

THIS INFORMATION PACK IS IN DRAFT FORM. The information contained in it is incomplete and is subject to change. This Information Pack must be read in conjunction with the section headed "Warning" on the cover of this Information Pack.

GLOSSARY

This glossary contains explanations of certain technical terms used in this document in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

- "anesthetic(s)" a substance that decreases nerve sensitivity to pain;
- "API" active pharmaceutical ingredients, which is the substance in a drug that is pharmaceutically active;
- "capsules" a form in which medicines may be delivered for oral ingestion, produced by mixing extracted active medicinal ingredients with supplemental materials which are sealed in a gelatin capsule;
- "cardiovascular" relating to or affecting heart and blood vessels, or circulatory systems;
- "Cefazolin Sodium" an antibiotic that belongs to a group of drugs called cephalosporins, used to treat infections of the lungs, urinary tract, skin and soft tissue, gall, bladder and abdomen;
- "Cefradine" a semisynthetic first-generation cephalosporin, effective against a wide range of gram-positive and a limited range of gram-negative bacteria;
- "Ceftazidime" semisynthetic, broad-spectrum antibacterial derived from cephaloridine and used especially for pseudomonas and other gram-negative infections in debilitated patients;
- "Cefuroxime Axetil" an antibiotic resistant to most betalactamases and active against a wide range of gram-positive and gram-negative organisms. The most important use of the drug is in treating meningitis caused by H. influenzae, meningococci and pneumococci;
- "Cefuroxime Sodium" an antibiotic that eliminates bacteria that cause many kinds of infections, including lung, skin, bone, joint, stomach, blood, and urinary tract infections;
- "cephalosporin" a large class of antibiotics similar both chemically and in their mode of action to penicillins;
- "chemical reagents" chemicals added to a solution and consumed in a chemical reaction;
- "Chinese medicines" medicines whose clinical function and application are expressed in terms of Chinese medicine theories originated from traditional medical practices in China and which are applied in accordance with Chinese medicine theories;
- "Cilastatin Sodium" an inhibitor of the renal dipeptidase, dehydropeptidase 1, used in conjunction with antibiotics subject to metabolism in the kidneys to increase therapeutic response to the antibiotic;
- "Cinnarizine" an anti-histaminic drug which is mainly used to control vomiting due to motion sickness;

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- "class-three hospitals" largest and best regional hospitals in China designated as class-three hospitals by the Ministry of Health hospital classification system that have more than 501 beds and provide multiple regions with high-quality professional medical services and undertake higher education and scientific research initiatives and are followed by lower ranked class-two and class-one hospitals;
- "class-two hospitals" regional hospitals designated as class-two hospitals by the Ministry of Health hospital classification system that have 101 to 500 beds and provide multiple communities with integrated medical services and take certain educational and scientific research missions;
- "Codeine Phosphate" an alkaloid obtained from opium or prepared from morphine by methylation and occurring as white crystals;
- "enterprise owned by the whole people" a type of PRC state-owned enterprise. Under the relevant PRC law, it is stated that the assets of such enterprise is owned by the "whole people" (全民);
- "front store products" includes over-the-counter medicines, beauty products and cosmetics, seasonal merchandise, and convenience foods in retail drug stores;
- "gastrointestinal" relating to or affecting the stomach and intestines, which comprise the digestive system;
- "GMP" or "Good Manufacturing Practices" guidelines and regulations issued from time to time pursuant to the Law of the People's Republic of China on the Administration of Pharmaceuticals (中華人民共和國藥品管理法) and to provide quality assurance and ensure that pharmaceutical products subject to the guidelines and regulations are consistently produced and controlled to the quality and standards appropriate for their intended uses;
- "granules" a form in which medicines may be delivered for oral ingestion, produced by mixing extracted active medicinal ingredients with supplemental materials or powdered medicines and formed into dry granules;
- "GSP" or "Good Supply Practices" guidelines and regulations issued from time to time pursuant to the Law of the People's Republic of China on the Administration of Pharmaceuticals (中華人民共和國藥品管理法) to provide quality assurance and ensure that pharmaceutical distribution enterprises distribute pharmaceutical products in compliance with the guidelines and regulations;
- "Hospital Information System" a comprehensive, integrated information system designed to manage the administrative, financial and clinical aspects of a hospital, and generally encompassing paper- and electronic-based information processes; as well as data processing machines;

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- "ISO9000 Certificate" ISO 9000 is a family of standards for quality management systems. ISO 9000 is maintained by ISO, the International Organization for Standardization and is administered by accreditation and certification bodies;
- "ISO9001 Certificate" ISO 9001:2000 specifies requirements for a quality management system where an organization: (1) needs to demonstrate its ability to consistently provide products that meet applicable customer and regulatory requirements; or (2) aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to applicable customer and regulatory requirements;
- "ISO14001 Certificate" ISO 14001 is the international specification for an environmental management system. It specifies requirements for establishing environmental policy, determining environmental impact, setting up environmental objectives, implementing corrective actions and conducting management review;
- "over-the-counter medicines" pharmaceutical products which may, upon receiving SFDA approval, be sold over the counter in pharmacies or other retail outlets without requiring a prescription by a medical practitioner;
- "powder injection" a form in which medicines may be delivered for injection in liquid form after the powder is mixed with water;
- "prescription medicines" medicines which may only be prescribed by qualified medical practitioners;
- "respiratory" relating to or affecting the lungs and bronchial tubes, which comprise the breathing system;
- "SARS" Severe Acute Respiratory Syndrome;
- "State Protected Chinese Medicines" Chinese medicines certified as State Protected Chinese Medicine under the *Regulations on the Protection of Chinese Medicine* (中藥品種保護條例) promulgated on 14 October 1992 and effective on 1 January 1993;
- "tablets" a form in which medicines may be delivered for oral ingestion, produced by mixing extracted active medicinal ingredients with supplemental materials or powdered medicines, which are formed into tablets;
- "third-party logistics services provider" a company that provides outsourced or "third-party" logistics services to companies for part or sometimes all of their supply

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chain management functions. Third-party logistics providers typically specialize in integrated warehousing and transportation services that can be scaled and customized to customer's needs based on market conditions and the demands and delivery service requirements for their products and materials;

"Warehouse Management System" or a value-added information system that controls typical
"WMS" warehouse operations such as receiving, storing, replenishing, packing and shipping of goods, as well as efficient sequencing and scheduling of work activities; and

"Western medicines" encompasses a range of medicines and practices evolved to maintain and restore human health, including theories, diagnosis and treatments derived from dissection, microscopic analysis and chemical derivation, other than Chinese medicines.