GUANGZHOU INNOGEN PHARMACEUTICAL GROUP CO., LTD.
TERMS OF REFERENCE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Chapter I General Provisions

Article 1 With an aim to strengthen the decision-making function of the Board of Directors, continuously improve the internal control system of Guangzhou Innogen Pharmaceutical Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**"), ensure the effective supervision and management of the Board of Directors over the management, and continuously improve the governance structure of the Company, the Audit Committee of the Board of Directors (the "**Audit Committee**") has been established and the Terms of Reference of the Audit Committee of the Board of Directors (the "**Terms of Reference**") have been formulated according to the relevant requirements of relevant laws and regulatory documents, including the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Articles of Association of Guangzhou Innogen Pharmaceutical Group Co., Ltd. (the "**Articles of Association**") and the Rules of Procedures for the Board of Directors of Guangzhou Innogen Pharmaceutical Group Co., Ltd.

Article 2 The Audit Committee is a dedicated working organization established by the Board of Directors in accordance with the Articles of Association and the Hong Kong Listing Rules, mainly responsible for communicating with and supervising external auditors, supervising internal audits, evaluating and improving the Company's internal control system, performing risk analysis on major investment projects that the Company is currently operating, and fulfilling other duties that the Audit Committee is required to perform in accordance with laws and regulations.

Chapter II Composition

Article 3 The Audit Committee shall be composed of non-executive directors only. The number of members of the Audit Committee shall be at least three, of whom the majority shall be independent non-executive directors. At least one member shall be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise in compliance with the Hong Kong Listing Rules.

Article 4 The members of the Audit Committee shall be nominated by the Chairman, more than one-third of the members of the Board of Directors, or the Nomination Committee of the Board of Directors, and shall be elected by the Board of Directors with a majority of all directors. All members of the Audit Committee shall possess the professional knowledge and business experience necessary for fulfilling the duties of the Audit Committee.

Article 5 The Audit Committee shall have one chairman of the Audit Committee (convener), who shall be an independent non-executive director and be responsible for presiding over the work of the Audit Committee. The chairman of the Audit Committee shall be elected by the Board of Directors from among the members of the Audit Committee.

Article 6 Former partners of the accounting firm currently responsible for auditing the Company's accounts shall not serve as members of the Audit Committee for a period of two years from the following date, whichever is later:

(I) the date on which he/she ceases to be a partner of the accounting firm; or

(II) the date on which he/she ceases to have any financial interest in the accounting firm.

Article 7 The term of office of the Audit Committee shall be consistent with that of the Board of Directors. A member of the Audit Committee may be re-elected upon the expiration of his/her term of office. If any committee member no longer serves as a director of the Company during his/her term of office in the Audit Committee, he/she will automatically lose his/her membership and the Board of Directors shall make up for the number of committee members in accordance with the provisions of Articles 3 to 5 above.

Article 8 The Audit Department responsible for internal audit of the Company shall be directly led by the Audit Committee as a working body of the Audit Committee.

Article 9 If a committee member fails to attend the meetings of the Audit Committee in person or by delegating other members of the Audit Committee for two consecutive times, it shall be deemed that he/she is unable to perform his/her duties and shall be replaced by the Board of Directors.

Article 10 Except for the circumstances mentioned in the preceding paragraph and those stipulated in applicable laws, regulations, the Articles of Association, and the Hong Kong Listing Rules that prohibit a person from serving as a director or an independent non-executive director, a member of the Audit Committee shall not be dismissed without reason before the expiration of his/her term of office.

Article 11 Members of the Audit Committee may resign before the expiration of their terms of office. The resignation of a member shall be governed by the relevant requirements of laws, regulations, the Articles of Association, the Company Law, and the Hong Kong Listing Rules regarding the resignation of directors or independent non-executive directors.

Article 12 The removal of a member from the office of the Audit Committee by the Board of Directors in accordance with Article 9 of the Terms of Reference, or the resignation of a member from the office of the Audit Committee in accordance with Article 11 of the Terms of Reference before the expiration of his/her term of office, shall not affect his/her continued exercise of his/her duties and powers as a director or independent non-executive director of the Company during his/her term of office.

Article 13 The Company shall immediately inform The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and publish an announcement in accordance with the Hong Kong Listing Rules containing the relevant details and reasons if the Company fails to set up an audit committee or at any time has failed to meet Article 3 to Article 5 of the Terms of Reference or any of the other requirements set out in the Hong Kong Listing Rules regarding the audit committee. The Company shall set up an audit committee and/or appoint appropriate members to the audit committee to meet the requirement(s) within three months after failing to meet such requirement(s).

Chapter III Duties and Authorities

Article 14 Subject to the relevant provisions of the Articles of Association and the Hong Kong Listing Rules, the duties of the Audit Committee shall be as follows:

(I) to be primarily responsible for making recommendations to the Board of Directors on the appointment, re-appointment and removal of the external audit firm, to approve the remuneration and terms of engagement of the external audit firm, and to deal with any issues of its resignation or dismissal;

(II) to review and monitor the external audit firm's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(III) to develop and implement policy on engaging an external audit firm to supply non-audit services. The Audit Committee should report to the Board of Directors and make recommendations on any matters where action or improvement is needed;

(IV) to review the Company's financial information and its disclosure, including:

(a) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports (if any), and to review significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board of Directors, the Audit Committee should focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Hong Kong Listing Rules and legal requirements in relation to financial reporting;

(b) regarding (a) above:

(i) members of the Audit Committee should liaise with the Board of Directors and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and

(ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(V) to review the Company's internal control system, and to advise and make recommendations on the soundness and completeness of the Company's internal control system, including:

(a) to review the Company's financial controls, and to review the Company's risk management and internal control systems;

(b) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(c) to consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board of Directors and management's response to these findings;

(d) to ensure co-ordination between the internal and external audit firms, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(e) to review the Group's financial and accounting policies and practices;

(f) to review the external audit firm's management letter, any material queries raised by the audit firm to management about accounting records, financial accounts or systems of control and management's response;

(g) to ensure that the Board of Directors will provide a timely response to the issues raised in the external audit firm's management letter;

(h) to report to the Board of Directors on the matters in this provision; and

(i) to consider other topics, as defined by the Board of Directors.

(VI) to review arrangements employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

(VII) to act as the key representative body for overseeing the Company's relations with the external audit firm.

(VIII) to assume duties and authorities prescribed by laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the shares of the Company are listed, and the Articles of Association, and other matters authorized by the Board of Directors.

Article 15 The Audit Committee shall be responsible to the Board of Directors, and the following matters shall be submitted to the Board of Directors for consideration upon approval by a majority of the members of the Audit Committee:

(I) disclosure of financial information in financial accounting reports and periodic reports, and internal control reports;

(II) engaging or dismissing accounting firms responsible for the Company's audit services;

(III) engaging or dismissing the chief financial officer of the Company;

(IV) making changes in accounting policies, accounting estimates, or correcting significant accounting errors for reasons other than changes in accounting standards; and

(V) other matters stipulated in laws and regulations, the rules of the stock exchange where the shares of the Company are listed, and the Articles of Association.

The Audit Committee shall support the supervisory audit by the board of supervisors.

Chapter IV Chairman's Responsibility

Article 16 Where the Board of Directors disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board of Directors has taken a different view.

Article 17 The Audit Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board of Directors by including them on the websites of the Hong Kong Stock Exchange and the Company.

Article 18 Subject to the Articles of Association, the laws and regulations of the place where the shares of the Company are listed and the Hong Kong Listing Rules, the chairman of the Audit Committee shall be responsible for:

(I) convening regular meetings of the Audit Committee;

(II) convening extraordinary meetings of the Audit Committee, if necessary;

(III) presiding over meetings of the Audit Committee;

(IV) leading the writing of special audit research reports (if any);

(V) reviewing daily research reports (if any); and

(VI) other responsibilities granted by the Board of Directors and the Audit Committee.

Article 19 Where the chairman of the Audit Committee is unable or refuses to perform his/her duties, a member who is an independent non-executive director shall be appointed to perform his/her duties on his/her behalf.

Chapter V Work Procedure

Article 20 The Internal Audit Department shall be responsible for preparing for the Audit Committee's decision-making and providing the following written materials of the Company:

(I) relevant financial reports of the Company;

(II) work reports from internal and external auditors;

(III) external audit contracts and related work reports;

(IV) the Company's disclosure of information to the public;

(V) audit reports on significant related party transactions of the Company;

(VI) financial and legal information related to major investment projects; and

(VII) other relevant materials.

Article 21 The Audit Committee shall evaluate the reports provided by the Internal Audit Department and submit the written resolutions related to the following matters to the Board of Directors for discussion:

(I) evaluation of the performance of external auditors, and engagement and replacement of external auditors;

(II) whether the internal audit system of the Company has been effectively implemented and whether the Company's financial reports are complete and true;

(III) whether the financial reports and other information disclosed by the Company to the public are objective and true, and whether the Company's significant related party transactions comply with relevant laws and regulations;

(IV) evaluation of the performance of the internal finance department and audit department of the Company, including persons in charge; and

(V) other related matters.

Chapter VI Rules of Procedure

Article 22 The Audit Committee shall hold regular meetings at least once every half year. An extraordinary meeting may be convened when two or more members propose, or the chairman of the Audit Committee deems it necessary. All members shall be notified three days in advance of the meeting. The meeting shall be presided over by the chairman of the Audit Committee. If the chairman of the Audit Committee is unable to attend, a member who is an independent non-executive director may be appointed to preside over the meeting.

Article 23 The meetings of the Audit Committee shall be held only when more than two-thirds of the members are present. Each member shall have one vote. Effective resolutions made at the meetings must be passed by a majority of all members. If any member of the Audit Committee has interests in the matters discussed at the meeting, the member shall abstain from voting. If an effective opinion cannot be formed due to such abstain from voting, relevant matters shall be directly considered by the Board of Directors.

Article 24 In principle, meetings of the Audit Committee shall be held on site, and may be convened by video-call, telephone or other means in accordance with the procedure when necessary, provided that all attending members may fully communicate and express their opinions. If a member is unable to attend the meeting in person, he/she may submit a power of attorney signed by himself/herself to authorize another member to attend the meeting and express opinions on his/her behalf. The power of attorney must specify the scope and term of authorization. Each member may act as proxy for a maximum of one member only. If a member, being an independent non-executive director, is unable to attend the meeting in person, he/she may authorize another member who is an independent non-executive director to attend the meeting on his/her behalf.

Article 25 The Audit Committee may invite representatives of external auditors, supervisors of the Company, internal auditors, financial personnel, legal advisors, and other relevant persons to present at the committee meeting and provide necessary information, if it deems necessary.

Article 26 If necessary, the Audit Committee may engage intermediary institutions to provide professional opinions for its decision-making at the expense of the Company.

Article 27 The convening procedures and voting methods of, and resolutions passed at the meetings of the Audit Committee shall comply with relevant laws and regulations, the Articles of Association, the Hong Kong Listing Rules, and the Terms of Reference.

Article 28 The resolutions passed at the meetings of the Audit Committee and the poll results shall be submitted in writing to the Board of Directors of the Company. Complete minutes shall be maintained for the meetings of the Audit Committee, and opinions of independent non-executive directors shall be specified therein. Members attending the meetings shall sign the minutes. The minutes shall be kept by the secretary of the Company's Board of Directors.

Article 29 Members attending the meeting and persons present at the meeting have the obligation to keep confidential the matters discussed at the meeting, and shall not disclose relevant information without authorization.

Chapter VII Supplementary Provisions

Article 30 Unless otherwise specified, the terms used in the Terms of Reference shall have the same meaning as those given in the Articles of Association.

Article 31 Matters not covered by the Terms of Reference shall be implemented in accordance with the provisions of relevant state laws and regulations, relevant regulatory rules of the place where the shares of the Company are listed, the Articles of Association and the Hong Kong Listing Rules. In the event that the Terms of Reference conflict with the provisions of laws and regulations later promulgated by the state, the Hong Kong Listing Rules, or the Articles of Association as amended with legitimate procedures, the state laws and regulations, the Hong Kong Listing Rules and the Articles of Association shall prevail, and the amended Terms of Reference shall be submitted to the Board of Directors for consideration and approval.

Article 32 The Terms of Reference shall be amended and interpreted by the Board of Directors.

Article 33 After the approval of the Board of Directors, the Terms of Reference shall come into effect and be implemented from the date when the Company's initial public offering of H shares is listed overseas and on the Hong Kong Stock Exchange. The original Terms of Reference of the Audit Committee of the Board of Directors of Guangzhou Innogen Pharmaceutical Group Co., Ltd. shall automatically become null and void as of the effective date of the Terms of Reference.