

TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED
(Formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited)
(Company Registration No.91120000103100784F)
(Incorporated in the People's Republic of China)

(I) RESOLUTIONS PASSED AT THE 1ST BOARD MEETING FOR FY2024

(II) NOTICE OF ANNUAL GENERAL MEETING FOR FY2023

The board of directors (the "Board") and every individual director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the "Company", together with its subsidiaries, the "Group") 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.

(I) Resolutions passed at the 1st Board meeting for FY2023

The Company had, on 28 March 2024, duly convened its 1st Board meeting for the financial year ending 31 December 2024 ("FY2024") by means of live meeting and telephone conference.

The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company, and the following resolutions were discussed and passed by the nine (9) directors out of the full board of nine (9) directors:

1. that the Chairman's Report for the financial year ended 31 December 2023 ("FY2023") be approved;
2. that the Board of Directors' Report for FY2023 be approved;
3. that the full text and summary of the draft annual report for FY2023 prepared in accordance with the accounting standards of the People's Republic of China (the "PRC") and the International Financial Reporting Standards be approved;

The Board and management of the Company confirmed that, as far as they are aware, the contents of the aforesaid draft annual report are fair and accurate in all material respects, and that there are no material facts the omission of which would make the aforesaid draft annual report misleading.

4. that the Company's audited financial report for FY2023 be approved;
5. that the scheme of profit distribution policy of the Company for FY2023 be approved;

Based on the audited financial report for FY2023 prepared by CAC Certified Public Accountants LLP (中审华会计师事务所) in accordance with the PRC accounting standards, the Company's net profit for FY2023 was RMB1,040,548,604.61, and the Company's undistributed profits at the beginning of FY2023 was RMB4,244,059,007.13. In 2023, the

Company distributed dividends of an aggregate amount of RMB859,149,430.08 for the financial year ended 31 December 2022. In light of the above, the accumulated distributable profit of the Company for FY2023 is RMB4,425,458,181.66.

The Board has proposed to declare dividends on the basis of RMB12.80 (inclusive of taxes) for every ten (10) shares in the capital of the Company. Upon obtaining shareholders' approval, the proposed dividend is payable in respect of all issued ordinary shares in the capital of the Company as at the record date to be determined by the Company for the purposes of determining shareholders' entitlements to the final dividend.

6. that the Company's "Sustainability Report for FY2023" be approved;
7. that the Company's "Self-evaluation Report on the Internal Control for FY2023" be approved;
8. that the "Report from Independent Directors for FY2023" be approved;
9. that the "Report on Performance from Audit Committee for FY2023" be approved;
10. that the "Report on the Deposit of Proceeds and the Use of Net Proceeds for FY2023" be approved;
11. that the remuneration of S\$55,000 for independent director Mr. Liew Yoke Pheng Joseph (刘育彬) for FY2023 be approved;
12. that the remuneration of RMB60,000 for independent director Ms. Li Qing (李清) for FY2023 be approved;
13. that the remuneration of S\$4,600 for independent director Mr. Yeo Guat Kwang (杨木光) for FY2023 be approved;
14. that the remuneration of S\$50,400 for independent director Mr. Zhu Haifeng (朱海峰) for FY2023 be approved;
15. that the aggregate remuneration for directors of Company for FY2023 be approved;
16. that the aggregate remuneration for senior management personnel (excluding directors and members of Supervisory Committee) for FY2023 be approved;
17. that the proposed appointment of Mr. Zhong Ming (钟铭) as an independent director of the Company for a term of office which continues until the expiry of the term of office of the current Board which is on 10 December 2024 be approved;

Mr. Zhong Ming (钟铭) is a Singaporean born in February 1987. He graduated from the University of Melbourne with a Bachelor's Degree in Accounting and Finance. Since 2016, Mr. Zhong Ming has been an executive director of Yanlord Land Group Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). He is also an independent director of SIIC Environment Holdings Ltd., a company listed on The Stock Exchange of Hong Kong Limited and Mainboard of the SGX-ST, and a director

of Ren Ci Hospital (新加坡仁慈医院) since 2018.

18. that the proposed contents of the “Continuous Risk Assessment Report of Tianjin Pharmaceutical Group Finance Co., Ltd. (天津医药集团财务有限公司)” be approved;
19. that the proposed formulation of the “Special Administrative Measures for Excess Incentives (超额激励专项管理办法)” of the Company be approved;
20. that the proposed contents of the “Amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration” (关于修订《公司章程》并办理工商变更的议案) be approved;

Please refer to the separate announcement made by the Company on 29 March 2024 in relation to the amendments to the Articles of Association of the Company and application for changes in the industrial and commercial registration for further details on this resolution.

21. that the proposed amendments to the Independent Directors System (独立董事制度) of the Company be approved;

The full text of the Independent Directors System (独立董事制度) as amended is set out in **Appendix A** to this announcement.

22. that the proposed renewal of the shareholders’ mandate for the interested person transactions be approved;
23. that the proposed lines of credit granted to the Company up to an aggregate limit of RMB11,680 million be approved;

At the board meeting, the Board approved lines of credit up to an aggregate limit of RMB11,680 million granted to the Company and proposed to seek a mandate from the shareholders at the general meeting of the Company to empower the management of the Company to handle the relevant specific matters in relation to the loan within the lines of credit according to the actual operation needs of the Company.

As at the date of this announcement, the Company has received lines of credit from the following banks:

No.	Name of Bank	Line of Credit (RMB'000,000)	Maturity Term
1.	Tianjin Port Free Trade Zone Sub-Branch, Agricultural Bank of China Limited (中国农业银行股份有限公司天津港保税区支行)	1,200	1 year
2.	Nankai Sub-branch, Tianjin, Bank of China Limited (中国银行股份有限公司天津南开支行)	1,050	1 year
3.	Tianjin Branch, Shanghai Pudong Development Bank Co., Ltd (上海浦东发展银行天津分行)	1,200	1 year

4.	Tianjin Sub-Branch, China CITIC Bank Corporation Limited (中信银行股份有限公司天津支行)	1,090	1 year
5.	Hebei Sub-branch, Tianjin, China Construction Bank Corporation (中国建设银行股份有限公司天津河北支行)	800	1 year
6.	Tianjin Branch, China Bohai Bank Co., Ltd. (渤海银行股份有限公司天津分行)	910	1 year
7.	Tianjin Branch Operation, China Construction Bank Corporation (中国建设银行股份有限公司天津分行营业部)	620	1 year
8.	Tianjin Branch, Industrial and Commercial Bank of China Limited (中国工商银行股份有限公司天津分行)	500	1 year
9.	Tianjin Branch, Merchants Bank of China Co., Ltd. (招商银行股份有限公司天津分行)	450	1 year
10.	Tianjin Branch, Bank of Communications Co., Ltd. (交通银行股份有限公司天津分行)	500	1 year
11.	Tianjin Branch, Postal Savings Bank of China Co., Ltd. (中国邮政储蓄银行天津分行)	450	1 year
12.	Tianjin Branch, China Minsheng Bank Corp., Ltd. (中国民生银行股份有限公司天津分行)	400	1 year
13.	Tianjin Branch, Industrial Bank Co., Ltd. (兴业银行股份有限公司天津分行)	1,150	1 year
14.	Tianjin Branch, Bank of Shanghai Co., Ltd. (上海银行股份有限公司天津分行)	950	1 year
15.	Tianjin Branch, China Zheshang Bank Co., Ltd. (浙商银行股份有限公司天津分行)	400	1 year
16.	Tianjin Branch, Bank of Beijing Co., Ltd. (北京银行股份有限公司天津分行)	10	1 year
Total		11,680	/

24. that the proposed continuous provision of guarantee for an amount of up to RMB1,900 million by the Company for its wholly-owned subsidiary, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司), be approved;

Please refer to **Appendix B** for further details on this resolution.

25. that the proposed continuous provision of an entrusted loan (委托贷款) of RMB1,200 million by the Company to its wholly-owned subsidiary, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司), be approved;

Please refer to **Appendix C** for further details on this resolution.

26. that the following proposed asset impairment allowance and reversal proposal for the Company for FY2023 be approved:

- (1) in 2023, the Company made a bad debts allowance of RMB26,243,600, reversed bad debts allowance of RMB2,947,600, and wrote off bad debts against the previously made allowance of RMB3,464,400, affecting the current profit and loss of RMB23,296,000;
- (2) in 2023, the Company recognised inventory impairment allowance of RMB29,008,900, reversed inventory impairment allowance of RMB879,300, and wrote off inventory impairment against the previously recognised allowance of RMB8,685,700, affecting the current profit and loss of RMB28,129,600;
- (3) in 2023, the Company wrote off property, plant and equipment impairment against the previously recognised allowance of RMB156,800, with no impact on the current profit and loss;
- (4) in 2023, the Company recognised construction in progress impairment allowance of RMB24,950,600, affecting the current profit and loss of RMB24,950,600; and
- (5) in 2023, the Company recognised a goodwill impairment allowance of RMB18,781,700, affecting the current profit and loss of RMB18,781,700; and

27. that the proposed convening of the annual general meeting for FY2023 be approved.

The above resolutions No. 1, No. 2, No. 4, No. 5, No. 11 to No. 15, No. 17, and No.20 to No. 25 shall be tabled for shareholders' approval at the annual general meeting for FY2023 to be convened in due course.

Mr. Guo Min, Ms. Zhang Mingrui and Ms. Mao Weiwen who are interested in resolution No. 22, being the interested directors, have abstained from voting on the resolution.

The relevant directors have also duly abstained from voting on the relevant resolutions for approval of their own respective remuneration at the Board meeting.

(II) **Notice of Annual General Meeting for FY2023**

IMPORTANT NOTE FOR S-SHARE SHAREHOLDERS:

This Notice of Annual General Meeting has been given in compliance with Article 69 of the Articles of Association of the Company and the listing rules of the Shanghai Stock Exchange which requires the Company to issue a written notice 45 days in advance of a shareholders' meeting.

The Company will issue an updated/ revised Notice of Annual General Meeting 14 days before the Annual General Meeting in compliance with the listing rules of the Singapore Exchange Securities Trading Limited, to provide S-Share Shareholders with the details in relation to the arrangements for participation at the Annual General Meeting by S-Share Shareholders in Singapore. S-Share Shareholders should check the SGXNET for the latest updates on the status of the Annual General Meeting.

Pursuant to the *Company Law of the PRC* (《中华人民共和国公司法》) and the Articles of Association of the Company, the Board proposes to convene the annual general meeting (“**AGM**” or “**Annual General Meeting**”) for FY2023 at the meeting room of the Company’s Modern Traditional Chinese Medicine Industrial Park located at No. 21 Tenth Avenue, Binhai New Area, Tianjin, the PRC (中国天津市滨海新区第十大街 21 号津药达仁堂集团现代中药产业园会议室) (concurrently, a video conferencing at Library 1 & 2, Level 8, 1 Pickering Street, Great Eastern Centre, Singapore 048659 for holders of the S-Shares (“**S-Share Shareholders**”) in Singapore) on Wednesday, 15 May 2024 at 1:30 p.m..

The agenda for the meeting shall be as follows:

1. To consider and approve the Chairman’s Report for FY2023; (Resolution 1)
2. To consider and approve the Board of Directors’ Report for FY2023; (Resolution 2)
3. To consider and approve the Supervisory Committee’s Report for FY2023; (Resolution 3)
4. To consider and approve the Financial Report and Audit Report for FY2023 audited by CAC Certified Public Accountants LLP (中审华会计师事务所) and Foo Kon Tan LLP HLB Singapore and reviewed by the Audit Committee of the Company; (Resolution 4)
5. To consider and approve the scheme of profit distribution policy of the Company for FY2023; (Resolution 5)

The Board has recommended declaring dividends of an aggregate amount of RMB985,802,593.28 on the basis of RMB12.80 (inclusive of taxes) for every ten (10) shares in the capital of the Company. The proposed dividend is payable in respect of all issued ordinary shares in the capital of the Company as at the record date to be determined by the Company for the purposes of determining shareholders’ entitlements to the final dividend.

6. To consider and approve the remuneration of S\$55,000 for independent director Mr. Liew Yoke Pheng Joseph (刘育彬) for FY2023; (Resolution 6)

7. To consider and approve the remuneration of RMB60,000 for independent director Ms. Li Qing (李清) for FY2023; (Resolution 7)
8. To consider and approve the remuneration of S\$4,600 for independent director Mr. Yeo Guat Kwang (杨木光) for FY2023 (specifically, for the period from 28 November 2023 to 31 December 2023); (Resolution 8)
9. To consider and approve the remuneration of S\$50,400 for independent director Mr. Zhu Haifeng (朱海峰) for FY2023 (specifically, for the period from 1 January 2023 to 28 November 2023); (Resolution 9)
10. To consider and approve the aggregate remuneration for directors of the Company for FY2023; (Resolution 10)
11. To consider and approve the aggregate remuneration for members of the Supervisory Committee for FY2023; (Resolution 11)
12. To consider and approve the proposed appointment of Mr. Zhong Ming (钟铭) as an independent director of the Company; (Resolution 12)
13. To consider and approve the proposed amendments to the Articles of Association of the Company and the application for changes in the industrial and commercial registration; (Resolution 13)

(See Explanatory Note A)
14. To consider and approve the proposed amendments to the Independent Directors System (独立董事制度) of the Company; (Resolution 14)
15. To consider and approve the proposed renewal of the shareholders' mandate for the interested person transactions; (Resolution 15)
 - (a) such approval given in the shareholders' mandate for the interested person transactions (the "**Shareholders' Mandate**") shall, unless revoked or varied by the Company in a general meeting, continue in force until the next annual general meeting of the Company; and
 - (b) the Directors and/or any of them are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the Shareholders' Mandate and/or this resolution.
16. To consider and approve the proposed lines of credit granted to the Company up to an aggregate limit of RMB11,680 million; (Resolution 16)
17. To consider and approve the proposed continuous provision of guarantee for an amount of up to RMB1,900 million by the Company for its wholly-owned subsidiary, Tianjin Zhongxin

Medicine Co., Ltd. (天津中新医药有限公司); and (Resolution 17)

18. To consider and approve the proposed continuous provision of an entrusted loan (委托贷款) of RMB1,200 million by the Company to its wholly-owned subsidiary, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司). (Resolution 18)

Explanatory Note(s):

- A. Resolution 13 in relation to the proposed amendments to the Articles of Association of the Company comprises (i) the proposed amendments to Articles 19 and 22 of the Articles of Association which have been approved by the Board at a Board meeting of the Company held on 30 October 2023, and (ii) the proposed amendments to Chapters 13, 17 and 18 of the Articles of Association which have been approved by the Board at the 1st Board meeting of the Company for FY2024 held on 28 March 2024 respectively.

Please refer to the separate announcements made by the Company on 30 October 2023 and 29 March 2024 in relation to the amendments to the Articles of Association of the company and application for changes in the industrial and commercial registration for further details.

Notes:

1. The AGM will be held at the meeting room of the Company's Modern Traditional Chinese Medicine Industrial Park located at No. 21 Tenth Avenue, Binhai New Area, Tianjin, the PRC (中国天津市滨海新区第十大街 21 号津药达仁堂集团现代中药产业园会议室) (concurrently, a video conferencing at Library 1 & 2, Level 8, 1 Pickering Street, Great Eastern Centre, Singapore 048659 for S-Share Shareholders in Singapore) on Wednesday, 15 May 2024 at 1:30 p.m..

As disclosed above, the Company will issue an updated/ revised Notice of AGM 14 days before the AGM in compliance with the listing rules of the Singapore Exchange Securities Trading Limited, to provide the S-Share Shareholders with the details in relation to the arrangements for participation at the AGM by S-Share Shareholders in Singapore. S-Share Shareholders should check the SGXNET for the latest updates on the status of the AGM.

2. A Shareholder (whether individual or corporate) entitled to attend and vote at the AGM is entitled to appoint one (1) or more persons (who need not be a Shareholder) to act as his/ her/ its proxy(ies) to attend and vote on his/ her/ its behalf at the AGM. Where a Shareholder appoints more than one (1) proxy, the appointment shall be deemed to be as an alternative unless he/ she/ it specifies the proportion of his/ her/ its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

If the appointor is a corporation, the instrument of proxy must be executed under seal or the hand of its duly authorised officer of attorney.

3. Pursuant to the Articles of Association of the Company, a holder of tradable domestic A-Shares with limiting conditions for sale shall notify the Company in writing no later than 20 days prior to the AGM of his or her intention to attend the AGM. Accordingly, a holder of tradable domestic A-Shares with limiting conditions for sale who is planning to attend the AGM must give a written notice to the Company no later than 19 April 2024.
4. The AGM in Tianjin, PRC is expected to last for half a day and all accommodation and other expenses incurred by a Shareholder or his/ her/ its proxy(ies) in connection with his/ her/ its attendance at the AGM shall be borne by that Shareholder.
5. **Personal data privacy:** By (1) submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, (2) submitting any question prior to the AGM, a

Shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purposes of (i) the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), (ii) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), (iii) the addressing of substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM from Shareholders received prior to and/or at the AGM and if necessary, the following up with Shareholders in relation to such questions, and (iv) in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where a Shareholder discloses the personal data of such Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), such Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

BY ORDER OF THE BOARD

Jiao Yan
Secretary to the Board of Directors
29 March 2024

APPENDIX A
津药达仁堂集团股份有限公司
独立董事制度
Independent Directors System of
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited
(Amended in 2024)

第一章 总则
CHAPTER 1 GENERAL PROVISIONS

第一条 为进一步完善公司治理结构，促进公司规范运作，保障独立董事依法行使职权，更好地维护广大股东的利益，根据《中华人民共和国公司法》、《中华人民共和国证券法》、《上市公司治理准则》、《上市公司独立董事管理办法》、《上海证券交易所股票上市规则》及新加坡交易所规则等有关法律、法规、规范性文件和本公司章程的有关规定，特制定本制度。

Article 1 In order to further improve the corporate governance structure of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (the “**Company**”), and to promote the standardised operation of the Company, ensure the lawful exercise of powers by independent directors, and better safeguard the interests of the shareholders at large, this independent directors system (the “**System**”) is formulated in accordance with relevant laws, regulations, normative documents including the *Company Law of the People’s Republic of China* (《中华人民共和国公司法》), the *Securities Law of the People’s Republic of China* (《中华人民共和国证券法》), the *Code of Corporate Governance of Listed Companies* (《上市公司治理准则》), the *Administrative Measures for Independent Directors of Listed Companies* (《上市公司独立董事管理办法》), the *Listing Rules of Shanghai Stock Exchange* (《上海证券交易所股票上市规则》), and the listing rules of the Singapore Exchange Securities Trading Limited, as well as the relevant provisions of the articles of association of the Company (the “**Articles of Association**”).

第二条 独立董事是指不在上市公司担任除董事外的其他职务，并与其所受聘的上市公司及其主要股东、实际控制人不存在直接或者间接利害关系，或者其他可能影响其进行独立客观判断关系的董事。

Article 2 An independent director refers to a director who does not hold any other positions in the Company other than as director of the Company, and has no direct or indirect interest in the Company, its substantial shareholders or actual controllers, or any other relationship that may affect his/ her exercise of independent and objective judgment.

独立董事应当独立履行职责，不受上市公司及其主要股东、实际控制人等单位或者个人的影响。

Independent directors shall perform their duties independently, and be free from the influence of any entity or individual including the Company, its substantial shareholders or actual controllers.

第三条 独立董事对公司及全体股东负有忠实与勤勉义务，应当按照法律、行政法规、中国证券监督管理委员会（以下简称中国证监会）规定、证券交易所业务规则和《公司章程》的规定，认真履行职责，在董事会中发挥参与决策、监督制衡、专业咨询作用，维护上市公司整体利益，保护中小股东合法权益。

Article 3 An independent director owes a duty to the Company and its shareholders to exercise his/

her duties honestly and with due care and diligence, and shall discharge his/ her duties in accordance with relevant laws, regulations, provisions of the China Securities Regulatory Commission (中国证券监督管理委员会) (the “CSRC”), rules of the stock exchange(s) where the Company is listed, and the Articles of Association. Independent directors play a role in participating in decision-making, supervising and balancing, and providing professional advice within the board of directors of the Company (the “Board”), safeguard the interests of the Company, and protect the legitimate rights and interests of the minority shareholders of the Company.

第四条 独立董事占公司董事会成员的比例不得低于三分之一，且至少包括一名会计专业人士。

Article 4 At least one-third (1/3) of the members of the Board shall be made up of independent directors, and at least one (1) of the independent directors shall be an accounting professional.

第五条 公司董事会下设审计、提名、薪酬与考核和战略等专门委员会。

Article 5 The Board shall establish special committees such as an audit committee (the “**Audit Committee**”), a nomination committee (the “**Nomination Committee**”), a remuneration committee (the “**Remuneration Committee**”), and a strategy committee.

审计委员会成员应当为不在公司担任高级管理人员的董事，其中独立董事应当过半数，并由独立董事中会计专业人士担任召集人。

Members of the Audit Committee shall be directors who do not hold senior management positions in the Company, and a majority of them shall be independent directors, and the accounting professional(s) among the independent directors shall serve as convenor(s).

提名委员会、薪酬与考核委员会中独立董事应当过半数并担任召集人。

Independent directors shall constitute a majority of the members of the Nomination Committee and the Remuneration Committee, who shall serve as convenors.

第二章 任免资格与任免

CHAPTER 2 QUALIFICATIONS AND INDEPENDENCE REQUIREMENTS OF INDEPENDENT DIRECTORS, AS WELL AS NOMINATION, ELECTION AND REPLACEMENT OF INDEPENDENT DIRECTORS

第六条 独立董事必须保持独立性。下列人员不得担任独立董事：

Article 6 Independent directors must maintain their independence. The following persons shall not serve as independent directors:

(一) 在公司或者附属企业任职的人员及其配偶、父母、子女、主要社会关系；

(i) persons working in the Company or its affiliated enterprises and their spouses, parents, children, and main social relations;

(二) 直接或间接持有公司已发行股份百分之一以上或者是公司前十名股东中的自然人股东及其配偶、父母、子女；

(ii) an individual shareholder (being a natural person) who directly or indirectly holds more than one

per cent. (1%) of the shares issued by the Company, or is among the top ten (10) shareholders of the Company, and such shareholders' spouses, parents and children;

(三) 在直接或者间接持有公司已发行股份百分之五以上的股东或者在公司前五名股东任职的人员及配偶、父母、子女;

(iii) persons who holds a position in the shareholders directly or indirectly holding more than five per cent. (5%) of the issued shares of the Company, or who are among the top five (5) shareholders of the Company, and their spouses, parents and children;

(四) 在公司控股股东、实际控制人的附属企业任职的人员及其配偶、父母、子女;

(iv) persons who are employed by the affiliated enterprises of the Company's controlling shareholders or actual controllers, and their spouses, parents and children;

(五) 与公司及控股股东、实际控制人或者其各自的附属企业有重大业务往来的人员，或者在有重大业务往来的单位及其控股股东、实际控制人任职的人员;

(v) persons who have significant business dealings with the Company, its controlling shareholders, actual controllers, or their respective affiliated enterprises, or who work for entities which have significant business dealings with the Company, and the controlling shareholders or actual controllers of such entities;

(六) 为公司及控股股东、实际控制人或者其各自附属企业提供财务、法律、咨询、保荐等服务的人员，包括但不限于提供服务的中介机构的项目组全体人员、各级复核人员、在报告上签字的人员、合伙人、董事、高级管理人员及主要负责人;

(vi) persons providing services such as financial, legal, consulting and sponsorship to the Company, its controlling shareholders, actual controllers, or their respective affiliated enterprises, including, but not limited to, all members of the project team, reviewers at all levels, persons signing on the report, partners, directors, senior management and key persons in charge, of the intermediary agencies providing the services;

(七) 最近十二个月内曾经具有第(一)项至第(六)项所列举情形的人员;

(vii) persons who fall into the categories set out in any of the situations as listed in items (i) to (vi) within the last twelve (12) months; and

(八) 法律、行政法规、中国证监会规定、证券交易所业务规则和《公司章程》规定的不具备独立性的其他人员。

(viii) other persons who are not independent as stipulated by laws, regulations, provisions of the CSRC, rules of the stock exchange(s) where the Company is listed, and the Articles of Association.

前款第(四)项至第(六)项中的公司控股股东、实际控制人的附属企业，不包括与公司受同一国有资产管理机构控制且按照相关规定未与公司构成关联关系的企业。

The affiliated enterprises of the Company's controlling shareholder or actual controller as mentioned in items (iv) to (vi) of the preceding paragraph shall not include enterprises controlled by the same state-owned asset management institution as the Company and not considered related parties to the Company in accordance with relevant provisions.

独立董事应当每年对独立性情况进行自查，并将自查情况提交董事会。董事会应当每年对在任独立董事独立性情况进行评估并出具专项意见，与年度报告同时披露。

Independent directors shall conduct self-examination of their independence on an annual basis and submit the results thereof to the Board. The Board shall assess the independence of the incumbent independent directors on an annual basis and issue a special opinion, which shall be disclosed together with the annual report of the Company.

第七条 担任独立董事应当符合下列条件：

Article 7 To be eligible as an independent director of the Company, a person shall:

- (一) 根据法律、行政法规及其他有关规定，具备担任上市公司董事的资格；
(1) possess the qualifications for serving as a director of a listed company as stipulated by applicable laws, regulations, and other relevant provisions;
- (二) 符合本制度第六条规定的独立性要求；
(2) meet the independence requirements as stipulated in Article 6 of this System;
- (三) 具备上市公司运作的基本知识，熟悉相关法律法规和规则；
(3) possess basic knowledge of the operations of listed companies and be familiar with relevant laws, regulations, and rules;
- (四) 具有五年以上履行独立董事职责所必需的法律、会计或者经济等工作经历；
(4) have more than five (5) years of work experience in fields such as law, accounting or economics required for performing the duties of an independent director;
- (五) 具有良好的个人品德，不存在重大失信等不良记录；
(5) have good personal integrity, with no record of major dishonesty or other adverse records; and
- (六) 法律、行政法规、中国证监会规定、证券交易所业务规则和《公司章程》规定的其他条件。
(6) meet other conditions as stipulated by applicable laws, regulations, provisions of the CSRC, rules of the stock exchange(s) where the Company is listed, and the Articles of Association.

第八条 独立董事原则上最多在三家中国境内上市公司担任独立董事，并应当确保有足够的时间和精力有效地履行独立董事的职责。

Article 8 An independent director, in principle, may serve concurrently as independent director in no more than three (3) domestic listed companies within mainland China, and shall ensure that he/ she has sufficient time and energy to effectively fulfill his/ her duties as an independent director of the Company.

第九条 公司董事会、监事会、单独或者合计持有公司已发行股份百分之一以上的股东可以提出独立董事候选人，并经股东大会选举决定。

Article 9 The Board, the supervisory committee of the Company (the “**Supervisory Committee**”) and shareholders individually or jointly holding more than one per cent. (1%) of all issued shares of the Company

have the right to nominate candidates for independent directors, and have them elected at the general meeting of the Company.

提名人不得提名与其存在利害关系的人员或者有其他可能影响独立履职情形的关系密切人员作为独立董事候选人。

The nominator(s) shall not nominate persons with whom they have an interest relationship or those who have other relationships that may affect the nominee's ability to perform duties independently as candidates for independent directors.

第十条 独立董事的提名人在提名前应当征得被提名人的同意。提名人应当充分了解被提名人职业、学历、职称、详细的工作经历、全部兼职、有无重大失信等不良记录等情况，并对其符合独立性和担任独立董事的其他条件发表意见。被提名人应当就其符合独立性和担任独立董事的其他条件作出公开声明。

Article 10 The nominator(s) of an independent director shall, before such nomination, obtain the nominee's consent. The nominator(s) shall be familiar with the occupation, education, titles, detailed work experience, concurrent offices, whether there are any records of major dishonesty or other adverse records and other information of the nominee, and shall give an opinion on the nominee's satisfaction of independence and other conditions for acting as an independent director. The nominee shall make a public declaration regarding his/ her compliance with the independence requirement and other conditions for serving as an independent director.

第十一条 提名委员会应当对被提名人任职资格进行审查，并形成明确的审查意见。

Article 11 The Nomination Committee shall review the qualifications of the nominee and form a clear review opinion.

公司在选举独立董事的股东大会召开前，应按照本制度第十条以及前款的规定披露相关内容，并将所有独立董事候选人的有关材料报送上海证券交易所，相关报送材料应当真实、准确、完整。

Before convening the general meeting for electing independent directors, the Company shall disclose relevant information in accordance with Article 10 of this System and the provisions of the preceding paragraph, and submit relevant materials relating to all candidates for independent directors to the Shanghai Stock Exchange. Such information submitted shall be true, accurate and complete.

证券交易所依照规定对独立董事候选人的有关材料进行审查，审慎判断独立董事候选人是否符合任职资格并有权提出异议。证券交易所提出异议的，公司不得提交股东大会选举。

The Shanghai Stock Exchange will review the materials of the candidates for independent directors according to applicable laws and regulations, make a prudent judgement on whether the candidates qualify for the position, and has the right to raise an objection. Where the Shanghai Stock Exchange raises objections to such candidate, the Company shall not submit the candidate for election at the general meeting of the Company.

第十二条 公司股东大会选举两名以上独立董事应当实行累积投票制。中小股东表决情况应当单独计票并披露。

Article 12 The cumulative voting system shall be carried out when electing two (2) or more independent directors at the general meeting of the Company. The votes cast by the minority shareholders

shall be counted separately and disclosed.

第十三条 独立董事每届任期与公司其他董事任期相同，任期届满，可以连选连任，但是连续任职不得超过六年。

Article 13 The term of office of an independent director shall be the same as that of the other directors of the company. Upon the expiration of the term of office, independent directors may be re-elected, provided that the consecutive term of office shall not exceed six (6) years.

第十四条 独立董事任期届满前，公司可以依照法定程序解除其职务。提前解除独立董事职务的，公司应当及时披露具体理由和依据。独立董事有异议的，公司应当及时予以披露。

Article 14 An independent director may be removed by the Company in accordance with procedures as provided in applicable laws, regulations and rules prior to the expiry of his/ her term of office. In such a case, the Company shall make a timely disclosure of the specific reasons and basis for the removal. The Company shall disclose the objection of independent director (if any) in a timely manner.

独立董事不符合本制度第七条第（一）项或者第（二）项规定的，应当立即停止履职并辞去职务。未提出辞职的，董事会知悉或者应当知悉该事实发生后应当立即按规定解除其职务。

Where an independent director does not meet the conditions specified in items (1) or (2) of Article 7 of this System, he/ she shall immediately cease to perform his/ her duties and resign from his/ her position. If such resignation is not tendered, the Board shall remove such independent director from office in accordance with applicable laws, regulations and rules immediately upon becoming aware or should have been aware of the occurrence of such fact.

独立董事因触及前款规定情形提出辞职或者被解除职务导致董事会或者其专门委员会中独立董事所占的比例不符合本制度或者《公司章程》的规定，或者独立董事中欠缺会计专业人士的，公司应当自前述事实发生之日起六十日内完成补选。

Where the resignation or removal of an independent director due to the circumstance stipulated in the preceding paragraph results in the proportion of independent directors on the Board or its special committees not meeting the requirements of applicable laws, regulations and rules, or the Articles of Association, or if there is a lack of an accounting professional among the independent directors, the Company shall complete a by-election within sixty (60) days from the date of occurrence of the aforementioned facts.

第十五条 独立董事在任期届满前可以提出辞职。独立董事辞职应向董事会提交书面辞职报告，对任何与其辞职有关或其认为有必要引起公司股东和债权人注意的情况进行说明。公司应当对独立董事辞职的原因及关注事项予以披露。

Article 15 An independent director may resign from his/ her office before the expiration of his/ her tenure by submitting a written notice of resignation to the Board, and shall provide information in relation to the resignation and any other information that he/ she considers should be brought to the attention of the shareholders and creditors of the Company. The Company shall disclose the reasons for the resignation of an independent director and matters of concern.

独立董事辞职将导致董事会或者其专门委员会中独立董事所占的比例不符合本制度或者《公司章程》

的规定，或者独立董事中欠缺会计专业人士的，拟辞职的独立董事应当继续履行职责至新任独立董事产生之日。公司应当自独立董事提出辞职之日起六十日内完成补选。

If the resignation of an independent director will result in the proportion of independent directors on the Board or its special committees not meeting the requirements of applicable laws, regulations and rules, or the Articles of Association, or if there is a lack of an accounting professional among the independent directors, the independent director who intends to resign shall continue to perform his/ her duties until the date on which a new independent director is appointed. The Company shall complete a by-election within sixty (60) days from the date on which the independent director tenders his/ her resignation.

第三章 职责与履职方式

CHAPTER 3 ROLES OF INDEPENDENT DIRECTORS AND PERFORMANCE OF DUTIES

第十六条 独立董事履行下列职责：

Article 16 Independent directors shall fulfil the following duties:

(一) 参与董事会决策并对所议事项发表明确意见；

(i) participating in the decisions of the Board and expressing clear opinions on the matters discussed;

(二) 对本制度第二十二条、第二十五条、第二十六条和第二十七条所列公司与控股股东、实际控制人、董事、高级管理人员之间的潜在重大利益冲突事项进行监督，促使董事会决策符合公司整体利益，保护中小股东合法权益；

(ii) supervising the potential significant conflict of interests between the Company and its controlling shareholders, actual controllers, directors and senior management personnel as listed in Articles 22, 25, 26 and 27 of this System, so as to ensure that the decision of the Board align with the overall interests of the Company, and to protect the legitimate rights and interests of the minority shareholders of the Company;

(三) 对公司经营发展提供专业、客观的建议，促进提升董事会决策水平；

(iii) providing professional and objective suggestions on the operation and development of the Company, thereby facilitating the improvement of the standard of the decision-making of the Board; and

(四) 法律、行政法规、中国证监会规定和《公司章程》规定的其他职责。

(iv) other duties as stipulated by applicable laws, regulations, the provisions of CSRC, and the Articles of Association.

第十七条 独立董事行使下列特别职权：

Article 17 Independent Directors shall have the following specific powers and functions:

(一) 独立聘请中介机构，对公司具体事项进行审计、咨询或者核查；

(1) to independently engage intermediary agencies to conduct audits, consultations or verifications on specific matters of the Company;

(二) 向董事会提请召开临时股东大会；

(2) to propose to the Board to convene extraordinary general meetings of the Company;

(三) 提议召开董事会会议；

(3) to propose to convene a meeting of the Board;

(四) 依法公开向股东征集股东权利；

(4) to publicly solicit proxies from shareholders before a general meeting of the Company is convened in accordance with applicable laws;

(五) 对可能损害公司或者中小股东权益的事项发表独立意见；

(5) to express independent opinions on matters that may prejudice the interests of the Company or its minority shareholders; and

(六) 法律、行政法规、中国证监会规定和《公司章程》规定的其他职权。

(6) other powers and functions as stipulated by applicable laws, regulations, provisions of the CSRC, and the Articles of Association.

独立董事行使前款第（一）项至第（三）项所列职权的，应当经全体独立董事过半数同意。

The exercise of the powers and functions listed in items (1) to (3) of the preceding paragraph by independent directors shall be approved by a majority of all independent directors.

独立董事行使第一款所列职权的，公司应当及时披露。上述职权不能正常行使的，公司应当披露具体情况和理由。

When independent directors exercise the powers and functions listed in the first paragraph of this Article, the Company shall disclose the same in a timely manner. If the aforesaid powers and functions cannot be exercised normally, the Company shall disclose the details and reasons.

第十八条 董事会会议召开前，独立董事可以与董事会秘书进行沟通，就拟审议事项进行询问、要求补充材料、提出意见建议等。董事会及相关人员应当对独立董事提出的问题、要求和意见认真研究，及时向独立董事反馈议案修改等落实情况。

Article 18 Before the convening of a Board meeting, independent directors may communicate with the Secretary to the Board to make enquiries, request for supplementary materials, and put forward opinions and suggestions on the matters to be considered. The Board and other relevant personnel shall carefully study the questions, requests and opinions given by independent directors, and provide timely feedback to independent directors on the revision of the motions.

第十九条 独立董事应当亲自出席董事会会议。因故不能亲自出席会议的，独立董事应当事先审阅会议材料，形成明确的意见，并书面委托其他独立董事代为出席。

Article 19 Independent directors shall attend Board meetings in person. If any independent director is unable to attend the meetings in person due to valid reasons, such independent director shall review the materials of the meetings in advance, form a clear opinion and authorise in writing another independent director to attend on his/ her behalf.

独立董事连续两次未能亲自出席董事会会议，也不委托其他独立董事代为出席的，董事会应当在该事实发生之日起三十日内提议召开股东大会解除该独立董事职务。

Where an independent director fails to attend Board meetings in person for two (2) consecutive times without authorising another independent director to attend on his/ her behalf, the Board shall propose to convene a general meeting of the Company to remove him/ her from his/ her position as an independent director within thirty (30) days from the date of the occurrence of such fact.

第二十条 独立董事对董事会议案投反对票或者弃权票的，应当说明具体理由及依据、议案所涉事项的合法合规性、可能存在的风险以及对公司和中小股东权益的影响等。公司在披露董事会决议时，应当同时披露独立董事的异议意见，并在董事会决议和会议记录中载明。

Article 20 Independent directors who vote against or abstain from voting on resolutions of the Board shall explain the specific reasons and basis, the legal compliance of the matters involved in the resolutions, potential risks, and the impact on the rights and interests of the Company and its minority shareholders. While disclosing the resolutions of the Board, the Company shall also disclose the dissenting opinions of the independent directors, and state the same in the resolutions of the Board and the meeting minutes.

第二十一条 独立董事应当持续关注本制度第二十二条、第二十五条、第二十六条和第二十七条所列事项相关的董事会决议执行情况，发现存在违反法律、行政法规、中国证监会规定、证券交易所业务规则和《公司章程》规定，或者违反股东大会和董事会决议等情形的，应当及时向董事会报告，并可以要求公司作出书面说明。涉及披露事项的，公司应当及时披露。

Article 21 Independent directors shall continuously pay attention to the implementation of the resolutions of the Board relating to the matters listed in Articles 22, 25, 26 and 27 of this System. If there are violations of laws, regulations, the provisions of the CSRC, the rules of the stock exchange(s) where the Company is listed, and the Articles of Association, or violation of resolutions of the general meeting of the Company and/or the Board, independent directors shall report to the Board in a timely manner, and may require the Company to make a written explanation. In case of the matters subject to disclosure requirements, the Company shall make timely disclosure.

公司未按前款规定作出说明或者及时披露的，独立董事可以向中国证监会和证券交易所报告。

If the Company fails to give an explanation or make a timely disclosure in accordance with the preceding paragraph, independent directors may report to the CSRC and the stock exchange(s) where the Company is listed.

第二十二条 下列事项应当经公司全体独立董事过半数同意后，提交董事会审议：

Article 22 The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent directors:

(一) 应当披露的关联交易；

(1) interested person transactions/ related party transactions that shall be disclosed;

(二) 公司及相关方变更或者豁免承诺的方案；

(2) proposals for change or waive undertakings by the Company and its related parties;

(三) 公司董事会针对被收购所作出的决策及采取的措施;

(3) decisions made and measures taken by the Board regarding the acquisition of the Company; and

(四) 法律、行政法规、中国证监会规定和《公司章程》规定的其他事项。

(4) other matters as stipulated by applicable laws, regulations, provisions of the CSRC, and the Articles of Association.

第二十三条 公司应当定期或者不定期召开全部由独立董事参加的会议（以下简称独立董事专门会议）。本制度第十七条第一款第（一）项至第（三）项、第二十二条所列事项，应当经独立董事专门会议审议。独立董事专门会议可以根据需要研究讨论公司其他事项。

Article 23 The Company shall regularly or irregularly hold meetings exclusively attended by independent directors (the "**Special Meetings of Independent Directors**"). The matters listed in items (1) to (3) of the first paragraph of Article 17, and Article 22 of this System shall be considered at the Special Meetings of Independent Directors. The Special Meetings of Independent Directors may also discuss other matters of the Company as needed.

独立董事专门会议应当由过半数独立董事共同推举一名独立董事召集和主持；召集人不履职或者不能履职时，两名及以上独立董事可以自行召集并推举一名代表主持。

The Special Meetings of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors; if the convenor fails or is unable to perform his/ her duties, two (2) or more independent directors may convene the meeting themselves and elect a representative to chair the meeting.

公司应当为独立董事专门会议的召开提供便利和支持。

The Company shall provide convenience and support for the convening of the Special Meetings of Independent Directors.

第二十四条 独立董事在公司董事会专门委员会中应当依照法律、行政法规、中国证监会规定、证券交易所业务规则和《公司章程》履行职责。独立董事应当亲自出席专门委员会会议，因故不能亲自出席会议的，应当事先审阅会议材料，形成明确的意见，并书面委托其他独立董事代为出席。独立董事履职中关注到专门委员会职责范围内的公司重大事项，可以依照程序及时提请专门委员会进行讨论和审议。

Article 24 Independent directors shall perform their duties in the special committees under the Board in accordance with applicable laws, regulations, provisions of the CSRC, rules of the stock exchange(s) where the Company is listed, and the Articles of Association. Independent directors shall attend the meetings of special committees in person. If any independent director is unable to attend the meetings in person due to valid reasons, such independent director shall review the materials of the meetings in advance, form a clear opinion and authorise in writing another independent director to attend on his/ her behalf. Where, in the course of performing their duties, independent directors notice significant matters of the Company that fall within the scope of a special committee's authority, they may submit such matters to the special committee for discussion and consideration in accordance with applicable procedures in a timely manner.

第二十五条 公司董事会审计委员会负责审核公司财务信息及其披露、监督及评估内外部审计工作和内

部控制，下列事项应当经审计委员会全体成员过半数同意后，提交董事会审议：

Article 25 The Audit Committee is responsible for reviewing the Company's financial information and the disclosure thereof, supervising and evaluating internal and external audit work, and internal control. The following matters shall be submitted to the Board for consideration after being approved by a majority of all members of the Audit Committee:

(一) 披露财务会计报告及定期报告中的财务信息、内部控制评价报告；

(1) disclosure of the financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;

(二) 聘用或者解聘承办公司审计业务的会计师事务所；

(2) appointment or dismissal of the accounting firm(s) which undertake the Company's audit work;

(三) 聘任或者解聘公司财务负责人；

(3) appointment or dismissal of the Company's chief financial officer (or its equivalent);

(四) 因会计准则变更以外的原因作出会计政策、会计估计变更或者重大会计差错更正；

(4) amendment of accounting policies or estimates, or correction of significant accounting errors, for reasons other than changes in accounting standards; and

(五) 法律、行政法规、中国证监会规定和《公司章程》规定的其他事项。

(5) other matters as stipulated by applicable laws, regulations, provisions of the CSRC, and the Articles of Association.

审计委员会每季度至少召开一次会议，两名及以上成员提议，或者召集人认为有必要时，可以召开临时会议。审计委员会会议须有三分之二以上成员出席方可举行。

The Audit Committee shall convene at least one (1) meeting every quarter. An interim meeting may be convened upon the proposal of two (2) or more members or if the convenor deems it necessary. An Audit Committee meeting shall be convened only when more than two-thirds of its members are present.

第二十六条 公司董事会提名委员会负责拟定董事、高级管理人员的选择标准和程序，对董事、高级管理人员人选及其任职资格进行遴选、审核，并就下列事项向董事会提出建议：

Article 26 The Nomination Committee is responsible for formulating the criteria and procedures for selection of directors and senior management personnel, selecting and examining the candidates for directors and senior management personnel and their qualifications, and making recommendations to the Board on the following matters:

(一) 提名或者任免董事；

(1) nomination, appointment and/or removal of directors;

(二) 聘任或者解聘高级管理人员；

(2) appointment and/or dismissal of senior management personnel; and

(三) 法律、行政法规、中国证监会规定和《公司章程》规定的其他事项。

(3) other matters as stipulated by applicable laws, regulations, provisions of the CSRC, and the Articles of Association.

董事会对提名委员会的建议未采纳或者未完全采纳的，应当在董事会决议中记载提名委员会的意见及未采纳的具体理由，并进行披露。

Where the Board does not adopt or fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for not adopting the same in the Board resolution and disclose this information.

第二十七条 公司董事会薪酬与考核委员会负责制定董事、高级管理人员的考核标准并进行考核，制定、审查董事、高级管理人员的薪酬政策与方案，并就下列事项向董事会提出建议：

Article 27 The Remuneration Committee is responsible for formulating assessment criteria of directors and senior management personnel and conducting evaluations, formulating and reviewing remuneration policies and plans of directors and senior management personnel, and making recommendations to the Board on the following matters:

(一) 董事、高级管理人员的薪酬；

(1) remuneration of directors and senior management personnel;

(二) 制定或者变更股权激励计划、员工持股计划，激励对象获授权益、行使权益条件成就；

(2) formulating, or making amendments to, share incentive plans, employee share option or share scheme, the conditions for incentive recipients to acquire and exercise rights;

(三) 董事、高级管理人员在拟分拆所属子公司安排持股计划；

(3) arrangements relating to shareholding plan by directors and senior management personnel in subsidiaries that are proposed to be spun off; and

(四) 法律、行政法规、中国证监会规定和《公司章程》规定的其他事项。

(4) other matters as stipulated by applicable laws, regulations, provisions of the CSRC, and the Articles of Association.

董事会对薪酬与考核委员会的建议未采纳或者未完全采纳的，应当在董事会决议中记载薪酬与考核委员会的意见及未采纳的具体理由，并进行披露。

Where the Board does not adopt or fully adopt the recommendations of the Remuneration Committee, it shall record the opinions of the Remuneration Committee and the specific reasons for not adopting the same in the Board resolution and disclose this information.

第二十八条 独立董事每年在公司的现场工作时间应当不少于十五日。

Article 28 Independent directors shall spend not less than fifteen (15) days a year on-site at the Company.

除按规定出席股东大会、董事会及其专门委员会、独立董事专门会议外，独立董事可以通过定期获取公司运营情况等资料、听取管理层汇报、与内部审计机构负责人和承办公司审计业务的会计师事务所等中介机构沟通、实地考察、与中小股东沟通等多种方式履行职责。

In addition to attending general meetings, meetings of the Board and its special committees, as well as the Special Meetings of Independent Directors in accordance with relevant provisions, independent directors may perform their duties by various means, such as obtaining information on the Company's operations on a regular basis, receiving reports from management, communicating with the person in charge of the internal audit department and the accounting firm undertaking the Company's auditing business, conducting site visits, and communicating with the minority shareholders of the Company.

第二十九条 公司董事会及其专门委员会、独立董事专门会议应当按规定制作会议记录，独立董事的意见应当在会议记录中载明。独立董事应当对会议记录签字确认。

Article 29 Minutes of meetings of the Board and its special committees, as well as the Special Meetings of Independent Directors shall be prepared in accordance with relevant provisions, and the opinions of independent directors shall be set out in the minutes of the meetings. Independent directors shall sign to confirm the minutes of the meetings.

独立董事应当制作工作记录，详细记录履行职责的情况。独立董事履行职责过程中获取的资料、相关会议记录、与公司及中介机构工作人员的通讯记录等，构成工作记录的组成部分。对于工作记录中的重要内容，独立董事可以要求董事会秘书等相关人员签字确认，公司及相关人员应当予以配合。

Independent directors shall prepare work records to record in detail the performance of their duties. Information obtained by independent directors in the course of performing their duties, minutes of relevant meetings, records of communications with staff of the Company and intermediaries, etc. shall form an integral part of the work records. With respect to the important contents of the work records, independent directors may request the Secretary to the Board and other relevant personnel to sign to confirm the same, and the Company and the relevant personnel shall cooperate with such request.

独立董事工作记录及公司向独立董事提供的资料，至少保存十年。

The work records of independent directors and the information provided by the Company to independent directors shall be kept for at least ten (10) years.

第三十条 公司健全独立董事与中小股东的沟通机制，独立董事可以就投资者提出的问题及时向公司核实。

Article 30 The Company shall improve the communication mechanism between independent directors and the minority shareholders of the Company, and independent directors may verify the issues raised by investors with the Company in a timely manner.

第三十一条 独立董事应当向公司年度股东大会提交年度述职报告，对其履行职责的情况进行说明。年度述职报告应当包括下列内容：

Article 31 Independent directors shall submit an annual duty report to the annual general meeting of the Company to explain their fulfilment of duties. The annual duty report shall include the following contents:

(一) 出席董事会次数、方式及投票情况，出席股东大会次数；

(1) the number and manner of attendance in the Board meetings and the votes thereof, as well as the number of attendance in general meetings;

(二) 参与董事会专门委员会、独立董事专门会议工作情况;

(2) participation in meetings of the special committees of the Board and the Special Meetings of Independent Directors;

(三) 对本制度第二十二条、第二十五条、第二十六条和第二十七所列事项进行审议和行使本制度第十七条第一款所列独立董事特别职权的情况;

(3) deliberations on the matters listed in Articles 22, 25, 26 and 27 of this System, exercise of the special powers and functions of independent directors listed in the first paragraph of Article 17 of this System;

(四) 与内部审计机构及承办公司审计业务的会计师事务所就公司财务、业务状况进行沟通的重大事项、方式及结果等情况;

(4) the significant matters, manners and results of communications with the internal audit department and the accounting firm undertaking the Company's auditing business in respect of the Company's financial and business conditions;

(五) 与中小股东的沟通交流情况;

(5) communications with the minority shareholders of the Company;

(六) 在上市公司现场工作的时间、内容等情况;

(6) the time and content of on-site work at the Company; and

(七) 履行职责的其他情况。

(7) other information relating to the performance of duties.

独立董事年度述职报告最迟应当在公司发出年度股东大会通知时披露。

The annual duty report of independent directors shall be disclosed no later than the time when the Company issues the notice of the annual general meeting.

第三十二条 独立董事应当持续加强证券法律法规及规则的学习，不断提高履职能力。独立董事应当按照中国证监会的要求，参加中国证监会、证券交易所及其授权机构所组织的培训。

Article 32 Independent directors shall continuously enhance their knowledge of securities laws, regulations and rules, and continuously improve their ability to perform their duties. Independent directors shall, pursuant to the requirements of the CSRC, participate in training organised by the CSRC, the stock exchange(s) where the Company is listed, and their respective authorised organisations.

第四章 履职保障

CHAPTER 4 SAFEGUARD OF THE PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS

第三十三条 公司应当为独立董事履行职责提供必要的工作条件和人员支持。董事会办公室、董事会秘书协助独立董事履行职责。

Article 33 The Company shall provide necessary working conditions and personnel support for independent directors to perform their duties, and designate the Board office and the Secretary to the Board to assist independent directors in performing their duties.

董事会秘书应当确保独立董事与其他董事、高级管理人员及其他相关人员之间的信息畅通，确保独立董事履行职责时能够获得足够的资源和必要的专业意见。

The Secretary to the Board shall ensure the unimpeded flow of information between independent directors and other directors, senior management personnel and other relevant personnel, and ensure that independent directors have access to adequate resources and necessary professional opinions when performing their duties.

第三十四条 公司保证独立董事享有与其他董事同等的知情权。为保证独立董事有效行使职权，公司应当向独立董事定期通报公司运营情况，提供资料，组织或者配合独立董事开展实地考察等工作。

Article 34 The Company shall ensure that independent directors shall enjoy equal right to information as other directors. In order to ensure the effective performance of their responsibilities by independent directors, the Company shall regularly inform independent directors of the Company's operations, provide information, organise or assist independent directors in conducting site visits and other work.

公司可以在董事会审议重大复杂事项前，组织独立董事参与研究论证等环节，充分听取独立董事意见，并及时向独立董事反馈意见采纳情况。

Before the Board considers significant and complicated matters, the Company may organise independent directors to participate in the research and discussion sessions, so as to fully listen to the opinions of independent directors, and promptly provide feedback to independent directors on the adoption of their opinions.

第三十五条 公司按照《公司章程》规定向独立董事发出董事会会议通知，提供相关会议资料，并为独立董事提供有效沟通渠道；董事会专门委员会召开会议的，公司原则上不迟于专门委员会会议召开前三日提供相关资料和信息。公司保存上述会议资料至少十年。

Article 35 The Company shall give notices of Board meetings to independent directors, provide relevant meeting materials, and offer effective communication channels for independent directors, in accordance with the Articles of Association; when a special committee of the Board convenes a meeting, the Company shall, in principle, provide relevant materials and information no later than three (3) days before such committee meeting. The Company shall keep the aforementioned meeting materials for at least ten (10) years.

两名及以上独立董事认为会议材料不完整、论证不充分或者提供不及时的，可以书面向董事会提出延期召开会议或者延期审议该事项，董事会应当予以采纳。

If two (2) or more independent directors consider that the meeting materials are incomplete, insufficient or not timely provided, they may submit written proposal to the Board to postpone the meeting or the consideration of such matter, and the Board shall adopt such request.

董事会及专门委员会会议以现场召开为原则。在保证全体参会董事能够充分沟通并表达意见的前提下，必要时可以依照程序采用视频、电话或者其他方式召开。

Meetings of the Board and its special committees shall, in principle, be held on-site. If necessary, the aforesaid meetings may be held by video, telephone or other means in accordance with the relevant procedure, provided that all the participating directors can fully communicate and express their opinions.

第三十六条 独立董事行使职权的，公司董事、高级管理人员等相关人员应当予以配合，不得拒绝、阻碍或者隐瞒相关信息，不得干预其独立行使职权。

Article 36 The relevant personnel such as directors and senior management of the Company shall provide full cooperation to independent directors when independent directors exercise their duties and shall not refuse, obstruct, or conceal relevant information, nor interfere with independent directors' exercise of their authority independently.

独立董事依法行使职权遭遇阻碍的，可以向董事会说明情况，要求董事、高级管理人员等相关人员予以配合，并将受到阻碍的具体情形和解决状况记入工作记录；仍不能消除阻碍的，可以向中国证监会和证券交易所报告。

If independent directors encounter obstacles while lawfully exercising their powers and functions, they may explain the situation to the Board, request cooperation from directors, senior management, and other relevant personnel, and record the specific circumstances of the obstruction and the resolution of the situation in their work records; if the obstacles still cannot be eliminated, they may report to the CSRC and the stock exchange(s) where the Company is listed.

独立董事履职事项涉及应披露信息的，公司应当及时办理披露事宜；公司不予披露的，独立董事可以直接申请披露，或者向中国证监会和证券交易所报告。

Where the performance of duties by independent director involves information that subject to disclosure requirements, the Company shall handle the disclosure matters in a timely manner; if the Company does not disclose such information, independent directors may directly apply for disclosure, or report to the CSRC and the stock exchange(s) where the Company is listed.

第三十七条 独立董事聘请专业机构及行使其他职权时所需的费用由公司承担。

Article 37 The expenses incurred by independent directors for engaging professional institutions and in performing other duties and functions shall be borne by the Company.

第三十八条 公司给予独立董事与其承担的职责相适应的津贴。津贴的标准由董事会制订方案，股东大会审议通过，并在公司年度报告中进行披露。

Article 38 The Company provides allowance to independent directors appropriate to their duties and responsibilities. The standard of allowance shall be proposed by the Board and approved by the shareholders in general meeting, and shall be disclosed in the annual report of the Company.

除上述津贴外，独立董事不得从公司及主要股东、实际控制人或者有利害关系的单位和人员取得其他利益。

Except for the aforesaid allowances, independent directors shall not receive any other benefits from the Company and its substantial shareholders, actual controllers or any entities and persons with interest or relations with the Company.

第三十九条 公司可以建立独立董事责任保险制度，降低独立董事正常履行职责可能引致的风险。

Article 39 The Company may establish a liability insurance system for independent directors to reduce the risks that independent directors may incur while normally performing their duties.

第五章 附则

CHAPTER 5 SUPPLEMENTARY PROVISIONS

第四十条 本制度下列用语的含义：

Article 40 In this System, the following terms shall have the following meanings:

（一）主要股东，是指持有公司百分之五以上股份，或者持有股份不足百分之五但对公司有重大影响的股东；

(1) “**substantial shareholders**” means a shareholder who holds more than five per cent. (5%) of the Company's shares, or who holds less than five per cent. (5%) of the Company's shares but exercises significant influence over the Company;

（二）中小股东，是指单独或者合计持有公司股份未达到百分之五，且不担任公司董事、监事和高级管理人员的股东；

(2) “**minority shareholders**” means shareholders who, individually or collectively, hold less than five per cent. (5%) of the Company's shares and who are not directors, supervisors or senior management personnel of the Company;

（三）附属企业，是指受相关主体直接或者间接控制的企业；

(3) “**affiliated enterprises**” means those enterprises directly or indirectly controlled by the relevant entities; and

（四）主要社会关系，是指兄弟姐妹、兄弟姐妹的配偶、配偶的父母、配偶的兄弟姐妹、子女的配偶、子女配偶的父母等；

(4) “**main social relations**” means siblings, siblings' spouses, spouses' parents, spouses' siblings, children's spouses, parents of children' spouses, etc..

第四十一条 本制度未尽事宜，公司应当依照有关法律、法规、规范性文件和《公司章程》的规定执行。

Article 41 Any matter not covered in this System shall be implemented by the Company in accordance with applicable laws, regulations, regulatory documents and the Articles of Association.

第四十二条 本制度的制定、修订经公司股东大会审议通过之日起生效。

Article 42 This System shall come into effect upon consideration and approval by shareholders at the general meeting of the Company, and any amendments to this System shall be submitted to the general meeting of the Company for consideration and approval.

第四十三条 本制度由公司董事会负责解释。

Article 43 This System shall be interpreted by the Board.

APPENDIX B

PROPOSED PROVISION OF GUARANTEE FOR AN AMOUNT OF UP TO RMB1,900 MILLION BY THE COMPANY FOR TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司)

I. INTRODUCTION

1. Information on the Guarantee

On 17 December 2021, the Company duly convened its 11th Board meeting for the financial year ended 31 December 2021, and the Board considered and approved the proposed contents of the “Asset Restructuring Plan on Pharmaceutical Circulation Business of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited” (天津中新药业集团股份有限公司药品流通业务资产重组方案) (the “**Restructuring Plan**”). Please refer to the announcement dated 17 December 2021 made by the Company for further details on the Restructuring Plan. Pursuant to the Restructuring Plan, in order to meet the funding needs of Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) (“**TJZX Medicine**”) for its daily operation following the Proposed Asset Restructuring (as defined under the Restructuring Plan), the Company held the 2nd Board meeting for the financial year ended 31 December 2023 (“**FY2023**”) on 30 March 2023 and the annual general meeting for the financial year ended 31 December 2022 on 15 May 2023, and the Board and the shareholders respectively considered and approved the proposed provision of a joint and several liability guarantee (连带责任保证担保) for TJZX Medicine for an amount of up to RMB1,900 million (the “**2023 Guarantee**”). The 1-year period of the 2023 Guarantee is expiring soon.

In order to meet the funding needs of TJZX Medicine for the expansion of its business scale and the orderly replacement of its remaining existing entrusted loans (委托贷款), the Company proposes to continue to provide a joint and several liability guarantee (连带责任保证担保) for TJZX Medicine for an amount of up to RMB1,900 million (the “**2024 Guarantee**”), which shall be deployed from bank lines of credit and bank guarantee amount (银行担保额度) obtained by TJZX Medicine. The period of the 2024 Guarantee is one (1) year.

As at the date of this announcement, the bank guarantee amount (银行担保额度) obtained by TJZX Medicine is as follows:

No.	Name of Bank	Limit
1.	China Minsheng Bank (民生银行)	RMB200 million
2.	Bank of China (中国银行)	RMB400 million
3.	Agricultural Bank of China (农业银行)	RMB100 million
4.	Merchants Bank of China (招商银行)	RMB300 million
5.	Industrial Bank (兴业银行)	RMB600 million
6.	Shanghai Pudong Development Bank (浦发银行)	RMB600 million
7.	China Construction Bank (建设银行)	RMB600 million
8.	Bank of Communications (交通银行)	RMB200 million
9.	Postal Savings Bank of China (邮储银行)	RMB200 million

10.	Industrial and Commercial Bank (工商银行)	RMB100 million
11.	China Bohai Bank (渤海银行)	RMB100 million
12.	Bank of Shanghai (上海银行)	RMB300 million
13.	China CITIC Bank (中信银行)	RMB500 million

2. Decision-making process of the Company

On 28 March 2024, the Company duly convened its 1st Board meeting for the financial year ending 31 December 2024, and the Board considered and approved the proposed provision of guarantee for an amount of up to RMB1,900 million by the Company for TJZX Medicine (i.e., the 2024 Guarantee). The said meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company, and the resolution in relation to the proposed provision of guarantee for an amount of up to RMB1,900 million by the Company for TJZX Medicine was discussed and passed by the nine (9) directors out of the full board of nine (9) directors.

The resolution in relation to the proposed provision of guarantee for an amount of up to RMB1,900 million by the Company for TJZX Medicine shall be submitted for shareholders' approval at a general meeting of the Company.

II. INFORMATION ON TJZX MEDICINE

1. Information on TJZX Medicine

- Name of company : Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司)
- Registered address : No. 5, Tengda Road, Pharmaceutical and Medical Device Industrial Park, Beichen Economic-Technological Development Area, Beichen District, Tianjin (天津市北辰区天津北辰经济技术开发区医药医疗器械工业园腾达道5号)
- Legal representative : XUE Chao (薛超)
- Business scope : Licenced items: wholesale of pharmaceuticals; operation of Class III medical devices; road cargo transportation (excluding hazardous goods); sale of food; sale of disinfection equipment (for items subject to approval pursuant to applicable laws, the business activities shall be carried out only after obtaining approval from the relevant authorities, and the specific business activities shall be based on the approval documents or permits issued by the relevant authorities);
- General items: sale of (pre-packaged) healthcare food; road cargo transportation by general freight vehicles with gross weight of 4.5 tons or less (excluding network freight and dangerous goods); sale of Class II medical devices; sale of Class I medical devices; sale of personal hygiene products; wholesale of cosmetics; sale of daily

necessities; wholesale of sports goods and equipment; sale of household appliances; sale of daily groceries; advertisements production; advertisements design and agency; information consulting services (excluding information consulting services subject to licencing requirement); general cargo warehousing services (excluding hazardous chemicals and other items subject to licencing approval); leasing of non-residential real estate; house leasing; sale of disinfectants (excluding hazardous chemicals); sale of chemical products (excluding chemical products subject to licensing requirement); sale of sanitary products and disposable medical products. (Except for items subject to approval in accordance with applicable laws, business activities shall be conducted based on its business licence in accordance with applicable laws)

Key financials : The key financial figures of TJZX Medicine as at 31 December 2023 and as at 29 February 2024 are as follows:

	As at 31 December 2023	As at 29 February 2024
Total assets	RMB2,744,358,600	RMB2,669,762,900
Total liabilities	RMB2,258,989,300	RMB2,188,371,400
Total current liabilities	RMB2,247,219,300	RMB2,179,484,800
Net assets	RMB485,369,300	RMB481,391,400
Revenue	RMB3,724,300,800	RMB465,814,300
Net profit	RMB-33,369,600	RMB-3,977,800

2. Relationship between TJZX Medicine and the Company

As at the date of this announcement, TJZX Medicine is a wholly-owned subsidiary of the Company, and the Company directly holds 100% equity interest in TJZX Medicine.

III. MAIN CONTENTS OF THE GUARANTEE

Guarantee manner and type : Joint and several liability guarantee (连带责任保证担保)

Guarantee period : One (1) year

Guaranteed amount : RMB1,900 million

Other material terms : Nil

IV. OPINIONS OF THE BOARD

The proposed provision of the joint and several liability guarantee (连带责任保证担保) for an amount of up to RMB1,900 million by the Company for its wholly-owned subsidiary, TJZX Medicine, is mainly

for the purposes of meeting the funding needs of TJZX Medicine for its daily operation and ensuring the orderly replacement of the remaining existing entrusted loans and TJZX Medicine remains solvent following the Proposed Asset Restructuring (as defined under the Restructuring Plan).

V. ACCUMULATED NUMBER OF GUARANTEES PROVIDED BY THE COMPANY AND ITS CONTROLLED SUBSIDIARIES AND NUMBER OF OVERDUE GUARANTEES

As at the date of this announcement, save for the guaranteed amount of RMB365,746,300 for TJZX Medicine, none of the Company and its controlled subsidiaries has provided any guarantees for any third parties. The latest audited net assets of the Company attributable to its parent company is RMB6,645,236,500 for FY2023. The guaranteed amount of up to RMB1,900 million under the 2024 Guarantee accounts for 28.59% of the latest audited net assets of the Company for FY2023.

APPENDIX C

PROPOSED PROVISION OF AN ENTRUSTED LOAN (委托贷款) OF RMB1,200 MILLION BY THE COMPANY TO TIANJIN ZHONGXIN MEDICINE CO., LTD. (天津中新医药有限公司)

I. INTRODUCTION

1. Information on the Entrusted Loan

On 17 December 2021, the Company duly convened its 11th Board meeting for the financial year ended 31 December 2021, and the Board considered and approved the proposed contents of the “Asset Restructuring Plan on Pharmaceutical Circulation Business of Tianjin Zhong Xin Pharmaceutical Group Corporation Limited” (天津中新药业集团股份有限公司药品流通业务资产重组方案) (the “**Restructuring Plan**”). Please refer to the announcement dated 17 December 2021 made by the Company for further details on the Restructuring Plan.

Pursuant to the Restructuring Plan, in order to ensure the normal operation of the newly incorporated wholly-owned subsidiary of the Company, Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司) (“**TJZX Medicine**”) following the Proposed Asset Restructuring (as defined under the Restructuring Plan), the proposed provision of an entrusted loan of RMB1,200 million (the “**Entrusted Loan**”) by the Company to TJZX Medicine with a term of one (1) year was approved at the Company’s 2nd Board meeting for the financial year ended 31 December 2023 (“**FY2023**”) held on 30 March 2023 and the annual general meeting for the financial year ended 31 December 2022 held on 15 May 2023 respectively.

In view that TJZX Medicine has been established for short period of time and lacks solid performance support, it still needs to address the repayment of the due loans through financing at this stage. Accordingly, the Company proposes to continue to provide the Entrusted Loan to TJZX Medicine with its own funds.

The details of the Entrusted Loan are as follows:

- (1) The amount and term of the Entrusted Loan: The Entrusted Loan may be flexibly utilised by TJZX Medicine up to the maximum amount of RMB1,200 million within one (1) year from the date of the approval. In other words, TJZX Medicine is permitted to engage in multiple short-term borrowings from the Company pursuant to the Entrusted Loan, provided that the total amount outstanding at any one point in time does not exceed RMB1,200 million; and
- (2) The loan interest of the Entrusted Loan: The basis for determining the loan interest rate of the Entrusted Loan shall be in accordance with the Company's financing cost or with reference to the level in the same industry.

2. Decision-making process of the Company

On 28 March 2024, the Company duly convened its 1st Board meeting for the financial year ending 31 December 2024, and the Board considered and approved the resolution in relation to

the proposed continuous provision of the Entrusted Loan of RMB1,200 million by the Company to TJZX Medicine. The said Board meeting was convened in compliance with the applicable Companies Law, Securities Law and the Articles of Association of the Company and the said resolution was discussed and passed by the nine (9) directors out of the full board of nine (9) directors.

The resolution in relation to the proposed continuous provision of the Entrusted Loan shall be submitted for shareholders' approval at a general meeting of the Company.

II. INFORMATION ON THE PARTIES TO THE ENTRUSTED LOAN

1. Information on the borrower under the Entrusted Loan

- Name of company : Tianjin Zhongxin Medicine Co., Ltd. (天津中新医药有限公司)
- Type of company : Limited liability company (sole proprietorship of a legal person invested or controlled by natural persons) (有限责任公司 (自然人投资或控股的法人独资))
- Registered address : No. 5, Tengda Road, Pharmaceutical and Medical Device Industrial Park, Beichen Economic-Technological Development Area, Beichen District, Tianjin (天津市北辰区天津北辰经济技术开发区医药医疗器械工业园腾达道5号)
- Principal Business address : No. 5, Tengda Road, Pharmaceutical and Medical Device Industrial Park, Beichen Economic-Technological Development Area, Beichen District, Tianjin (天津市北辰区天津北辰经济技术开发区医药医疗器械工业园腾达道5号)
- Legal representative : XUE Chao (薛超)
- Registered capital : RMB520 million
- Business scope : Licenced items: wholesale of pharmaceuticals; operation of Class III medical devices; road cargo transportation (excluding hazardous goods); sale of food; sale of disinfection equipment (for items subject to approval pursuant to applicable laws, the business activities shall be carried out only after obtaining approval from the relevant authorities, and the specific business activities shall be based on the approval documents or permits issued by the relevant authorities);
- General items: sale of (pre-packaged) healthcare food; road cargo transportation by general freight vehicles with gross weight of 4.5 tons or less (excluding network freight and dangerous goods); sale of Class II medical devices; sale of Class I medical devices; sale of personal hygiene products; wholesale of cosmetics; sale of daily

necessities; wholesale of sports goods and equipment; sale of household appliances; sale of daily groceries; advertisements production; advertisements design and agency; information consulting services (excluding information consulting services subject to licencing requirement); general cargo warehousing services (excluding hazardous chemicals and other items subject to licencing approval); leasing of non-residential real estate; house leasing; sale of disinfectants (excluding hazardous chemicals); sale of chemical products (excluding chemical products subject to licencing requirement); sale of sanitary products and disposable medical products. (Except for items subject to approval in accordance with applicable laws, business activities shall be conducted based on its business licence in accordance with applicable laws)

Key financials : The key financial figures of TJZX Medicine as at 31 December 2023 and as at 29 February 2024 are as follows:

	As at 31 December 2023	As at 29 February 2024
Total assets	RMB2,744,358,600	RMB2,669,762,900
Total liabilities	RMB2,258,989,300	RMB2,188,371,400
Total current liabilities	RMB2,247,219,300	RMB2,179,484,800
Net assets	RMB485,369,300	RMB481,391,400
Revenue	RMB3,724,300,800	RMB465,814,300
Net profit	RMB-33,369,600	RMB-3,977,800

2. Relationship between the borrower and the Company

As at the date of this announcement, TJZX Medicine is a wholly-owned subsidiary of the Company, and the Company directly holds 100% equity interest in TJZX Medicine.

III. IMPACT ON THE COMPANY

The Entrusted Loan to be provided by the Company to TJZX Medicine shall mainly be used for the payment of the consideration for the Transferred Assets (as defined under the Restructuring Plan) to the Company and cash flow of TJZX Medicine for its daily operations. With the Entrusted Loan provided by the Company in 2023, the consideration for the Transferred Assets (as defined under the Restructuring Plan) has been paid to the Company, and the Company has realised the recovery of funds.

The Entrusted Loan is an important means to ensure the successful completion of the Proposed Asset Restructuring (as defined under the Restructuring Plan) and the cash flow need of TJZX Medicine for its daily operations. The source of funds for the Entrusted Loan is the Company's self-owned funds, which will not affect the daily cash flow needs of the Company or be detrimental to the interests of the Company and its shareholders.

IV. RISKS OF THE ENTRUSTED LOAN AND SOLUTIONS THEREOF

TJZX Medicine is a wholly-owned subsidiary of the Company which was incorporated for the purposes of the Proposed Asset Restructuring (as defined under the Restructuring Plan). The Company has actual control over TJZX Medicine and it is not envisaged that there will have major risks in relation to the provision of the Entrusted Loan.

V. ACCUMULATED AMOUNT OF ENTRUSTED LOAN PROVIDED BY THE COMPANY AND OVERDUE AMOUNT

As at the date of this announcement, the accumulated amount of the entrusted loans of the Company (including the entrusted loan provided by the Company to TJZX Medicine) is RMB740,710,600. As at the date of this announcement, the Company has overdue entrusted loan of RMB19,453,500, all of which are entrusted loan to its controlled subsidiary, Tianjin Shin Poong Pharmaceutical Co., Ltd. (天津新丰制药有限公司).