

1、 對照有關上市公司治理的規範性文件，本公司存在以下差異：尚未採取累計投票制；董、監事及經理人員的績效評價體系尚需完善。

2、 獨立非執行董事履行職責情況

本公司聘任了三名獨立非執行董事，並根據香港聯交所上市規則（「上市規則」）及有關規定，由該三名獨立非執行董事組成董事會轄下審核委員會。

審核委員會主要負責對公司財務報告進行審核，注重公司風險區域研討與分析，了解本公司存在的最大財務風險區域，並提出解決措施；審核公司資產減值準備情況。

獨立非執行董事對公司所發生的關聯交易獨立進行審核，審核關聯交易是否公平合理，有否損害股東的利益，對全體中小股東負責。

1. The deviation between the actual corporate governance implemented by the Company and the rules and requirements of corporate governance required to be observed by the listed companies in the PRC are as follows: the method of accumulative total in ballot has not yet been adopted by the Company and the performance appraisal system for the Company's directors, supervisors and managers still requires to be consummated.

2. The performance of independent non-executive directors' obligation was as follows:

The Company has appointed three independent non-executive directors. Pursuant to the Rules Governing The Listing Of Securities On The Stock Exchange of Hong Kong Limited (the "Listing Rules"), an audit committee ("Audit Committee"), comprising three independent non-executive directors was established.

The Audit Committee is mainly responsible for the review of the financial reports of the Company. Through detailed analysis, the Audit Committee aims to locate any existing financial risks and make suggestions to the Board of Directors. The Audit Committee shall also review the provision for diminution in value of assets and treatment of related loss.

The independent non-executive directors would review whether or not the connected transactions entered into by the Company are on normal commercial terms and in the ordinary and usual course of business, as well as review whether the connected transactions are detrimental to the interest of the Company's shareholders. The independent non-executive directors are responsible to all shareholders of the Company.

公司治理結構 (續)

CORPORATE GOVERNANCE (continued)

- 3、本公司在業務、資產、人員、機構、財務等方面與控股股東分開，本公司具有獨立完整的生產經營系統。
- (1) 在業務方面，本公司主要從事開發、製造及銷售化學原料藥、製劑以及化工產品，新華醫藥集團公司已向本公司承諾，在新華醫藥集團公司對本公司有指定程度控制權的期間，將不會從事任何與本公司有直接或間接競爭的業務。
- (2) 在資產方面，本公司擁有獨立的生產系統、輔助生產系統和配套設施；除部分專利技術、「新華牌」商標由控股股東擁有，本公司獨佔使用外，其他工業產權、非專利技術等無形資產由本公司擁有；本公司獨立擁有採購和銷售系統。
- (3) 在人員方面，本公司在勞動、人事及工資管理等方面獨立；總經理、副總經理等高級管理人員均在上市公司領取薪酬，除總經理郭琴在新華醫藥集團公司兼任董事外，其他副總經理均不在股東單位擔任職務。
- (4) 在機構方面，新華製藥設有股東大會、董事會、監事會、董事會秘書和經營管理層，各機構有明確的職責分工，辦公機構和生產經營場所與控股股東分開。
3. The Company is independent of its controlling shareholder in respect of its business, assets, management, institutions and financial team. The Company's production and operation are also independent.
- (i) The Company is mainly engaged in the business of development, manufacture and sale of bulk pharmaceuticals, preparations and chemical products. SXPGC undertook that for so long as SXPGC is regarded as a controlling shareholder of the Company, it will not engage in any business directly or indirectly in competition with the business of the Company.
- (ii) The Company has its own independent production and supplementary production system and vital auxiliary equipment. Apart from certain patent technologies and the "Xinhua" trademark, which are owned by the controlling shareholder, the Company owns all other intellectual property right and know-how technologies used by the Company. The Company also has an independent procurement and sales network.
- (iii) The Company is independent of its controlling shareholder in the respect of the management of its workforce and their salaries. The Senior Officers of the Company including the General Manager and the Deputy General Managers are paid by the Company and except Ms. Guo Qin who is a director of SXPGC, the other Senior Officers do not hold any position within the controlling shareholder of the Company.
- (iv) The Company holds its own shareholders general meetings, and has its own board of directors, supervisory committee, company secretaries and management, which are responsible for different areas and functions of the Company. The Company is also independent of its controlling shareholder in office and production space.

(5) 在財務方面，本公司設立獨立的財會部門，並建立了獨立的會計核算體系和財務管理制度；獨立在銀行開戶。

(v) The Company has an independent financial department with an independent accounting and financial management system. The Company also maintains its own independent accounts with banks.

4、 報告期內對高級管理人員的考評及激勵機制、相關獎勵機制的建立、實施情況

4. The establishment and conduct of assessment and appraisal mechanisms as well as the incentive and retention mechanisms for senior officers

對於高級管理人員的選擇，本公司按照唯才是舉、德才兼備的原則，一般從公司內部進行選拔，通過考察被選擇人員的思想道德品質、組織協調能力、工作能力和責任心等方面的素質，並經過嚴格的篩選程序，最終由董事會進行聘用。在聘用期間，董事會定期對高級管理人員進行多方面的考核，主要是考核工作績效和貫徹執行董事會決議等方面的情況。

The Company selects its senior officers from its staff on the basis of talent and ability. Prior to selecting and appointing the senior officers, the Board of Directors would follow a set of selection criteria, which include the assessment of each of the candidates' individual character and ability to work in coordination with others. Once appointed, the Board of Directors would supervise the senior officers' work, particularly in respect of achievements and their execution of resolutions passed by the Board of Directors.

本公司通過對每位高級管理人員的職務分析，明確規定他們的工作性質，職責範圍以及相應的獎懲制度，建立起了激勵和約束機制。

By analysing the duties of each of the senior officers, the Company would establish incentive and retention mechanisms to draw distinction between the senior officers' works responsibilities, rewards and sanctions.