Shandong Xinhua Pharmaceutical Co., Ltd.

(a joint stock company established in the
People's Republic of China with limited liability)
(Stock Code: 00719)

(the "**Company**")

Terms of Reference of the Nomination Committee under the Board of Directors

(These terms of reference have been prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.)

Approved by the Board of Directors (the "**Board**") of the Company on 7 June 2002 and last amended and adopted on 31 December2025.

Chapter 1 - General Provisions

Article 1. The Company shall establish the Nomination Committee (the "**Nomination Committee**") under the Board.

Article 2. The terms of reference of the Nomination Committee shall be in accordance with the Company Law of the People's Republic of China (the "**PRC**"), the Code of Governance for Listed Companies (PRC), Measures for the Administration of Independent Directors of Listed Companies (PRC), the Articles of Association, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and other relevant provisions.

Article 3. In these terms of reference, "**Directors**" means directors of the Board of the Company, and "**Senior Management**" means the General Manager and Deputy General Manager(s), Secretary of the Board and other senior management appointed by the Board upon recommendation of the General Manager.

Chapter 2 - Members

Article 4. The Nomination Committee shall comprise four to six Directors of the Company, with one Director of a different gender, with at least half of the members being independent non-executive Directors ("**INEDs**").

Article 5. Members of the Nomination Committee shall be nominated by the chairman of the Board, or by more than half of the INEDs, or by not less than one third of all the Directors of the Board, and elected by the Board.

Article 6. The chairman of the Nomination Committee shall be an INED, responsible for providing leadership of the work of the Nomination Committee, and appointed by the Company's Board.

Article 7. The chairman of the Nomination Committee shall:

(1) convene and chair Nomination Committee meetings;

(2) review and sign important documents of the Nomination Committee;

(3) review the implementation status of resolutions of the Nomination Committee;

(4) on behalf of the Nomination Committee report to the Board its work; and

(5) carry out other duties undertaken by a chairman of the Nomination Committee.

Article 8. The term of office of a member of the Nomination Committee shall be the same as that of the term of office of a Director of the Board. A member of the Nomination Committee whose term of office ends may hold a consecutive term upon re-election. During the term, if a member is no longer a Director of the Company, such member will automatically be disqualified from office as a member of the Nomination Committee and the Board shall elect qualified Directors to fill the vacancy according to Articles 4, 5 and 6 of these terms of reference. Before the Board fills the vacancy(ies) in the number of Nomination Committee members in a timely manner, the incumbent members shall continue to perform their relevant duties.

Article 9. Members of the Nomination Committee shall:

(1) be familiar with the operation and management of the Company and the relevant laws and regulations applicable to the Company; and

(2) act in good faith, be honest, self-disciplined and devoted to his/ her duties, and work proactively to safeguard the interests and rights of the Company and its shareholders.

Article 10. The administration office of the Nomination Committee shall be the administration office of the Board. The administration office of the Board shall be responsible for the day-to-day affairs of Nomination Committee.

Chapter 3 - Working Group

Article 11. A working group (the "**Working Group**") shall be established under the Nomination Committee. The head of the Working Group shall be the deputy general manager for human resources. Members of the Working Group comprise personnel from the cadre management department and human resources department of the Company.

Article 12. The Working Group shall specifically be responsible for preparatory work prior to decision-making of the Nomination Committee, providing information in relation to potential candidates to Directors and

Senior Management, organizing meetings of the Nomination Committee, and implementing relevant resolutions of the Nomination Committee.

Chapter 4 - Meetings

Article 13. The Nomination Committee shall meet as and when necessary or as requested by any Committee member.

Article 14. The meeting time, venue and proposed major items on the agenda shall be sent by facsimile, courier or registered post or hand delivery to members of the Nomination Committee seven days in advance of such meeting.

Article 15. A member of the Nomination Committee who cannot attend the meeting may authorise another member of the Nomination Committee to act on his/ her behalf at the meeting. Such authorisation should state the name of the person authorized to act, the subject matter and scope of authorization, validity period, and be signed by the authorising Nomination Committee member. The Nomination Committee will propose to the Board to replace any Nomination Committee member who has not attended two consecutive committee meetings and has not authorised any person to act on his/ her behalf at such meetings.

Article 16. The chairman of the Nomination Committee shall act as chairman of a meeting. In the absence of the chairman of the Nomination Committee, the remaining members of the Nomination Committee present shall elect one of themselves who is an INED to chair the meeting.

Article 17. A quorum for the Nomination Committee meeting shall be at least two thirds of the members.

Article 18. Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

Article 19. Resolutions of the Nomination Committee shall be passed by more than half of the votes cast by a show of hands or by voting ballots.

Article 20. Each member of the Nomination Committee has one vote.

Article 21. A resolution in writing signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.

Article 22. The head of the Working Group who is not a Director may attend the Nomination Committee meeting. Where necessary, the Company's Directors, Senior Management other than the relevant personnel may be invited to attend the meeting.

Article 23. The process of convening a Nomination Committee meeting, the voting method and resolutions passed at such meeting shall comply with the laws, regulations, the Company's Articles of Association and these terms of reference.

Article 24. Secretary of the Board shall act as secretary of the Nomination Committee.

Article 25. Minutes shall record meeting time, venue, name of chairperson, names of members attending, matters considered, deliberation process, and voting results (voting results should clearly indicate the number of votes for, against or abstain). Members who attended the meeting should sign on the meeting minutes.

Article 26. Meeting materials including the minutes of the meetings of the Nomination Committee shall be kept by the secretary of the Board for at least ten years.

Article 27. Members of the Nomination Committee are obliged to keep the proceedings of meetings of the Nomination Committee confidential and should not disclose any such information without authorisation.

Article 28. The Company will bear the reasonable expenses of Directors incurred in the course of carrying out his/ her duties as member of the Nomination Committee.

Chapter 5 - Authority

Article 29. The Nomination Committee is authorised by the Board to researching and making recommendations on the selection criteria and procedures of Directors and Senior Management; assessing the independence of INEDs; evaluating individuals suitably qualified to become Directors and Senior Management and making recommendations to the Board of Directors on the selection of individuals nominated for the directorship or position in Senior Management. Director candidates nominated by the Board will be submitted to the shareholders' general meeting for election and Senior Management will be appointed by the Board.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee on the appointment of Directors or Senior Management, the Nomination Committee's opinion and the reasons for not adopting the recommendations shall be recorded in the Board resolutions and make relevant disclosures.

Article 30. The Nomination Committee is authorised by the Board, at the Company's expense, to appoint independent professional advisers or consultants with relevant experience and expertise to assist the Nomination Committee in the discharge of its duties set out in these terms, and to secure the attendance of such professional advisers or consultants at its meetings if it considers it necessary.

Article 31. The Nomination Committee is authorised to require management of the Company to provide it with such resources as may be necessary for it to discharge its duties as set out in these terms.

Article 32. The Nomination Committee should be provided with sufficient resources to perform its duties.

Article 33. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the shareholders' general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant shareholders' general meeting:

(1) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

(2) reasons why the Board believes the individual would still be able to devote sufficient time

to the Board;

(3) the perspectives, skills and experience that the individual can bring to the Board; and

(4) how the individual contributes to diversity of the Board.

Chapter 6 - Duties, Powers and Functions

Article 34. The duties of the Nomination Committee shall be to:

(1) formulate nomination policies of the Directors and Senior Management for the Board's consideration and implement the Board's approved nomination policies;

(2) review the structure, size, composition (including the skills, knowledge and experience, diversity) of the Board at least annually; assist the Board in maintaining a board skills matrix; review the Board's skillset to recommend any skills, expertise knowledge, or diversity elements that the Board or its committees may seek to expand in order to enable it to effectively perform its duties, and suggest steps for improvement when necessary; and make recommendations on any proposed changes to the Board and in accordance with the Company's Board Diversity Policy (as defined below) to complement the Company's corporate strategy assets, scale of assets and equity structure;

(3) formulate, review and update as appropriate the Company's policy on diversity of Board members (the "**Board's Diversity Policy**") for the Board's approval, which should include (i) information on measurable objectives (e.g. numerical targets and timelines) that it has set for the promotion of gender diversity on its Board and the measures the Company has adopted to develop a pipeline of potential successors to the Board to achieve gender diversity; and (ii) the results of the Company's review of the implementation of its Board Diversity Policy conducted during the year (including progress towards the Company's objectives and how the Company has arrived at its conclusion) and make relevant disclosures in the corporate governance section of the Company's annual report and/ or the circular to shareholders;

(4) develop and periodically review measurable objectives for the implementation of the Board's Diversity Policy and monitor progress towards the achievement of such objectives.

(5) review the balance between executive and non-executive Directors and the blend of skills, knowledge, experience and diversity (including without limitation, gender, age, cultural and educational background, or professional experience) on the Board;

(6) draw up, develop, review and update the Company's detailed rules on "Selection Criteria and Procedures for Appointing Directors and Senior Management";

(7) identify individuals suitably qualified to become Directors and Senior Management, conduct qualification check on those candidates, select or make recommendations to the Board on the selection of such individuals nominated for directorships or Senior

Management;

(8) assess the independence of independent non-executive Directors, having regard to the requirements under the Listing Rules;

(9) make recommendations to the Board on the appointment or reappointment of Directors and succession planning for directors, in particular the chairman and the chief executive;

(10) assess the candidacy of and recommend to the Board (for the Board's resolution) individuals nominated for membership in the various committees under the Board and working groups under such committees having regard to the Board Diversity Policy and suitability of the nominees;

(11) assess the suitability of and recommend to the Board (for the Board's resolution) individuals nominated for appointment as director of the Company's subsidiaries;

(12) be aware of the factors which may affect an individual's time commitment, including:

(a) directorship at another issuer undergoing a period of particularly increased activity, such as an acquisition or a takeover;

(b) chairing the Company's Board and/or Board committees;

(c) membership of specialised Board committees;

(d) acting as chief executive officer or full time executive director for another issuer; and

(e) being an INED for multiple boards and taking up significant commitments at government or non-profit making bodies;

(13) develop a list of desirable skills, perspectives and experience at the outset of the selection process for a new Director;

(14) make recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed;

(15) establish and support the Company's regular evaluation of the Board's performance (with a formal evaluation conducted at least every two years), this includes, but is not limited to, reviewing the fulfillment of the Directors' responsibilities, their level of engagement, and overall operational effectiveness, and providing recommendations for improvement to enhance corporate governance standards; and

(16) consider and carry out any other matters the Board may delegate from time to time.

Article 35. The Nomination Committee's selection process for Directors and Senior Management may include the

following:

(1) proactively communicating with the Company's related department, understand the Company's needs for Directors and Senior Management, and write up the information;

(2) searching for candidates of Director and Senior Management extensively within the Company, holding company or enterprises partly held by the Company and the talent market;

(3) collecting information on the shortlisted candidate's occupation, academic qualifications, positions and detail work experience, all part-time positions, and write up the information;

(4) seeking the consent of the person being nominated, without which the candidate shall not be nominated for Directors and Senior Management;

(5) convening the Nomination Committee meeting and conduct qualification check on the shortlisted candidates based on the requirements for Director and Senior Management;

(6) submitting to the Board its recommendations and the related information in respect of the candidates of Director and Senior Management two months prior to the election of new Directors and appointment of Senior Management; and

(7) conduct follow-up work according to the Board's decisions and feedback.

Article 36. In carrying its duties, the Nomination Committee may adopt the following measures to address the relevant issues:

(1) notify the Board orally or in writing requesting remedial measures;

(2) requesting verification by the Company's departments; and

(3) make recommendations to the Board on removal or dismissal of the Company's Directors or Senior Management who breaches the law, administrative regulations, Articles of Association or harms the Company's interests.

Chapter 7 -Reporting

Article 37. The Nomination Committee shall report directly to the Board and submit to the Board its work report at least once a year.

Article 38. The work report shall include at least the following:

(1) disclosure of the following information and, when necessary, provide recommendations for improvement to the Board: (a) the policy for the nomination of Directors during the year, which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year, and; (b) its assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into

account professional qualifications and work experience, existing directorships of companies and other significant external time commitments of such Director and other factors or circumstances relevant to the Director's character, integrity, independence and experience;

(2) whether or not the selection criteria and procedures in respect of the Board's appointment of Directors and Senior Management conform with the relevant rules;

(3) recommendations put forward by the Nomination Committee in respect of Directors and Senior Management upon expiration of office or casual vacancy; and

(4) any other matters to report as requested by the Board.

Article 39. Resolutions passed by the Nomination Committee and voting results should be reported to the Board in writing.

Article 40. The chairman of the Nomination Committee should attend annual general meetings to answer shareholders' questions.

Chapter 8 -Supplementary Provisions

Article 41. The terms of reference of the Nomination Committee will be posted on the website of the Company and the website of The Stock Exchange of Hong Kong Limited and other media or websites where disclosure of information is required.

Article 42. In the event of any conflict between these terms of reference and the laws, administrative regulations, normative documents, or securities regulatory rules of the jurisdiction where the Company's shares are listed as may be promulgated from time to time, the provisions of such laws, administrative regulations, normative documents, and securities regulatory rules of the jurisdiction where the Company's shares are listed shall prevail.

Article 43. These terms of reference shall be established, amended, and interpreted by the Board, and shall take effect from the date of approval by the Board.