

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

ANNOUNCEMENT IN RELATION TO COMMUNICATION AND ENGAGEMENT WITH STAKEHOLDERS

— **PARTICIPATION IN AN ONLINE INVESTOR SURVEY**

The board of directors (the “Board”) and every individual director of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited (the “Company”) hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

The Board wishes to inform the shareholders of the Company that, on 31 March 2022, the Company participated in an online investor survey (投资者调研) (the “**Investor Survey**”) which is one of the communication channels for the Company to communicate and engage with the stakeholders of the Company. Please refer to **Appendix A** to this announcement for further details in relation to the Investor Survey.

BY ORDER OF THE BOARD

Jiao Yan
Secretary to the Board of Directors

4 April 2022

APPENDIX A

RECORDS OF PARTICIPATION IN AN ONLINE INVESTOR SURVEY
投资者调研接待记录

Survey method: Online joint survey

调研方式：线上联合调研

Time 调研时间	31 March 2022, from 3:30pm – 4:35pm 2022年3月31日 15:30—16:35		
Participants of the Company 公司接待人员			
Chairman of the Board: Ms. Zhang Mingrui 董 事 长：张铭芮	Director and General Manager: Ms. Li Yan 董事、总经理：李 颜		
Deputy General Manager (Chief Accountant): Ms. Niu Shengfang 财务副总经理：牛胜芳	Secretary to the Board: Ms. Jiao Yan 董 事 会 秘 书：焦 艳		
Participating Investors 与会投资者			
Southwest Securities Co., Ltd. 西南证券股份有限公司	Shanghai Shangjin Investment Management Partnership (Limited Partnership) 上海尚近投资管理合伙企业 (有限合伙)	China Universal Asset Management Co., Ltd. 汇添富基金管理股份有限公司	Harvest Fund Management Co., Ltd. 嘉实基金管理有限公司
Guorong Securities Co., Ltd. 国融证券股份有限公司	Shanghai Ning Yongfu Private Equity Fund Management Partnership (Limited Partnership) 上海宁涌富私募基金管理合伙企业 (有限合伙)	Fullgoal Fund Management Co., Ltd. 富国基金管理有限公司	China Asset Management Co., Ltd. 华夏基金管理有限公司
Huatai Securities Co., Ltd. 华泰证券股份有限公司	Beijing Rongyi Investment Management Co., Ltd. 北京融溢投资管理有限公司	Bank Of Communications Schroder Fund Management Co., Ltd. 交银施罗德基金管理有限公司	UBS SDIC Fund Management Co., Ltd. 国投瑞银基金管理有限公司

Disclaimer: The English translation is intended to be for reference only. In the event of any inaccuracy, conflict or inconsistency between the English version and the Chinese language version of the contents of this Appendix A, the Chinese language version shall prevail, and the English version will be deemed to conform to the Chinese language version.

Sealand Securities Co., Ltd. 国海证券股份有限公司	QiuZhiYang Investment Management Co., Ltd. 秋之阳投资有限公司	Penghua Fund Management Co., Ltd. 鹏华基金管理有限公司	XinCheng Fund Management Co., Ltd. 信诚基金管理有限公司
Bohai Securities Co., Ltd. 渤海证券股份有限公司	Beijing Zhuoshihengli Investment Fund Management Center (Limited Partnership) 北京卓世恒立投资基金管理中心 (有限合伙)	Zhongrong Fund Management Co., Ltd. 中融基金管理有限公司	AXA SPDB Investment Managers Co., Ltd. 浦银安盛基金管理有限公司
Sunshine Asset Management Co., Ltd. 阳光资产管理股份有限公司	Tianjun Investment Management Co., Ltd. 天骏投资有限公司	Great Wall Fund Management Co., Ltd. 长城基金管理有限公司	First-Trust Fund Management Co., Ltd. 泰信基金管理有限公司
Shenzhen Lin Yuan Investment Management Co., Ltd. 深圳市林园投资管理有限责任公司	Hotland Innovation Asset Management Co., Ltd. 红土创新基金管理有限公司	WanJia Asset Management Co., Ltd. 万家基金管理有限公司	Oriental Alpha Fund Management Co., Ltd. 东方阿尔法基金管理有限公司

Questions from the Participating Investors and Company's Responses
交流的主要问题及公司回复概要

Question 1: In 2020, the Company's controlling shareholder, Tianjin Pharmaceutical Holdings Co., Ltd. (天津市医药集团有限公司) ("TPH") began to carry out the proposed mixed-ownership reform (the "Mixed-ownership Reform"); please introduce the Company's overall strategic planning and operational targets during the period of the "14th Five-Year Plan" of the Company.

问题 1. 2020 年公司开启国企改革，请公司介绍下未来“十四五”整体的战略规划和经营目标？

Company's Response: The Company's strategic positioning is to be the most valuable green traditional Chinese medicine ("TCM") enterprise in China, and the plan is to carry out a "One plus Five" strategy.

回复：中新药业的战略定位是做中国最有价值的绿色中药企业，规划依托“1+5”的建设开展完成。

"Five" Strategies. The first strategy is to strength and expand the Company's green TCM business. The Company has 116 exclusive varieties and is one of the enterprises with the most abundant TCM resources and the longest history in China. The patent medicine sector will focus on the strategy of "Three Cores and Nine Wings (三核九翼)". The first core is to build a cardiovascular and cerebrovascular product line. With Suxiao Jiuxin Wan (速效救心丸) taking the leading role, the Company will coordinate the market synergy of Shunaoxin Di Wan (舒脑欣滴丸), Tongmai Yangxin Wan (通脉养心丸), Shenfu Qiangxin Wan (参附强心丸) and other product matrices to provide solutions for various diseases in the cardiovascular field. The second core is based on skin wound repair. With Jing Wan Hong (京万红) ointment as the main variety, the Company will improve brand

awareness of wound repair. The third core is to use the time-honored "Da Ren Tang (达仁堂)" brand to carry the high-quality Chinese medicine. Further, "Nine Wings" refers to the promotion of the development of various product lines including (i) respiratory products represented by Qingyan Di Wan (清咽滴丸), (ii) digestive products represented by Wei Chang An Wan (胃肠安丸), (iii) rheumatism and bone pain products represented by Bi Qi (痹祺) capsules, (iv) urinary products represented by Longqing Pian (癃清片), (v) women and children products represented by Wuji Baifeng Pian (乌鸡白凤片) and (vi) tumor products represented by Zilong Jin Pian (紫龙金片).

"五大"战略, 第一大战略是绿色中药做大做强, 公司独家品种 116 个, 是国内中药资源最丰富, 历史最悠久的企业之一。成药板块会聚焦"三核九翼"战略, 第一核是构建心脑血管产品线。以速效救心丸为龙头, 统筹舒脑欣滴丸、通脉养心丸、参附强心丸等产品矩阵的市场协同, 提供心血管领域多病种解决方案。第二核是立足皮肤创面修复, 以京万红软膏为主品种, 强化创面修复品牌。第三核则是以百年老字号"达仁堂"承载精品国药。另外, "九翼"是推动以清咽滴丸为代表的呼吸类产品、以胃肠安丸为代表的消化类产品、以痹祺胶囊为代表的风湿骨痛类产品、以癃清片为代表的泌尿类产品、以乌鸡白凤片为代表的妇儿类产品、以紫龙金片为代表的肿瘤类产品等产品线发展。

The second strategy is TCM herbal slices(中药饮片). Under the "14th Five-Year Plan" of the Company, the Company will deeply integrate the resources of TCM herbal slices (中药饮片) and medicinal material bases, and lay out the construction of GAP bases. Inheriting the brand of "Da Ren Tang (达仁堂)" high-quality TCM herbal slices(中药饮片), the Company will implement the plan to develop the "Da Ren Tang (达仁堂)" brand as a high-quality TCM herbal slices(中药饮片) brand, from the aspects of authentic medicinal materials, production area selection, processing, comprehensive testing indicators to quality standards.

第二大战略是中药饮片。在"十四五"规划里面, 中新药业会深度整合中药饮片和药材基地资源, 布局 GAP 基地建设。传承"达仁堂"精品中药饮片品牌, 开发达仁堂精品中药饮片, 从道地药材, 产区选择, 炮制加工, 全面检测指标, 品质标准等方面做好"达仁堂"精品中药饮片规划和建设。

The third strategy is to rely on the Company's self-owned "Da Ren Tang (达仁堂)" brand to explore and expand the layout of the Da Ren Tang high-quality Chinese medicine pharmacies.

第三大战略是全力打造达仁堂大药房精品国药药店的建设工程, 以达仁堂作为自有品牌和依托, 探索拓展布局品牌店。

The fourth strategy is to build up the Da Ren Tang hospital system, with the combination of medical care and health care of "genuine medicine and proficient in the art of medicine ("药道地, 精医道)" as the characteristics of TCM to explore the construction of brand chain.

第四大战略是打造达仁堂医院体系, 以"药道地, 精医道"的医养结合为中医特色, 探索品牌连锁的建设。

The fifth strategy is about the layout of "One Health (大健康)". By integrating the brands and product resources of the Company, the layout of "One Health (大健康)" categories and functional product categories with the same origin of medicine and food will be carried out.

第五大战略是对大健康布局, 通过整合中新药业旗下品牌和产品资源, 布局药食同源的大健康品类和功能性产品品类。

"One" means that all core works shall revolve around the construction of time-honored brands and innovation, which lead the development with the brand resources of the Company.

"一"是指所有核心工作围绕老字号品牌建设守正创新, 以中新药业品牌资源引领发展。

As for the targets, except for 2022, which will be the year of stabilising the underlying structure following the Mixed-ownership Reform, the annual growth target from 2023 onwards is not less than 18%.

具体到目标, 除了 2022 年是稳定基础结构年以外, 从 2023 年开始每年的增长目标是不低于 18%。谢谢。

Question 2: Is the aforementioned 18% growth target based on 2021? Does it mean industrial growth or the Company's overall growth? Does it mean revenue or profit?

问题 2. 前述 18% 的增长目标是以 2021 年为基数吗？是指工业的增长还是公司整体的增长？是指收入还是利润？

Company's Response: It is based on 2021 and refers to the revenue of the Company's industrial segment. 2020 will be an adjustment year and will not be included in the assessment of the aforementioned 18% growth target.

回复：是以 2021 年为基数，指的是公司工业板块的收入。2022 年度为基础调整年，不纳入前述 18% 的考核。

Question 3: We have seen some changes at the board level. Please introduce the new organisational structure of the Company.

问题 3. 目前董事会层面我们已经看到一些变化，请公司介绍下新的组织构架。

Company's Response: The new organizational structure of the Company is to (i) highlight the Company's brands, with a brand-development department being set up to fully tap the heritage of the time-honored brand; (ii) centralise production centers and strengthen production and manufacturing, as well as reduce costs through the centralised layout of production capacity; (iii) highlight the main bodies of research and development ("R&D"), and promote the integration of research strengths of the Company's TCM research institutes and various industrial enterprises; (iv) build up a financial center, strengthen capacity building, and enhance financial management and control; and (v) optimise and adjust the marketing sector which will be managed independently.

回复：新的组织构架，一是突出品牌，增设品牌部，充分挖掘老字号底蕴。二是集中生产中心，强化生产智造。通过产能集中布局降低成本。三是突出研发主体，推动旗下中药研究院和各工业企业研究力量整合。四是打造财务中心，加强能力建设，提升财务管控水平。五是营销板块优化调整，独立管理。

Question 4: How does the Company view equity incentives?

问题 4. 公司如何来看股权激励。

Company's Response: Following the Mixed-ownership Reform, the Company is open to implementing equity incentives. The Company has discussed this topic with consulting firms last year. The incentives will not be limited to equity incentives, but will include equity incentives, excess profit sharing as well as salaries and benefits.

回复：在国企混改以后，公司对激励持开放态度。我们在去年就有跟咨询公司探讨。不限于股权激励，包括对于整个中新药业层面的股权激励，超额利润分享，薪金待遇等多个层次。

Question 5: Whether the Company will continue with the existing equity incentives scheme or formulate new incentive scheme(s)? Will the new incentive scheme(s) be able to be formed in the first half of this year?

问题 5. 现有股权激励是继续进行还是设立新的项目，上半年规划能出来吗？

Company's Response: Along with the changes in planning objectives and management, it is expected that the new incentive scheme(s) will be formed in the first half of this year.

回复：伴随规划目标和管理层的变化会有新的激励，上半年会落实。

Question 6: As the cost of Chinese herbal medicines increases, whether there is a need to increase the price of the patent medicines such as Suxiao Jiuxin Wan (速效救心丸)?

问题 6. 中药材成本提升，速效救心丸等成药是否有提价的需要。

Company's Response: As a life-saving Chinese patent medicine, 10-15 capsules of Suxiao Jiuxin Wan (速效救心丸) is consumed by each patient per day, and the current daily cost to the patient is about RMB4.00. In recent years, the price of many Chinese medicinal materials has increased, in particular, the price of Chuanxiong (川芎) has doubled, which has resulted in cost pressures on the Company. At the same time, there are certain challenges in the Company raising the price of Suxiao Jiuxin Wan (速效救心丸), as most of Suxiao Jiuxin Wan (速效救心丸) are sold in the medical system, and there are certain restrictions imposed under the bidding policies of various provinces. Of course, in the process of price adjustment, we will ultimately consider whether such adjustments are cost-effective to better serve public health, rather than blindly raising prices.

回复：作为保命救人的中成药，速效救心丸按日服 10-15 粒算，目前日用金额在 4 元左右。近年很多中药材价格上涨，川芎价格翻了一番，对公司造成了一定的成本压力。同时，速效救心丸提价也存在一定挑战，产品很大一部分在医疗体系销售，各个省招标政策等有一定限制，我们也会积极关注跟进中药大品种优质优价的政策。当然，价格调整的推动过程中，我们最终还是会考虑性价比，更好的服务大众健康，而不是一味提价。

Question 7: The current scale revenue of Suxiao Jiuxin Wan (速效救心丸) is about RMB1.3 billion. What will the market size be in the future? Does the company have a 3-5 year sales plan?

问题 7. 速效救心丸目前是 13 亿左右的规模，未来市场规模能看到多少，公司是否有一个 3-5 年的销售规划？

Company's Response: The number of people suffering from cardiovascular and cerebrovascular disease is about 330 million, which is growing by nearly double digits every year, and the market size is more than RMB60 billion.

回复：心脑血管人群 3.3 亿，每年接近两位数在增长，市场规模在 600 亿以上。

The target is for the sale revenue of Suxiao Jiuxin Wan (速效救心丸) during the period of the "14th Five-Year Plan" of the Company to at least double. The Company will comprehensively promote its "Zhongguo Xin • Jiankang Xing (中国心•健康行)" campaign to build the Company's cardiovascular and cerebrovascular product line. With Suxiao Jiuxin Wan (速效救心丸) taking the leading role, the Company will coordinate the market synergy of Shunaoxin Di Wan (舒脑欣滴丸), Tongmai Yangxin Wan (通脉养心丸), Shenfu Qiangxin Wan (参附强心丸) and other product matrices, and provide full-chain cardiovascular solutions from Shuxin (舒心), Yangxin (养心), Qiangxin (强心) to Jiuxin (救心) to better promote the life and health of the people. Compared with Suxiao Jiuxin Wan (速效救心丸), other varieties currently have a smaller base in terms of revenue and hence revenue generated from such other varieties is targeted to increase by more than double.

立足于速效救心丸，“十四五”目标是至少翻一番，公司将全面推动“中国心·健康行”行动，打造中新药业心脑血管线。以速效救心丸为龙头，统筹舒脑欣滴丸、通脉养心丸、参附强心丸等产品矩阵的市场协同，从舒心，养心，强心，到救心提供心血管全链条解决方案，更好守护国民生命健康。相比速效救心丸，其他品种基数小，要求比翻番要高。

Question 8: What are the sales channels for Suxiao Jiuxin Wan (速效救心丸) inside and outside the hospital? Please introduce the team building efforts for the sales team for Suxiao Jiuxin Wan (速效救心丸).

问题 8. 速效救心丸院内院外渠道端怎么发力？速效救心丸的销售团队建设工作请您介绍一下。

Company's Response: Focusing on the "Zhongguo Xin • Jiankang Xing (中国心•健康行)" campaign of the Company, the team building for the sales teams for the four (4) products (i.e., Suxiao Jiuxin Wan (速效救心丸), Shunaoxin Di Wan (舒脑欣滴丸), Tongmai Yangxin Wan (通脉养心丸) and Shenfu Qiangxin Wan (参附强心丸)) has undergone great changes, from originally having separate sales channels and teams, operations are now integrated under one company. In terms of academic promotion of marketing, the division of labor has been strengthened, and team building for product

specification and academic promotion has been completely separated for both medical and retail. The Company's target is to build a team and promote cardiovascular and cerebrovascular products with user interests as the core, product value as the basis, value empowerment as the goal, and precise sales as the focus. As we celebrate the 40th anniversary of the launch of Suxiao Jiuxin Wan (速效救心丸), with a total of 110 billion pills sold and nearly 1 billion patients were served, the Company will review and work on the brand and core products.

回复：围绕“中国心·健康行”行动，四个产品（速效救心丸、舒脑欣滴丸、通脉养心丸、参附强心丸）的队伍建设有非常大的改变。从原分属于不同的渠道和队伍整合到一个公司运营。营销的学术推广方面加强专业分工，医疗和零售从产品规格到学术推广的队伍建设完全分开。以用户利益为核心，产品价值为基础，以价值赋能为目标，以精准动销为重点，建设好队伍，做好心脑血管产品的推广。恰逢速效救心丸上市 40 周年，产品累计 1,100 亿粒，服务了近十亿人次，我们会做一个总结，在品牌和主品上下功夫。

In terms of sales channels, it will be further extended to the terminal (i.e., end-consumers). In the first quarter of this year, the channel system of provincial distribution, secondary distribution and terminal dynamic sales have been built.

渠道建设上会进一步下沉终端，一季度构建了省级经销，二级分销，终端动销的渠道体系。

On the hospital side, the Company enhances influence on the hospital patients by conducting academic publicity work at the National Chest Pain Center and top-tier hospitals. In terms of chain empowerment, the work of chain stores has been included as an important work goal. Ultimately, the consumers are most important, and the Company will provide the four (4) high-quality products (i.e., Suxiao Jiuxin Wan (速效救心丸), Shunaixin Di Wan (舒脑欣滴丸), Tongmai Yangxin Wan (通脉养心丸) and Shenfu Qiangxin Wan (参附强心丸) to the cardiovascular and cerebrovascular patients through strengthening the sales team, strong promotion of products, prominent branding and extension of the sales channel to the terminal (i.e., end-users).

在医院端，公司通过在全国胸痛中心和等级医院的学术宣讲工作，提升医院患者影响力。在连锁赋能方面，把连锁门店工作纳入了重要的工作目标。最终还是以用户为重，通过建队伍，强推广，突品牌，下沉终端，把四个优质的产品送到消费者手里，为心脑血管患者提供健康解决方案。

Question 9: The Company has many second-tier products. Please give a quantitative introduction about the plans for Tongmai Yangxin Wan (通脉养心丸), Qingyan Di Wan (清咽滴丸) and other products?

问题 9. 公司的二线产品比较多，通脉养心丸、清咽滴丸等产品的规划，能否量化介绍一下。

Company's Response: Strictly speaking, these are not second-tier varieties. We distinguish the products by category, and these products are all first-tier varieties of their respective category lines.

回复：严格来讲这些不是二线品种，我们是按品类来区分，都是品类线的一线品种。

As mentioned previously, Tongmai Yangxin Wan (通脉养心丸) has been included in the "Zhongguo Xin · Jiankang Xing (中国心·健康行)" campaign of the Company. Due to the restrictions affecting sales channels in 2021, its performance was basically flat. Historically, sales of Tongmai Yangxin Wan (通脉养心丸) were mainly concentrated in the Beijing-Tianjin-Hebei region, especially in Tianjin. Tongmai Yangxin Wan (通脉养心丸) is the classic prescription of Ruan Shiyi (阮士怡), a master of TCM and the teacher of the academic, Zhang Boli (张伯礼), and is very effective in treating coronary heart disease and cardiac arrhythmia. It is also very distinctive for long-term cardiovascular and cerebrovascular protection, nourishing the brain and the heart. The Company is currently applying for local approvals to enter into other regional markets.

通脉养心丸前面有介绍，纳入“中国心·健康行”行动。2021 年因为控制渠道，业绩基本持平，历史上产品销售主要集中在京津冀特别是天津地区。产品是张伯礼院士的老师国医大师阮士怡的经典方子，对冠心病心律失常非常有效，对于长期心脑血管保护也很有特色，养脑养心，现在公司在做医保以外的准入工作。

Qingyan Di Wan (清咽滴丸) is derived from the prescriptions of Liushen Wan (六神丸) and Qingyin Wan (清音丸), and its four (4) main medicines are very distinctive. Through sublingual administration to the mucosa, it has rapid and effective protection. We encourage voice workers (声音工作者) to keep it on hand. Qingyan Di Wan (清咽滴丸) is a basic drug, and is covered by medical insurance and OTC varieties. The Company has comprehensively sorted out the sales method last year and solved some problems. This year is a period of adjustment, and in the future, Qingyan Di Wan (清咽滴丸) will be the focus of building the Company's OTC brand.

清咽滴丸是由六神丸和清音丸处方化裁而来，四味主药非常有特色，通过舌下含服到达粘膜，快速有效保护，我们提倡声音工作者常备。产品是基药，医保和 OTC 品种。公司在去年全面梳理了销售方式，解决了一些问题，今年是一个调整期，未来作为公司 OTC 端品牌打造的重点。

For its exclusive product, Longqing Pian (癭清片), the Company plans to further expand its sales and academic work in other provinces other than the current 8 more developed provinces in the next three (3) years.

对于独家片剂癭清片，公司计划在未来三年进一步拓展除目前优质 8 个省份以外其他省份的销售和学术工作。

Regarding the product planning under the "14th Five-Year Plan" of the Company, the product with a market size of more than RMB2 billion will be Suxiao Jiuxin Wan (速效救心丸), the product with a market size of RMB500-1000 million will be Tongmai Yangxin Wan (通脉养心丸) and Qingyan Di Wan (清咽滴丸), and the product with a market size of RMB300-500 million will be Wei Chang An Wan (胃肠安丸), Longqing Pian (癭清片) and Bi Qi (痹祺) capsules. It is also planned that sales of Qingfei Xiaoyan Wan (清肺消炎丸) and Zhike Chuanbei Pipa Di Wan (治咳川贝枇杷滴丸) will increase by not less than 20% every year.

关于“十四五”产品的规划，规模 20 亿元以上的是速效救心丸；通脉养心丸和清咽滴丸是 5-10 亿元规模的产品；胃肠安丸、癭清片，和痹祺胶囊是 3-5 亿元规模的产品；清肺消炎丸和治咳川贝枇杷滴丸计划每年不低于 20% 的增涨等等。

Question 10: What is the Company's positioning for Angong Niu Huang Wan (安宫牛黄丸)?
问题 10. 公司对安宫牛黄丸的定位。

Company's Response: Angong Niu Huang Wan (安宫牛黄丸), Niu Huang Qingxin Wan (牛黄清心丸) and Qinggong Shoutao Wan (清宫寿桃丸) are all national intangible cultural heritage products. The Company will focus on the building and development of high-quality Chinese medicines, including Angong Niu Huang Wan (安宫牛黄丸), Niu Huang Qingxin Wan (牛黄清心丸) and Qinggong Shoutao Wan (清宫寿桃丸) and Haima Bushen Wan (海马补肾丸), which will be sold through the sales company of Da Ren Tang.

回复：安宫牛黄丸、牛黄清心丸、清宫寿桃丸三个产品都是国家级非遗，此外还包括海马补肾丸等产品依托达仁堂销售公司，重点打造精品国药。

The Company's Angong Niu Huang Wan (安宫牛黄丸) has unique production techniques, and we have confidence in Angong Niu Huang Wan (安宫牛黄丸). The layout is currently based on market conditions. In the future, it will be built and developed as a high-quality Chinese medicine.

公司的安宫牛黄丸制作技艺独特，我们对安宫牛黄丸有信心。目前是根据市场的行情布局。未来会按照精品国药打造。

Question 11: The Company's R&D plans.
问题 11. 公司在研发上的规划。

Company's Response: The Company's R&D is based on the keynote of "patient-centered, continuous polishing of products (以患者为中心，不断打磨产品)". In the future, the Company will strengthen its basic research and enhance its innovation capabilities. The Company will also

strengthen the connection and cooperation with the academic, Zhang Boli (张伯礼), Tianjin University of Traditional Chinese Medicine and Haihe Laboratory. The Company shall, guided by clinical value and with real-world research as the starting point, strengthen its cooperation with clinical experts, attach importance to translational medicine, and intensify the secondary development of large varieties. Meanwhile, the Company will also continue to study classical prescriptions.

回复：中新药业的研发是以“以患者为中心，不断打磨产品”为基调。在未来，会加强基础研究，提高创新能力。加强与张伯礼院士，天津中医药大学，海河实验室的联系合作。以临床价值为导向，以真实世界研究为抓手，加强临床专家合作，重视转化医学，加大大品种二次开发。同时，公司也会持续研究经典名方。

Specifically, in this year, the Company plans to (i) cooperate with Tianjin University of Traditional Chinese Medicine and Haihe Laboratory to develop new drugs; (ii) work with the academics, Zhang Boli (张伯礼) and Tian Jinzhou (田金洲) to promote the “Zhongguo Nao (中国脑)” campaign, which will mainly include the Company's products such as Qinggong Shoutao Wan (清宫寿桃丸) and Shunaoxin Di Wan (舒脑欣滴丸), and strive for the establishment of brain disease laboratory in Tianjin. In terms of Jing Wan Hong (京万红), the Company will strive to work with the academic, Fu Xiaobing (付小兵), to jointly apply for major national research projects to study the mechanism of functional restoration. In addition, the routine transformation and process quality improvement work will continue to be strengthened. The Company will also explore the R&D model of innovative drugs in cooperation with TCM colleges and universities.

具体到今年，公司规划与天津中医药大学和海河实验室合作布局新药开发。与张伯礼院士和田金洲院士共同推动中国脑计划，主要包括公司旗下清宫寿桃丸和舒脑欣滴丸等产品，争取脑病实验室在天津落户。在京万红方面，争取与付小兵院士共同申报国家重大研究项目，研究功能性修复机理。此外常规性的改造，工艺质量改进工作会继续加强。也会探索与中医院校合作创新药研发模式。

Question 12: Please introduce the cooperation of the “Yun Tian Shang” alliance.

问题 12. 请介绍一下云天上联盟的合作情况。

Company’s Response: “Yun Tian Shang” refers to Yunnan Baiyao, Shanghai Pharmaceuticals and the Company, which is still a framework.

回复：云天上是指云南白药，上海医药和天津医药，目前还是框架性的。

The three groups have commercial resources in Yunnan, Shanghai and Tianjin. In the future, the three parties will make use of industrial resources to empower business and strengthen cooperation in the sales of key industrial products.

三家集团在云南、上海和天津拥有属地的商业资源，未来三方会利用好工业资源对商业的赋能，加强工业的重点产品销售的合作。

Question 13: Considering that the Company is in the adjustment stage this year, will there be some adjustments to the sales and management expenses in 2022?

问题 13. 考虑到今年公司处于调整阶段，2022 年的销售费用、管理费用是否会有些调整？

Company’s Response: In 2022, the Company will strictly manage its manufacturing cost, as well as the management and sales expense ratio. There will be structural changes this year. Considering the Company is in the adjustments stage and the Company's social responsibility commitment, the expense ratio will probably remain at the level of 2021, and it is planned to be adjusted in 2023-2024. In addition, in terms of internal control management, the centralised procurement of the supply chain will be launched to reduce the procurement cost of raw and auxiliary packaging materials, and formulate a loss reduction plan for loss points, so as to reduce the overall costs of the Company.

回复：在 2022 年，公司会严格对制造成本，管理和销售费用率管理。今年会有结构上的变化，考虑到公司的调整以及社会责任承担，费用率大概会维持在 2021 年的水平，规划在 2023 年-2024 年调整。此外在内控管理方面，会启动供应链集采，降低原辅包材采购成本，制定亏损点的减亏方案。综合

降低整个中新药业的成本。

Question 14: The dividends declared this year account for more than 50% of the Company's net profit. Will this be the new normal?

问题 14. 今年分红占净利润的比例达到 50%以上，会作为新的常态吗？

Company's Response: Dividends are one of the important methods to reward and thank investors. In the future, the Company wishes to create more profits to reward its investors. The dividends of the next year will depend on the performance of the Company, and it cannot be said that 50% will be the norm.

回复：分红是回报和感谢投资者的重要方式之一，未来公司要创造更多利润回报投资者。明年还要根据公司的发展确定，不能讲 50%是一个常态。

Question 15: Regarding brand operation, will it be a multi-brand matrix or a focus on the main brand of "Zhong Xin (中新)"?

问题 15. 关于品牌运营，是多品牌矩阵还是主打中新这个品牌。

Company's Response: The Company has four (4) time-honored brands (i.e., Da Ren Tang (达仁堂), Long Shun Rong (隆顺榕), Jing Wan Hong (京万红) and Le Ren Tang (乐仁堂)), of which, Da Ren Tang (达仁堂) has a higher recognition than other brands. In the future, the Company will strengthen brand building with Da Ren Tang (达仁堂) playing the leading role and empower the entire industrial chain. The other three (3) will be using as the sub-brands for empowerment, and Long Shun Rong (隆顺榕) will be used as wiyao (卫药) brand to empower "Du Ma Jing (毒麻精)" TCM herbal slices (中药饮片), Jing Wan Hong (京万红) to empower skin sore face product line and Le Ren Tang (乐仁堂) carries the characteristic dosage form of patent medicines.

回复：公司旗下四个老字号（达仁堂、隆顺榕、京万红、乐仁堂），达仁堂认知度高于其他品牌，未来会以达仁堂为主强化品牌建设，进行全产业链赋能。另外三个作为子品牌赋能使用，隆顺榕作为卫药品牌，赋能“毒麻精”中药饮片。京万红赋能皮肤疮面产品线。乐仁堂承载特色剂型成药。

Question 16: Please introduce the situation of loss-making enterprises such as Tianjin Da Ren Tang (Bozhou) Chinese Medicine Co., Ltd (天津达仁堂 (亳州) 中药饮片有限公司) ("Darentang Bozhou") and Tianjin Shin Poong Pharmaceutical Co., Ltd. (天津新丰制药有限公司) ("Shin Poong Pharmaceutical").

问题 16. 请公司介绍关于达仁堂亳州，新丰制药等亏损企业的情况。

Company's Response: Darentang Bozhou is a basic herbal slices manufacturer and officially commenced independent operation last year. Its loss is because the sales capacity has not kept up which is mainly caused by the equipment depreciation. In the future, the Company will promote the integration of Darentang Bozhou and TCM herbal slices factories and unify the management system. The Company will also deploy part of Tianjin's resources to Bozhou to give full play to the characteristics of fast feedback in the frontier market, and strive to reduce losses and achieve profitability.

回复：达仁堂亳州，是基础饮片生产企业，去年正式独立运营，亏损是因为销售产能没跟上来，主要来源于设备折旧。未来会推动达仁堂亳州，中药饮片厂整合，统一管理体系。将天津一部分资源部署到亳州，发挥前沿市场反馈快的特色，争取减亏实现盈利。

In the chemical medicine sector, the products of Shin Poong Pharmaceutical are mainly antibiotics, and has been particularly affected by restriction orders on antibiotics. The products of Xinxin Pharmaceutical Plant ("Xinxin Pharmaceutical") are mainly endocrine products, such as metformin and gliclazide. In the past, they have been operating according to the "Consistency Evaluation (一致性评价)". After successive passing of the "Consistency Evaluation (一致性评价)", the Company will impose stricter assessment requirements on them this year.

化药板块，新丰制药产品主要是抗生素，抗限令影响比较大。新新制药主要生产内分泌产品，像二甲双胍，格列齐特，过去主要围绕过评开展工作，陆续过评后，今年对考核要求有提升。

Question 17: Does the growth plan include western medicine, and is it possible to segregate?

问题 17. 增长规划包括西药吗，有没有可能剥离？

Company's Response: At present, there has no plans to separate. The revenue generated by each of Shin Poong Pharmaceutical and Xinxin Pharmaceutical is relatively low, and thus revenue from Shin Poong Pharmaceutical and Xinxin Pharmaceutical has not been taken into account when determining the growth target.

回复：目前没有做过多的拆解，新丰制药和新新制药的（规模）占比比较小，还没有考虑纳入到增长率的占比中。

Currently, western medicine is still in the Zhongxin Pharmaceutical sector, and there are no plans to separate for the time being.

目前还在中新药业板块，暂时没有剥离想法。

Question 18: Chairman Ming Rui, what the prospects of the Company's performance for this year, as well as for next year and the year after will be.

问题 18. 请铭芮董事长展望下全年以及明年、后年的业绩。

Company's Response: First of all, I would like to thank investors for your attention and support to the Company.

回复：首先非常感谢投资者对中新药业的关注和支持。

In 2021, the Mixed-ownership Reform carried out by TPH brought great changes to the Company. In the future, the Company will intensify system and mechanism innovation, cooperate with the empowerment of marketing, steadily promote key tasks such as technological innovation and efficiency improvement, and make full use of the Company's important resources including the four time-honored brands (i.e., Da Ren Tang (达仁堂), Long Shun Rong (隆顺榕), Jing Wan Hong (京万红) and Le Ren Tang (乐仁堂)), the 14 intangible cultural heritage items (including the five (5) national-level items, namely, (i) the traditional producing technique of De Ren Tang Qinggong Shoutao Wan (清宫寿桃丸), (ii) the preparation skills of Jing Wan Hong ointment, (iii) the production skills of Long Shun Rong Weiyao, (iv) the production skills of Angong Niu Huang Wan (安宫牛黄丸), and (v) the production skills of Da Ren Tang Niu Huang Qingxin Wan (牛黄清心丸)), as well as the two (2) China's treasure-class TCMS (namely, (i) Suxiao Jiuxin Wan (速效救心丸) which is a national classified variety (国家机密品种), and (ii) Jing Wan Hong (京万红) which is a national confidential variety (国家秘密品种)) to become bigger and stronger, and strive to achieve the goal as set out in the "14th Five-Year Plan" of the Company and become the most valuable enterprise in China.

2021 年中新药业控股股东天津医药集团混改给公司带来了非常大的变化。未来，公司会加大体质机制创新，同协赋能市场营销，稳固推进科技创新、效能提升等方面重点工作，充分利用好旗下 4 个老字号（达仁堂、隆顺榕、京万红、乐仁堂），14 项非遗（其中达仁堂清宫寿桃丸传统制作技艺、京万红软膏组方制作技艺、隆顺榕卫药制作技艺、安宫牛黄丸制作技艺、达仁堂牛黄清心丸制作技艺等 5 个为国家级项目）和两个国宝级中药（速效救心丸为国家机密品种，京万红为国家秘密品种）等重要资源，做大做强，努力实现十四五规划，朝着中国最有投资价值的企业努力。

Warning of Risks

风险提示

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