
GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms, definitions and abbreviations used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.

“CAGR”	compound annual growth rate
“decoction pieces”	processed Chinese herbs which can be used in prescribed formulas for preparing Chinese patent medicines or for making soups as a means of diet therapy
“Chinese patent medicine(s)”	readily processed Chinese medicines in various intake forms (such as pills, granules and soft capsules) based on the nature and functions of traditional Chinese medicines and seven out of 35 of our Group’s own-branded Chinese patent medicines are protected by invention patents (發明專利)
“Chinese Pharmacopoeia”	the Pharmacopoeia of the PRC (中國藥典), compiled by the Pharmacopoeia Commission of the Ministry of Health of the PRC, is an official compendium of drugs covering traditional Chinese medicine and western medicines and giving information on, among others, the standards of purity, description, test, dosage, precaution, storage, for each drug
“Drug Standards”	Drug Standards of the Ministry of Health of the PRC (部頒標準)
“GDP”	gross domestic product
“GMP” or “Good Manufacturing Practice”	Good Manufacturing Practice, which are guidelines and regulations from time to time issued by the PRC government to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to the quality and standards appropriate for their intended use
“GSP” or “Good Supply Practice”	Good Supply Practice, which are guidelines and regulations issued by the PRC government as part of quality assurance to ensure that pharmaceutical distribution enterprises distribute pharmaceutical products in compliance with those guidelines and regulations

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“licensed pharmacist”	pharmaceutical technical personnel who passed the uniform examinations organised by the PRC government and obtained the specialised technical pharmacist qualification certificate and practise in, among others, pharmaceutical manufacturing and distribution
“National List of Essential Drugs”	the National Essential Drugs List (國家基本藥物目錄), issued by the Ministry of Health, as amended, supplemented or otherwise modified from time to time
“National Medical Insurance Drugs Catalogue”	a catalogue of the list of pharmaceutical products under the National Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance of the PRC (國家基本醫療保險、工傷保險和生育保險藥品目錄) as determined by the PRC government for general application throughout the PRC, as amended, supplemented or otherwise modified from time to time
“oral solution”	a form of medicine in which the medicine is dissolved in liquid and to be taken orally
“OTC medicines” or “over-the-counter medicines”	medicines which may, upon receiving CFDA approval, be sold over the counter in the PRC at pharmacies or other retail outlets without requiring a prescription by a qualified medical practitioner
“Pharmaceutical Manufacturing Permit”	the permit (藥品生產許可證) issued by the CFDA at provincial level which shall be obtained by all enterprises that are engaged in the manufacture of pharmaceutical products in the PRC
“prescription medicine(s)”	medicines which are sold to consumers according to prescription from healthcare professionals
“Provincial Medical Insurance Drugs Catalogue”	the basic medical insurance, work injury insurance and maternity insurance drugs catalogue, issued by the provincial, municipal or autonomous region’s human resources and social security agency
“tablet(s)”	dose of medicines in the form of small pellets
“traditional Chinese medicines”	medicines where the active ingredients come from or are derived from natural plants, animals or minerals according to traditional Chinese medicine theory and practice