

S/No.	QUESTIONS	COMPANY'S RESPONSES
A. Questions from S-Shareholders		
1.	What will be the long term dividend policy? Can the dividend payout increase to 50% of the profit?	<p>The Company actively fulfills the social responsibilities of public companies and attaches great importance to a reasonable return on shareholders' investment while achieving its own rapid development. The Company has a long-term and stable profit distribution policy, which has been stipulated in the Articles of Association of the Company and specified in the scheme on return of investment to shareholders for every 3-year period. For example, Resolution 16 proposed at this AGM is to consider and approve the "Scheme on Return of Investment to Shareholders from 2020 to 2022" (《关于公司2020—2022年股东回报规划》), and it is formulated in accordance with relevant provisions of the "Guidelines No.3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies" (《上市公司监管指引第3号——上市公司现金分红》) and the "Notice on Further Implementing Matters concerning Cash Dividends of Listed Companies" (《关于进一步落实上市公司现金分红有关事项的通知》) issued by the China Securities Regulatory Commission ("CSRC").</p> <p>中新药业在实现自身快速发展的同时,积极履行公众公司的社会责任,高度重视股东的合理投资回报。公司制定有长期稳定的利润分配政策,并在《公司章程》与《每三年期股东回报规划》中进行了明确约定。例如,本次会议第十六项议案《关于公司2020—2022年股东回报规划》,即是依据中国证监会《上市公司监管指引第3号——上市公司现金分红》、《关于进一步落实上市公司现金分红有关事项的通知》等相关规定需制定的。</p> <p>With focus on the long-term and sustainable development, the Company aims to establish a sustainable, stable and scientific return plan and mechanism for its investors taking into account the factors including the Company's operational results, shareholders' requests and wishes, social capital costs and external financing environment, etc., and balance the Company's short-term interests and long-term development according to its actual business development and capital needs so as to ensure the continuity and stability</p>

	<p>of Company's profit distribution policy.</p> <p>公司着眼于长远和可持续的发展，在综合考虑公司的经营发展实际、股东要求和意愿、社会资金成本、外部融资环境等因素的基础上，建立对投资者持续、稳定、科学的回报规划和机制，根据现实的经营发展和资金需求状况平衡公司短期利益和长期发展，保证公司利润分配政策的连续性和稳定性。</p> <p>According to relevant provisions, the Company may distribute profits to shareholders in the form of cash, shares, a combination of cash and shares and/or any other methods as permitted by laws. If the conditions for distributing profits through declaring cash dividends are met, the Company shall distribute profits in the form of cash dividends; where conditions allow, the Company is allowed to distribute interim dividends subject to the operational results.</p> <p>根据相关规定，公司可采取现金、股票、现金和股票相结合或者法律允许的其他方式分配股利；具备现金分红条件的，公司应当采用现金分红进行利润分配；在有条件的情况下，根据实际经营情况，公司可以进行中期分红。</p> <p>Pursuant to the guidelines of the CSRC on cash dividends, companies are encouraged to distribute cash dividends not less than 30% of earnings per share. In recent years, the Company's cash dividends distribution ratio has exceeded 30% of earnings per share, and the cash dividends declaration ratio proposed in the scheme of profit distribution for FY2019 has reached 37%, which is the highest over the years. Please refer to the Company's annual report released on 21 May 2020 for further details relating to the "Scheme on Return of Investment to Shareholders from 2020 to 2022" (《关于公司2020—2022年股东回报规划》).</p> <p>根据中国证监会的现金分红指导要求，鼓励公司的现金分红比例不低于每股收益的30%。中新药业近年现金分红比例均超过每股收益的30%，且2019年分红预案中的分红比例达到37%，在例年来最高。《关于公司2020—2022年股东回报规划》可以参见2020年5月21日披露的S股年报。</p> <p>With regard to the proposal to increase the dividend ratio to 50% of the profit, as mentioned above, the Company needs to determine the dividend distribution ratio according to its actual operational results and capital needs, and it is impossible to quantify now. However, it has always been the direction of Company's efforts to make greater returns to its shareholders.</p> <p>关于分红比例提高到50%的提议，综前所述公司需要根据当期</p>
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		的经营发展和资金需求状况来具体确定分红比例，现在是无法量化的。但公司可以保证争取给予股东更大的回报，这一直是公司努力的方向。
2.	What will be the driver of the company's profits over the next 3 years?	<p>In the next three years, the Company will continue to deepen academic marketing, focus on improving the market competitiveness of products; innovative publicity methods, highlight the brand value, and use the brand to drive the sales growth; gather market demand, strengthen scientific and technological support; strengthen various compliance management to escort the business expansion, and strive to achieve the established goals.</p> <p>未来三年，公司将持续深化学术营销，着力提升产品的市场竞争能力；创新宣传方式，凸显品牌价值，以品牌拉动销售增量；聚集市场需求，强化科技支撑；强化各项合规管理，为业务拓展保驾护航，力争实现既定目标。</p>
3.	How have Covid-19 affect the Company's operating results and what steps are the Company taking to mitigate the impact of Covid-19 on its operations?	<p>As can be seen from the Company's financial statement for the first quarter of FY2020 announced on 29 April 2020, due to the impact of the Coronavirus pandemic, the Company's revenue decreased by 6% year-on-year and net profit decreased by 9% year-on-year. At present, with the progressive resumption of work and production, the production and operations of the Company have returned to normal. The Company is actively overcoming the impact of previous period, and is making efforts to catch up with the planned progress and achieve the established performance targets. Meanwhile, the Company will continue to increase input in the secondary development of old products and research and development of new products, and fully respond to the relevant national policies on vigorous promotion of the development of traditional Chinese medicine in order to promote the industrialization and international development of the Company's traditional Chinese medicine.</p> <p>从公司4月29日披露的S股2020年一季报可以看出，由于疫情影响，公司一季度销售收入同比下降6%，净利润同比下降9%。当前随着复工复产，公司的生产经营已经恢复正常，公司正在积极克服前期影响，努力追上计划进度并实现既定业绩目标。同时，公司在老产品的二次开发、新产品研发方面会持续加大投入力度，充分响应国家大力提倡中医药发展的相关政策，推进公司中药产业化与国际化发展。</p>
4.	The traded price differentials in Sgx and shanghai exchange is very	Historically, there has been a gap between the price of A-Shares and S-Shares, with A-Shares higher than S-Shares. However, the advance-decline trend of A-Shares and S-

	big. Will the BOD consider implementing measures to narrow this gap, like institute share buyback on SGX.	Shares is basically the same in both stock exchange. Regarding the share buyback proposal, the Company does not consider this at present. 公司A股与S股股价从历史上来讲一直存在价差，A股股价高于S股股价。但两地股票的涨跌趋势基本上是保持一致的。针对股东提出的回购S股股票的事项，目前，公司没有此考虑。
	B. Questions from A-Shareholders	
5.	In 2019, sales of Shunaoxin Di Wan (舒脑欣滴丸) decreased by 22%, what is the reason for the decrease? 2019年，舒脑欣滴丸销量减少22%，下滑的原因是什么？	Shunaoxin Di Wan (舒脑欣滴丸) was previously a product variety covered by the local medical insurance catalogue. The new version of the National Medical Insurance Catalogue (《国家医保目录》) was published in August last year, and Shunaoxin Di Wan (舒脑欣滴丸) was removed from the local medical insurance catalogue in six provinces due to the cancellation of the local medical insurance catalogue under the new policy. Without the support of the medical insurance, the Company adjusted its marketing approach in respect of Shunaoxin Di Wan (舒脑欣滴丸) and lowered expectations for its 2019 performance. 公司产品舒脑欣滴丸属于地方医保目录品种。去年8月新国家医保目录公布，由于新政策取消了地方医保目录，舒脑欣滴丸从六个省的地方医保目录中调出。在没有医保支撑的基础上，公司对该产品调整了营销思路，并降低了对其2019年度业绩的预期。
6.	In the statement of cash flows in the annual report for FY2019, the inflow and outflow of investment cash flows are more than RMB 70 billion respectively. What is the reason for such high cash flows? 年报的现金流量表中，投资的现金流量的流入流出是700多亿元，这么高的现金流量是什么原因？	Subject always to ensuring the safety of funds, in order to obtain the time value of funds, the Company chose to undertake the reverse repurchase of national debt with relatively higher returns and security as the operation mode of fund management. 这主要是因为在保证资金安全的基础上，为了获得资金的时间价值，公司选择了收益较大又比较安全的国债逆回购作为资金理财的运作方式。
7.	What is the future performance ceiling of Suxiao Jiuxin Wan (速效救心丸)? Has the price increase been implemented nationwide currently? Has the price been fully	At present, there is no price increase for Suxiao Jiuxin Wan (速效救心丸). The Company has been actively following the national policies, adjusting its pricing system and adapting to local online tender system. 目前对于速效救心丸不存在提价动作，公司积极与国家政策对接，调整价格体系，与当地招标挂网相适应。

	<p>increased? 速效救心丸未来（业绩）的天花板在哪，目前在全国是否全部提价，是否提价到位？</p>	<p>The pharmaceutical industry is heavily influenced by national policies. As Suxiao Jiuxin Wan (速效救心丸) is being promoted, the sales volume of Suxiao Jiuxin Wan (速效救心丸) is gradually increasing, and the matter of performance ceiling has not been considered.</p> <p>医药行业是在政策下舞蹈的行业，速效救心丸的销量在推广的过程在逐步累积，还没有考虑天花板的问题。</p> <p>There is no concept of a price increase for Suxiao Jiuxin Wan (速效救心丸). The Company has been arranging its pricing system properly in accordance with applicable policies. At present, according to the policies of various provinces, the nationwide lowest drug price linkage of online procurement has been implemented, and the price of Suxiao Jiuxin Wan (速效救心丸) remains stable.</p> <p>对于速效救心丸并没有提价的概念。公司一直按政策，合理安排价格体系，目前根据各省政策，挂网采购全国低价联动，其价格基本稳定。</p>
8.	<p>North China accounts for one-half of the performance of the industrial manufacturing segment. What are the measures to drive sales in other regions and how much room for growth in other regions? 工业制造端业绩华北区域占了二分之一，拉动其他区域销量的措施有哪些，其他区域的增长空间有多大？</p>	<p>The traditional regions of industrial sales are in the three north regions (i.e., Northeast China, North China and Northwest China), and North China alone accounts for less than one-half of the total industrial sales. The Company is actively promoting the development of a market south of the Yangtze River, and has made some achievements at present. The extent of market development of each enterprise and product is different, but at the national level, this is continuing.</p> <p>工业销售的传统地区在三北地区（东北、华北、西北），华北单独占比不到二分之一。公司在积极推进长江以南的市场，目前取得一些成绩，各个企业和产品的市场开发不一样，但全国的布局在持续的做。</p>
9.	<p>In recent years, the growth of Sino-American Tianjin SmithKline & French Lab., Ltd. (中美天津史克制药有限公司) has not been great. Can the Company comment on its future growth space? 中美史克近年增长不大，能不能介绍下其未来的增长空间？</p>	<p>Sino-American Tianjin SmithKline & French Lab., Ltd. (中美天津史克制药有限公司) is an associated company of the Company in which the Company holds 25% shareholding. For specific information, please refer to the periodic reports that have been released by the Company.</p> <p>中美史克为公司持股25%的参股子公司，具体披露信息可参考公司已披露的定期报告。</p>
10.	<p>What is the reason for the loss of Da Ren Tang (达仁堂)</p>	<p>The Company's branch, Da Ren Tang (达仁堂), has no losses. 公司下属企业达仁堂制药厂不存在亏损情况。您的信息有误。</p>

	堂)? 达仁堂亏损的原因是什么?	
11.	<p>What is the current status of the secondary development and marketing ideas of Suxiao Jiuxin Wan (速效救心丸) and the Company's existing 28 key product varieties?</p> <p>速效救心丸和二十八个重要大品种的二次开发情况和营销思路?</p>	<p>The Company has obtained certificates of approval for 499 medicine varieties, with each variety having different potential, and the Company has launched more than 20 potential varieties for secondary development through combing and screening in cooperation with experts from related professional committees of the China Association of Traditional Chinese Medicine (中国中药协会). On the one hand, the secondary development of these varieties is to obtain market recognition, and on the other hand, it also reflects changes in medical reform policies and medical administration, and new requirements for clinical evidence are constantly being put forward. The secondary development is conducive to the integration of expert consensus, expansion of clinical value research, and promotion of products to be included in the drug guidelines. Related practical clinical studies are being conducted in an orderly manner and as planned.</p> <p>中新药业拥有499文号，品种潜力不同，公司通过与国家中药协会相关专业委员会专家梳理筛选，推出20余个潜力品种。这些品种的二次开发一方面是为了获得市场认可，另一方面，也反应出医改政策变化，医政管理变化，对临床证据不断提出新的要求。二次开发有助于融合专家共识，拓展临床价值研究，有助于推动产品进入用药指南，指导用药。相关真实世界临床研究在有条不紊按计划进行。</p>
12.	<p>I carried out a survey at pharmacies this morning and found that the sales of Fufang Danshen Di Wan (复方丹参滴丸) and Tongmai Yangxin Wan (通脉养心丸) are higher than that of Suxiao Jiuxin Wan (速效救心丸). What is the progress of the transition of the positioning of Suxiao Jiuxin Wan (速效救心丸) and how will it be strengthened in the future? How will Suxiao Jiuxin Wan (速效救心丸) compete with Fufang Danshen Di Wan (复方丹参</p>	<p>The pharmacies at which you carried out your survey are in Tianjin. In terms of regular medication, Fufang Danshen Di Wan (复方丹参滴丸) and Tongmai Yangxin Wan (通脉养心丸) have certain advantages. Being used as first aid, Suxiao Jiuxin Wan (速效救心丸) introduces regular medication positioning and is also generally being carried by people who are over 40 years old. The related work is being carried forward and there has been improvements to some extent at present. However, as the name of Suxiao Jiuxin Wan (速效救心丸) has the meaning of first aid, the transition would be a gradual process.</p> <p>您调研的是天津药店，在常服方面，复方丹参滴丸，通脉养心丸有一定优势。速效救心丸在急救基础上，引入常服定位，也包括40岁以上随身携带的定位，相关工作都在推进，目前有一定改善，但速效救心丸这一名称带有急救意味，转变需要有一个渐进地过程。</p>

	<p>滴丸) and Tongmai Yangxin Wan (通脉养心丸) if it shifts its positioning to regular medication.</p> <p>本人上午在药店调研发现复方丹参滴丸，通脉养心丸销量比速效救心丸高，速效救心丸的定位转变工作的进展如何，未来如何加强，如果转到常服定位，速效救心丸与复方丹参滴丸，通脉养心丸如何竞争。</p>	<p>Fufang Danshen Di Wan (复方丹参滴丸) and Suxiao Jiuxin Wan (速效救心丸) are not rivals for the time being.</p> <p>速效救心丸的正面对手暂时不是复方丹参滴丸。</p>
13.	<p>What are the competitive advantages of Suxiao Jiuxin Wan (速效救心丸) over Xiaosuan Ganyou (硝酸甘油)?</p> <p>速效救心丸和硝酸甘油的竞争优势?</p>	<p>In the market of first-aid drugs, there is an equivalence experiment between Suxiao Jiuxin Wan (速效救心丸) and Xiaosuan Ganyou (硝酸甘油). Clinicians, especially western medicine doctors, usually choose Xiaosuan Ganyou (硝酸甘油) in their first diagnosis. However, due to the drug resistance of Xiaosuan Ganyou (硝酸甘油), the utility rate of Suxiao Jiuxin Wan (速效救心丸) in the follow-up diagnosis increases significantly.</p> <p>在急救市场，速效救心丸和硝酸甘油有一个等效性实验，临床医生特别是西医医生，首诊多选用硝酸甘油，但因为硝酸甘油的耐药性，速效救心丸在复诊中的使用率明显上升。</p>
14.	<p>When will the mixed-ownership reform be carried out by Tianjin Pharmaceutical Holdings Co. Ltd. (天津市医药集团有限公司) ("TPH")? Will TPH's controlling interest be transferred?</p> <p>医药集团混改什么时候进行，是否让出控股权?</p>	<p>The mixed-ownership reform to be carried out by TPH is not included in the AGM's agenda, and the subject of the mixed-ownership reform is also not the Company. At present, the mixed-ownership reform of TPH has been actively pushing forward, and the Company will make timely disclosures in accordance with the requirements of relevant laws and regulations. Please pay attention to the subsequent announcements.</p> <p>医药集团混改事项不在今天的议题之内，其混改事项的主体也不是中新药业。目前医药集团的混改事项正在积极推进，公司会按照信息披露有关要求，履行披露义务，请关注后续公告。</p>
15.	<p>Is there any account receivable for Suxiao Jiuxin Wan (速效救心丸)?</p> <p>速效救心丸这一产品是否存在应收?</p>	<p>Payment for Suxiao Jiuxin Wan (速效救心丸) shall be made before delivery of the medicine.</p> <p>速效救心丸在营销环节属于先付款后供货。</p>
16.	<p>Will the price of Suxiao Jiuxin Wan (速效救心丸) be</p>	<p>The specific situation depends on the national policies.</p> <p>具体情况需视国家政策而定。</p>

	<p>higher in the future (currently too low)? 速效救心丸价格回归（目前价格太低）？</p>	
17.	<p>The undistributed profits of the Company are relatively high. Has the Company considered to improve the return to shareholders, such as through issuing bonus shares or increasing cash dividend distribution? Will there be such an arrangement in the middle of this year? 公司的未分配利润较高，有没有考虑提高对股东的回报，如进行股份送转，提高现金股利分配，今年年中有没有这个安排？</p>	<p>The Company has always placed emphasis on the return to shareholders, and the distribution profits in the form of cash, shares or a combination of cash and shares are within the scope of the Company's consideration. The Company will also widely consult shareholders' opinions on the specific profit distribution policy. Thank you for your proposal. 公司历来注重回报股东，现金及股票股利都在公司考虑的范围之内，回报股东的具体政策也会广泛征求参考股东意见，感谢您的提议。</p>
18.	<p>Suxiao Jiuxin Wan (速效救心丸) and Angong Niuhuang Wan (安宫牛黄丸) have a very good effect on the treatment of cardiovascular and cerebrovascular diseases. The Marketing Department does not take action, has no motivation, and has no influence on the brand. What are the Company's plans for the coming year and how to build the sales team into a team that is extremely sensitive, good at learning, firm and indomitable and highly cooperative like a team of wolves? 速效救心丸，安宫牛黄丸等对于心脑血管疾病的治疗效果非常好，市场部不作为，</p>	<p>The Company has nearly 500 product varieties, of which, 99 are exclusive varieties and exclusive dosage type varieties. Angong Niuhuang Wan (安宫牛黄丸) is not an exclusive product variety. Each of the Company's five major subordinate industrial enterprises has their own main product varieties, and the Marketing Department of the Company has always been developing the market in accordance with the plan. Angong Niuhuang Wan (安宫牛黄丸) is a very good product variety, and Da Ren Tang (达仁堂) has a set of plans for it. It is believed that there may be certain growth in 2020. 中新药业拥有将近500个品种，独家品种和独家剂型品种99个，安宫牛黄丸不是独家品种。公司所属5个主要工业企业都有自己主推的品种，市场部始终在按规划开拓市场。安宫牛黄丸非常好，达仁堂对其在有一套规划，预计2020年可能有一定的增速。</p>

	没有动力，对品牌没有影响。公司未来的一年有什么打算，（如何）使得销售团队有狼性。	
19.	<p>Have trusts been included in the management modes of cash management of free funds not exceeding RMB 280 million announced in April this year?</p> <p>今年4月公布的不超过2.8亿元自由资金的现金管理事项，有没有把信托纳入到其管理方式。</p>	<p>Please refer to the relevant announcements released by the Company on 17 April 2020. The specific matters will be implemented in accordance with the regulations.</p> <p>请您参考公司2020年4月17日发布的相关公告，具体事项将按规定执行。</p>
20.	<p>Ms. Li Yan, congratulations on becoming General Manager of the Company. I would like to hear your plans for the next three years. Please provide your answers taking into account the following two situations: (1) in 2014, the Company's sales revenue was RMB 7 billion, compared with 2019, the change is very little. By contrast, the growth of inventories from RMB 860 million in 2014 to nearly RMB 1.6 billion in 2019. I feel the greater pressure of inventory impairment; and (2) although the Company's sales revenue did not increase, the sales expenses reached RMB 1.829 billion in 2019. The sales efficiency makes me very worried.</p> <p>李颜总，祝贺您成为总经理，我想听一听您对自己未来三年工作的规划。请结合如下两个情况予以解答：</p>	<p>Thank you very much. I joined the Company as General Manager in early February this year. Prior to this, I worked at Company's Le Ren Tang Pharmaceutical Factory for 12 years and Company's headquarter for 4 years. I am familiar with the business and operation of the Company. After taking office, I found that the Company's various management are relatively solid.</p> <p>非常感谢您，我今年2月初入职中新药业。之前在中新药业乐仁堂工作了12年，在中新药业本部工作4年。我本人对中新药业业务和生产经营都比较熟悉。入职之后，发现公司的各项管理还是比较扎实的。</p> <p>At the beginning, I was more concerned about the operation quality and development of the Company. While expanding sales, I also paid attention to accounts receivable and inventory, and has been combing related policies including policies on accounts receivable, customer credit and lifelong system of accounts receivable.</p> <p>入职初期我比较关注运行质量和公司发展，在扩大销售的同时，关注应收账款和存货。梳理应收账款，客户资信，应收账款终身制等有关政策。</p> <p>As a responsible state-owned enterprise, in terms of drug publicity, the Company has always been focusing on carrying out marketing in compliance with laws and regulations. Suxiao Jiuxin Wan (速效救心丸) and Angong Niu Huang Wan (安宫牛黄丸) are prescription drugs, which are not allowed to be advertised.</p> <p>作为负责任的国企，在药品宣传方面，公司一直注重合规营</p>

<p>①2014年公司销售收入70亿元，2019年与之相比变化不大。但相比之下存货却从2014年的8.6亿元，增长到2019年的将近16个亿。我感受到的存货减值压力比较大。②公司虽然销售收入没有增长，但销售费用在2019年达到18.29亿元水平，销售效率让我很担心。</p>	<p>销，速效救心丸和安宫牛黄丸均为处方药，处方药不允许做广告宣传。</p> <p>The Company's thought process is to channel more effort into evidence-based medicine through research and development, secondary development and academic research in accordance with relevant national requirements. This will help our products to be included in related programs or catalogues including the treatment programs of characteristic Chinese medicine and the catalogue of medicine covered by the medical insurance, and to achieve a steady expansion of market scale. In addition, the Company will also focus on solid operations of various aspects including quality control, application of new equipment and use of information technology, so as to enhance performance and thus providing stable and sustainable returns to shareholders. 我们的思路是通过研发和在二次开发和学术研究方面，根据国家的相关要求，在循证医学方面多做工作。这有利于我们产品获得特色中药的治疗方案，医保目录等相关准入，实现稳步扩大市场规模。此外包括质量控制，新设备的应用和信息化手段的运用等方方面面的扎实运营，也是提升业绩，进而稳定持续的回报股东的基础。</p>
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