

Fujian Haixi Pharmaceuticals Co., Ltd.

Terms of Reference of the Strategic Committee of the Board of Directors of the Company

Chapter I General Provisions

Article 1 In order to meet the strategic development needs of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “**Company**”), enhance its core competitiveness, refine its investment decision-making procedures, strengthen the scientific nature of its decisions, and improve the efficiency and quality of its investment decisions, the Company has established a strategic committee (hereinafter referred to as the “**Strategic Committee**”) of the board of directors (hereinafter referred to as the “**Board of Directors**”) of the Company. To improve the Strategic Committee’s deliberation and decision-making procedures and ensure the smooth conduct of its work, these terms of reference have been formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Articles of Association of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), and other relevant regulations.

Chapter II

Article 2 The Strategic Committee is a specialized committee established by the Board of Directors, which is mainly responsible for researching and making recommendations on the Company’s long-term development strategy and major development decisions.

Chapter III Composition

Article 3 The Strategic Committee shall consist of at least three directors.

Article 4 Members of the Strategic Committee are nominated by the chairman of the Board of Directors, more than half of the independent non-executive directors or one-third of all directors, and elected by the Board of Directors.

Article 5 The Strategic Committee shall have a chairman (hereinafter referred to as the “**Chairman**”) who shall be appointed by the Board of Directors and shall be responsible for presiding over the work of the Strategic Committee.

Article 6 The term of the Strategic Committee shall be aligned with that of the Board of Directors. Members may be re-elected upon the expiration of their terms. If any member ceases to serve on the Board of Directors during his or her term, that member will automatically cease to qualify as a member of the Strategic Committee and the Board of Directors shall fill the consequential vacancy in accordance with these terms of reference.

Article 7 The Strategic Committee has established an investment review team (hereinafter referred to as the “**Investment Review Team**”), which is headed by the Chairman.

Chapter IV Secretary

Article 8 The secretary of the Strategic Committee shall be any one of the company secretary or joint company secretaries.

Article 9 The Strategic Committee may from time to time appoint any other person with suitable qualifications and experience as the secretary of the Strategic Committee.

Chapter V Duties and Authorities

Article 10 The main duties and authorities of the Strategic Committee are:

- (i) to research and make recommendations on the Company's long-term development strategy;
- (ii) to research and make recommendations on major investment and financing plans that must be approved by the Board of Directors as stipulated in the Articles of Association;
- (iii) to research and make recommendations on major capital operations and asset management projects that must be approved by the Board of Directors as stipulated in the Articles of Association;
- (iv) to research and make recommendations on other major issues affecting the Company's development;
- (v) to inspect the implementation of the above matters; and
- (vi) other matters authorized by the Board of Directors.

Article 11 The Strategic Committee is responsible to the Board of Directors, and the committee's proposals are submitted to the Board of Directors for deliberation and decision.

Article 12 The Strategic Committee is authorised by the Board of Directors to request any necessary information from the Company's directors, supervisors, senior management and employees within the scope of its duties. The Strategic Committee must be provided with sufficient resources to perform its duties.

Article 13 The Chairman or (in his or her absence) one other member of the Strategic Committee shall attend the annual general meetings of the Company and answer questions from shareholders on the activities of the Strategic Committee and their responsibilities.

Chapter VI Decision-making Processes

Article 14 The Investment Review Team is responsible for the preliminary preparations for the Strategic Committee's decision-making and for providing the Company with relevant written information:

- (i) the relevant departments of the Company or the persons in charge of the holding (or equity participating) enterprises shall submit information such as the intention of major investment and financing, capital operation, asset management projects, preliminary feasibility reports and basic information of the partners;
- (ii) the Investment Review Team will conduct a preliminary review, issue a project approval letter, and submit it to the Strategic Committee for filing;
- (iii) the relevant departments of the Company or the holding (or equity participating) enterprises shall submit the outbound investment agreement, contract, articles of association and feasibility report to the Investment Review Team;
- (iv) the Investment Review Team will conduct an evaluation, issue a written opinion, and submit a formal proposal to the Strategic Committee.

Article 15 The Strategic Committee holds meetings based on the proposals of the Investment Review Team to engage in discussions, submits the discussion results to the Board of Directors, and provides feedback to the Investment Review Team.

Chapter VII Rules of Procedure

Article 16 Meetings of the Strategic Committee will be notified three days in advance of any meeting, and meetings will be chaired by the Chairman. If the Chairman is unable to attend, he or she may delegate the presidency to another member. The aforementioned notice period may be waived with the unanimous consent of all members. Notwithstanding the notice period, the attendance of a Strategic Committee member at a meeting will be deemed a waiver of the required notice period.

Article 17 A Strategic Committee meeting may only be held if more than two-thirds of the members are present; each member has one vote; resolutions reached at the meeting must be adopted by a majority of all members. If a Strategic Committee member recuses himself from a meeting and is unable to form a valid deliberation opinion, the relevant matter will be directly reviewed by the Board of Directors.

Article 18 Voting at a meeting of the Strategic Committee shall be taken by a poll. An extraordinary meeting may be convened in the form of communication voting, where all attendants shall be able to hear each other via telecommunication devices.

Strategic Committee meetings may adopt written resolutions without convening a meeting, provided that members are able to fully express their opinions. However, this must comply with the advance notice required by these terms of reference and the resolution must be circulated to all members. Once a resolution has been signed by the required number of members as required by these terms of reference, it will take effect on the date of the last signing member's signature.

Article 19 The Strategic Committee may also invite directors, supervisors, and other senior management personnel of the Company to attend meetings of the Strategic Committee as observers, if necessary. However, only members of the Strategic Committee may vote at meetings of the Strategic Committee.

Article 20 If necessary, the Strategic Committee may hire an intermediary agency to provide professional advice for its decision-making, and the expenses shall be paid by the Company.

Article 21 The convening procedures, voting methods and proposals passed at the Strategic Committee meetings must comply with relevant laws, regulations, the Articles of Association and these terms of reference.

Article 22 Strategic Committee meetings must be recorded and signed by all members present. Minutes must be retained by the Company's board secretary or the secretary of the Strategic Committee for review by all directors. Draft and final drafts of the minutes must be sent to all members of the Strategic Committee within a reasonable time after the meeting. The draft is for members to comment on, while the final draft serves as their record.

Article 23 The proposals passed and voting results of Strategic Committee meetings shall be reported to the Board of Directors in writing.

Article 24 All members attending a meeting of the Strategic Committee have an obligation to keep confidential the matters discussed at the meeting and shall not disclose relevant information without authorization.

Chapter VIII Supplementary Provisions

Article 25 These terms of reference shall come into effect and be implemented from the date on which the Company's H shares are first publicly issued overseas and listed on The Stock Exchange of Hong Kong Limited.

Article 26 Matters not covered by these terms of reference shall be governed by relevant laws and regulations, the Hong Kong Listing Rules, other regulations of the Hong Kong securities regulatory authorities, and the relevant provisions of the Articles of Association. In the event that any relevant provisions of these terms of reference conflict with relevant laws and regulations, the Hong Kong Listing Rules, other regulations of the Hong Kong securities regulatory authorities, or the Articles of Association, as promulgated or amended from time to time, such provisions shall prevail in accordance with the relevant laws and regulations, the Hong Kong Listing Rules, other regulations of the Hong Kong securities regulatory authorities, the current Articles of Association, or any amended Articles of Association.

Article 27 The right to interpret these terms of reference belongs to the Board of Directors.

Article 28 In case of any discrepancy between the Chinese and English versions of these terms of reference, the Chinese version shall prevail.