

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with our business. These terms and their given meanings may not correspond to industry standard definitions or usage of these terms.

“ancillary CM products”	Chinese medicine-related healthcare products offered by our Group
“branded PCM products”	a segment of our Group’s business that comprises PCM marketed under our branded portfolio
“carriage and insurance paid to”	the arrangement whereby the seller is responsible for arranging the carriage and insurance of goods to a named place of destination, and the customer will assume all risks of loss of or damage to the goods from the time the goods have been delivered to the first carrier
“CCMG”	concentrated Chinese medicine granule prepared from traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensing and administration
“cost, insurance and freight”	the arrangement whereby the seller is responsible for arranging the carriage of goods by sea to a port of destination, and providing the buyer with the documents necessary to obtain the goods from the carrier, and the risk delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel
“ex-works”	the arrangement whereby title and risks to the products pass to the overseas customer at the premise of the seller and the overseas customer will be responsible for all costs (including freight transport and insurance) and risks to the products collected from the seller’s premises
“free on board”	the arrangement whereby the seller is responsible for clearing the products for export and delivering the products to the shipping port, and thereafter the overseas customer will be responsible for all costs (including freight transport and insurance) and risks to the products
“gastrointestinal”	the branch of medicine focuses on the digestive system and its disorders
“GMP”	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products, designed to protect consumers by minimizing production errors and the possibility of contamination

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“GSDP”	Good Storage and Distribution Practices, the sets of detailed guidelines governing the storage and distribution of pharmaceutical products formulated by the World Health Organization
“gynecology”	the branch of medicine that deals with the diseases and routine care of the reproductive system of women
“ISO 9001”	a standard under the International Organization for Standardization used for certification or registration and contractual purposes by organizations seeking recognition of their quality management, which specifies the requirements for quality management systems for any organization that needs to demonstrate its ability to consistently provide products that meet its requisite standards
“key chains”	a series of self-service stores (where products are more commonly displayed on open shelves) that share a brand, standardized business practices and central management involving a more planned and organized approach to distribution and logistics management
“MWh”	megawatt-hour, a unit of measure of electric energy
“over-the-counter” or “OTC”	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which are sold only to consumers possessing a valid prescription
“PCM”	proprietary Chinese medicines as defined in section 2 of the Chinese Medicine Ordinance or Chinese herbal medicines as defined and regulated under the Chinese Medicine Ordinance
“PIC/S”	the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
“Po Chai Pills”	unless the context otherwise requires, Po Chai Pills include the classic format, sachet format, and Puji Pills (普济丸)
“registered pharmacy”	a pharmacy with a valid license of “authorized seller of poisons” in Hong Kong, which is authorized to carry on a business of retail sale of poisons if the actual sale of poisons is conducted on premises registered in respect of the seller under section 13 of the Pharmacy and Poisons Ordinance by a registered pharmacist or in his presence and under his supervision
“tCO ₂ e”	tons of carbon dioxide equivalent, a unit of measure used to compare the emissions of different greenhouse gases (“GHG”) based on their global warming potential