

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Lepu Biopharma Co., Ltd., you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LEPU BIOPHARMA CO., LTD. 樂普生物科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2157)

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON THE
SCI-TECH BOARD AND OTHER ANCILLARY RESOLUTIONS;
(2) PROPOSED AMENDMENTS TO THE ARTICLES ANCILLARY TO
THE PROPOSED ISSUE OF A SHARES;
(3) UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO
MORE THAN ONE-THIRD OF THE TOTAL SHARE CAPITAL OF
THE COMPANY;
AND
(4) NOTICES OF EGM AND CLASS MEETINGS**

Notices convening the EGM and Class Meetings of Lepu Biopharma Co., Ltd. to be held at Conference Room, Building 7, No. 37 Chaoqian Road, Changping District, Beijing, the PRC on Friday, September 16, 2022 at 10:00 a.m. are set out in this circular. Forms of proxy for use at the EGM and the Class Meetings are also enclosed. Such forms of proxy are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.lepubiopharma.com), respectively.

Shareholders who intend to appoint a proxy to attend the EGM and/or the Class Meetings shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the Company's registered office in the PRC at 2nd Floor, Building 41, Lane 518, Xinzhuang Road, Songjiang District, Shanghai, the PRC (for Domestic Shareholders) as soon as possible but in any event not less than 24 hours before the time fixed for holding the EGM and the Class Meetings (i.e. not later than 10:00 a.m. on Thursday, September 15, 2022) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM and/or the Class Meetings if they so wish and in such event the forms of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM AND CLASS MEETINGS

To safeguard the health and safety of the Shareholders and to prevent the spread of the COVID-19 pandemic at the EGM and Class Meetings venue, the following precautionary measures will be implemented at the EGM and Class Meetings:

1. compulsory body temperature checks on each attendee;
2. compulsory health declaration by each attendee;
3. compulsory wearing of a surgical face mask by each attendee;
4. physical distancing at the venue; and
5. no distribution of refreshments or drinks, or corporate gifts or gift coupons.

Shareholders are advised to read page 12 of this circular for further details of the precautionary measures for the EGM and Class Meetings. Any person who, among other things, does not comply with the precautionary measures will be denied entry to the EGM and Class Meetings venue. In view of the evolving COVID-19 pandemic situation, the Company may be required to change the meeting arrangement at short notice. Shareholders should constantly visit the websites of the Stock Exchange and the Company for further announcements and updates on the meeting arrangements. In addition to the traditional physical attendance, Shareholders will be able to attend the EGM and the Class Meetings via the Online Platform. The Online Platform can be accessed from any location with access to the internet via smartphone, tablet device or computer. Shareholders will be able to listen and speak at the EGM and the Class Meetings (as applicable) via the Online Platform. The Online Platform will be available for logging in by Shareholders approximately 30 minutes before the commencement of the EGM and the Class Meetings, and can be accessed via smartphone, tablet or computer with internet access from anywhere. Shareholders should note that attending the EGM and the Class Meetings via the Online Platform will not be counted towards a quorum nor will they be able to cast their votes online. The Company reminds all Shareholders that physical attendance in person at the EGM and the Class Meetings is not necessary for the purpose of exercising voting rights. Shareholders are advised to appoint the chairman of the EGM and the Class Meetings as their proxy to vote according to their indicated voting instructions.

September 1, 2022

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DEFINITIONS

In this circular, the following expression shall have the meanings set out below unless the context requires otherwise:

“A Share(s)”	the ordinary Share(s) with a nominal value of RMB1.00 each in the Share capital of the Company proposed to be allotted, issued and listed on the Sci-Tech Board
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“China” or the “PRC”	the People’s Republic of China, for the purpose of this circular, excluding the regions of Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Class Meetings”	the class meeting of H Shareholders and the class meeting of Domestic Shareholders to be held, the notices of which are set out in pages N-8 to N-19 of this circular
“Company”	Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司), a company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2157)
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Dr. Pu Zhongjie (蒲忠傑)
“Core Products”	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, refers to our Core Products including MRG003, MRG002, HX008, and LP002
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) in the Share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi

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“Domestic Shareholders”	holders of the Domestic Shares
“EGM”	the 2022 first extraordinary general meeting of the Company to be held, the notice of which is set out in pages N-1 to N-7 of this circular
“Global Offering”	as defined in the Prospectus
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Share(s) in the ordinary Share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Stock Exchange
“H Shareholders”	holders of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rule
“Intermediaries”	Banks, brokers, custodians, nominees or HKSCC Nominees Limited that non-registered Shareholders hold Shares through
“Issue of A Shares”	the proposed initial public issue of not more than 414,861,209 A Shares, which will be listed on the Sci-Tech Board
“Latest Practicable Date”	August 26, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Lepu Medical”	Lepu Medical Technology (Beijing) Co., Ltd. (樂普(北京)醫療器械股份有限公司), a joint stock company incorporated in the PRC on June 11, 1999 and listed on the Shenzhen Stock Exchange (stock code: 300003)

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Ningbo Houde Yimin”	Ningbo Houde Yimin Information Technology Co., Ltd. (寧波厚德義民信息科技有限公司), a limited liability company incorporated in the PRC on March 29, 2017
“Online Platform”	Tencent Meeting, an electronic meeting system through which the Shareholders are able to attend the EGM and the Class Meetings
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》)
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》)
“Prospectus”	the prospectus of the Company dated February 10, 2022
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sci-Tech Board”	the Sci-Tech Innovation Board of the Shanghai Stock Exchange
“Shanghai Lvyuan”	Lvyuan (Shanghai) Technology Co., Ltd. (律元(上海)科技有限公司), a limited liability company incorporated in the PRC on April 11, 2019
“Share(s)”	ordinary Share(s) in the Share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“US” or “the U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

LETTER FROM THE BOARD



LEPU BIOPHARMA CO., LTD.
樂普生物科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2157)

Executive Directors:

Dr. Pu Zhongjie (蒲忠傑) (*Chairman*)
Dr. Sui Ziyue (隋滋野) (*Chief Executive Officer*)
Dr. Hu Chaohong (胡朝紅)
(*Co-Chief Executive Officer*)

Non-Executive Directors:

Ms. Pu Jue (蒲珺)
Mr. Yang Hongbing (楊紅冰)
Mr. Lin Xianghong (林向紅)

Independent Non-executive Directors:

Mr. Zhou Demin (周德敏)
Mr. Yang Haifeng (楊海峰)
Mr. Fengmao Hua (華風茂)

*Headquarters and Registered Office
in the PRC:*

2nd Floor, Building 41
Lane 518, Xinzhuan Road
Songjiang District, Shanghai
PRC

*Principal Place of Business
in Hong Kong:*

5/F, Manulife Place,
348 Kwun Tong Road,
Kowloon, Hong Kong

September 1, 2022

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED ISSUE OF A SHARES AND LISTING ON THE
SCI-TECH BOARD AND OTHER ANCILLARY RESOLUTIONS;
(2) PROPOSED AMENDMENTS TO THE ARTICLES ANCILLARY TO
THE PROPOSED ISSUE OF A SHARES;
(3) UNCOVERED DEFICIT OF THE COMPANY AMOUNTING TO
MORE THAN ONE-THIRD OF THE TOTAL SHARE CAPITAL OF
THE COMPANY;
AND
(4) NOTICES OF EGM AND CLASS MEETINGS**

I. INTRODUCTION

Reference is made to the Company's announcement dated September 1, 2022 in relation to, among others, the Issue of A Shares and the proposed amendments to the Articles.

The purpose of this circular is to provide you with the notice of the EGM, the notices of the Class Meetings and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM and the Class Meetings.

LETTER FROM THE BOARD

II. DETAILS OF THE RESOLUTIONS

1. Proposed Issue of A Shares

The Company proposed to apply to the relevant regulatory authorities in the PRC for the allotment and issue of not more than 414,861,209 A Shares and proposed to apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Sci-Tech Board.

The Issue of A Shares will be subject to, among other things, the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, as well as the approvals by the CSRC and the Shanghai Stock Exchange.

If the Issue of A Shares as set out in resolutions 1(i) to (x) of the Notice of the EGM and resolutions 1(i) to (x) of the Notices of the Class Meetings is not approved by the Shareholders, the Issue of A Shares will not proceed, and the ancillary matters as set out in resolutions 2 to 17 of the Notice of the EGM and resolutions 2 to 14 of the Notices of the Class Meetings will not proceed.

Details of the Issue of A Shares

(1) *Class of new Shares to be issued*

RMB ordinary Shares (A Shares).

(2) *Nominal value of new Shares to be issued*

RMB1.00 each.

(3) *Issue size*

The Company proposes to issue not more than 414,861,209 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 25% of the issued Shares of the Company as of the date of this circular, which shall be not less than 10% of the enlarged Share capital upon completion of the Issue of A Shares and not more than 20% of the enlarged issued Shares upon completion of the Issue of A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option). The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The Issue of A Shares can adopt the over-allotment option, which shall not exceed 15% of the Shares initially available under the Issue of A Shares. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings) and be subject to final number of A Shares registered by the CSRC.

LETTER FROM THE BOARD

Please refer to “III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES – 2. Effects of the Issue of A Shares on the shareholding structure of the Company” below for effects on shareholding structure.

(4) *Target subscribers*

Qualified price consultation participants, PRC natural persons, legal persons, securities investment funds and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

Before proceeding with the Issue of A Shares, the Company will also ascertain whether such target subscribers are connected persons of the Company. In the event that such target subscribers are connected persons of the Company and the Company decides to allot and issue the A Shares to such target subscribers, the Company will comply with the requirements under Chapter 14A of the Listing Rules in advance.

(5) *Pricing methodology*

The issue price for the A Shares will be determined by the Company (on the basis of Shareholders’ authorization) and the lead underwriter on the basis of the results of the enquiry from the price consultation participants who meet the conditions stipulated by the CSRC in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Based on the PRC Company Law, the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at June 30, 2022, the net asset value per Share of the Company was RMB0.75. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per Share prior to the proposed Issue of A Shares.

As at the Latest Practicable Date, the closing price per H Share as quoted on the Stock Exchange is HK\$7.07 per H Share.

(6) *Method and schedule of issuance*

The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line capital subscription pricing offering to public investors at fixed price, or any other offering methods approved by the CSRC or Shanghai Stock Exchange (including but not limited to placing of Shares to strategic investors). The Issue of A Shares shall be conducted within 12 months after the CSRC agrees to register the issuance. The amount of A Shares offered in off-line placement and on-line offering respectively would be determined by the Board of Directors (as authorized by the Shareholders) in accordance with actual circumstances of the offering.

LETTER FROM THE BOARD

(7) *Method of underwriting*

The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.

(8) *Use of proceeds*

It is proposed that the proceeds raised from the Issue of A Shares will be used for R&D of our new drug products funding, production base establishment, sales network establishment and working capital.

(9) *Place of listing*

All A Shares will be listed and traded on the Sci-Tech Board.

(10) *Validity period of the resolutions*

The resolutions in respect of the Issue of A Shares will be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

2. Other Resolutions related to the Issue of A Shares

If the Issue of A Shares as set out in resolutions 1(i) to (x) of the Notice of the EGM and resolutions 1(i) to (x) of the Notices of the Class Meetings is not approved by the Shareholders, the Issue of A Shares will not proceed, and the ancillary matters as set out in this section (i.e., resolutions 2 to 17 of the Notice of the EGM and resolutions 2 to 14 of the Notices of the Class Meetings) will not proceed.

(1) Authorization to the Board of Directors and persons authorized by it to fully handle the relevant matters in connection with the Issue of A Shares and listing on the Sci-Tech Board

In order to ensure the smooth progress of the relevant matters relating to the Company's Issue of A Shares and listing, a special resolution will be proposed at the EGM and the Class Meetings to authorize the Board of Directors and persons authorized by it to fully handle such matters in connection with the Issue of A Shares and listing on the Sci-Tech Board. The authorization proposed to be granted to the Board shall include and without limitation:

- (a) The formulation, implementation, and adjustment of the specific proposals for the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to specific matters such as the decision on whether any placing is made to strategic investors or the adoption of the over-allotment option, in accordance with laws and regulations, the relevant requirements of securities regulatory authorities, and the resolutions passed by the Shareholders at the EGM and Class Meetings.

LETTER FROM THE BOARD

- (b) The filing of application for the Issue of A Shares and listing on the Sci-Tech Board to the CSRC and the Shanghai Stock Exchange, and the response to comments from the CSRC and the Shanghai Stock Exchange.
- (c) The determination of the specific details of the Issue of A Shares and listing on the Sci-Tech Board including the schedule of issuance, issue size, method of issuance, issue price and pricing methodology, target subscribers, and method of subscription in accordance with the requirements of securities regulatory authorities and the actual circumstances of the securities market.
- (d) The appropriate adjustments to be made to the investment projects to be funded by the proceeds raised and the investment amount according to the implementation process of the Issue of A Shares, market conditions, relevant policies and requirements of the relevant securities regulatory authorities. The determination of the progress of investment projects to be funded by the proceeds raised, the allocation of funds when applying the proceeds raised, and entering into material contracts relating to the operational process of the investment projects.
- (e) The appropriate adjustment to the specific matters relating to the Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances, and unless such change involves matters that would necessitate authorization at another general meeting pursuant to relevant laws, regulations and the Articles.
- (f) Undertaking reporting and procedural work to the relevant government authorities in relation to the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to the application for approval, registration, filing, or consent to the relevant government authorities, regulatory authorities, stock exchanges, securities registration and settlement organizations, as well as the signing, execution, amendment, and completion of all necessary documents in relation to the Issue of A Shares.
- (g) After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- (h) After the completion of the Issue of A Shares and listing on the Sci-Tech Board, in accordance with the undertakings of each Shareholder, handling matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of Shares.

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- (i) The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- (j) To the extent permitted by relevant laws, regulations, requirements of relevant securities regulatory authorities and resolutions of the EGM and Class Meetings, the handling of other matters considered to be necessary for the Issue of A Shares and listing on the Sci-Tech Board.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

(2) *The investment projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis*

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the projects to be funded by the net proceeds raised from the Issue of A Shares and feasibility analysis.

It is estimated that, after deducting the relevant listing expenses, the amount of net proceeds from the Issue of A Shares shall be approximately RMB2.5 billion, and it is proposed that the net proceeds raised from the Issue of A Shares will be used for the following projects (the “**Projects**”):

No.	Project Name	Proposed investment amount from proceeds raised (RMB)
1	R&D of our new drug products funding	1,500,000,000
2	Production base establishment	180,000,000
3	Sales network establishment	150,000,000
4	Working capital	670,000,000
Total		2,500,000,000

The Company will strictly comply with the relevant regulations to manage and use the proceeds raised from the Issue of A Shares. Before the completion of the Issue of A Shares, the Company may make an initial investment with self-financing according to its actual operational needs, and after the proceeds raised are in place, the Company can replace the self-financing with the proceeds raised from the Issue of A Shares.

The Board has fully analyzed the feasibility of the Projects to be invested by the proceeds of the proposed Issue of A Shares and considers that such Projects are feasible.

Within the scope of the above-mentioned projects, the Company may make appropriate adjustments to the order of investment and specific amounts of the corresponding fund-raising investment projects in accordance with the actual situation of the progress and financing needs of the projects.

LETTER FROM THE BOARD

If the net proceeds actually raised (after deducting the issuance expenses) cannot satisfy the funding needs for the Projects, the Company will obtain funds from other financing channels, such as bank loans. If the proceeds raised from this issuance exceeds the capital requirements of the Projects, the surplus amount will be used to supplement the Company's working capital needed in its principal business operation.

(3) Share price stabilization plan within three years after the Company's initial public offering of A Shares and listing on the Sci-Tech Board

Pursuant to the "Opinions on Further Promoting IPO System Reform" (《關於進一步推進新股發行體制改革的意見》) issued by the CSRC, a special resolution will be proposed at the EGM and the Class Meetings to consider and approve the "Plan For Stabilization Of Price Of Shares Within Three Years After The Initial Public Offering of A Shares And Listing On The Sci-Tech Board". Full text of the plan is set out in Appendix I to this circular.

(4) Three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board

Pursuant to the PRC Company Law, the PRC Securities Law, the "Notice on Further Implementation of Matters Relating to Distribution of Cash Dividends for Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》), the "Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend of Listed Companies" (《上市公司監管指引第3號 – 上市公司現金分紅》) and other laws, regulations, and regulatory documents, a special resolution will be proposed at the EGM and the Class Meetings to consider and approve the "Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the Sci-Tech Board". Full text of the plan is set out in Appendix II to this circular.

(5) Impact of dilution on immediate return by the initial public offering of A Shares and recovery measures for the immediate return

Pursuant to the "Opinions of the General Office of the State Council on Further Strengthening the Protection of the Lawful Rights and Interests of Medium and Small-sized Investors in the Capital Market" (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the "Guidance on matters relevant to Dilution of Current Returns by Initial Public Offering, Refinancing and Material Assets Reorganization" (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) issued by the CSRC and other relevant regulations, a special resolution will be proposed at the EGM and the Class Meetings to consider and approve the Analysis on dilution on immediate return by the initial public offering of A Shares and recovery measures for the immediate return.

After the completion of the Issue of A Shares, the basic earnings per Share and diluted earnings per Share of the Company may be reduced, but the proceeds from the Issue of A Shares could increase the total net assets and net assets per Share of the Company, as well as enhance its scale of assets and financial capacity. Since it will take

LETTER FROM THE BOARD

some time for the investment of proceeds of the Issue of A Shares to generate profits from the Projects, it would be difficult to realize the expected operating results in a short period of time. If the Company's earnings do not increase significantly during this period, the expansion of the scale of equity and net assets may lead to the Company facing the risk of dilution of earnings per Share and return on net assets.

Accordingly, in order to protect the interests of medium and small Shareholders, the Company has conducted sufficient analysis on the impact of dilution on immediate return by the initial public offering of A Shares and has formulated the "Analysis On Dilution On Immediate Return By The Initial Public Offering Of A Shares And Recovery Measures For The Immediate Return". Full text of the proposed recovery measures are set out in Appendix III to this circular.

(6) Undertakings and restraining measures relating to Issue of A Shares and listing on the Sci-Tech Board

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board, including the undertakings mentioned in subparagraphs (a) to (d) below. Details of the undertakings and restraining measures are as follows:

(a) Undertaking in relation to the Stabilization of Price of A Shares within Three Years After the Initial Public Offering of A Shares and Listing on the Sci-Tech Board

Pursuant to the proposed Issue of A Shares and listing on the Sci-Tech Board of the Company, to stabilize the price of Shares within three years after the proposed Issue of A Shares and listing, the Company, its controlling Shareholder, the actual controllers, Directors (except independent non-executive Directors) and senior management of the Company has made the following undertaking:

I. PRINCIPLES FOR STABILIZING SHARE PRICE OF THE COMPANY

The Company will maintain normal operation and sustainable development so as to deliver reasonable returns to all Shareholders. To balance the immediate and long-term interests of all Shareholders and facilitate the healthy development of the Company and the market stability, and if the Share price of the Company triggers the specific conditions for initiating Share price stabilization measures, the Company, its controlling Shareholder, the actual controllers, Directors (except independent non-executive Directors) and senior management of the Company will, in accordance with the PRC Company Law and the PRC Securities Law and relevant provisions of regulatory documents issued by the CSRC as well as the actual conditions of the Company, initiate relevant Share price stabilization measures to uphold fair market orders and practically protect the legitimate interests of investors, the minority investors in particular.

LETTER FROM THE BOARD

II. SPECIFIC CONDITIONS FOR INITIATING SHARE PRICE STABILIZATION MEASURES

Where the closing price of the Shares of the Company has been lower than the latest audited net asset value per Share of the Company for 20 consecutive trading days within 36 months after the listing of the Shares of the Company (the “Conditions for Initiating Share Price Stabilization Measures”, and if the abovementioned closing price of the Shares is not comparable with the latest audited net asset value per Share of the Company due to ex-right or ex-dividend events, the net asset value per Share shall be adjusted accordingly), which is not due to force majeure events, the Company shall initiate Share price stabilization measures.

Where the closing price of the Shares of the Company has been higher than the latest audited net asset value per Share of the Company for 20 consecutive trading days upon implementation of Share price stabilization measures by the Company or relevant parties, the implementation of Share price stabilization measures may be suspended. After the suspension of the implementation of Share price stabilization measures, where the closing price of the Shares of the Company has been lower than the latest audited net asset value per Share of the Company for 20 consecutive trading days again within 12 months after the approval and announcement of the abovementioned plan on Share price stabilization, it shall continue to implement the abovementioned plan on Share price stabilization. Where the implementation of all measures involved in the plan on Share price stabilization has completed or the period for the implementation of the plan on Share price stabilization has expired and is under suspension, it shall be deemed that this round of the plan on Share price stabilization has been terminated.

III. SPECIFIC MEASURES OF SHARE PRICE STABILIZATION

When the Conditions for Initiating Share Price Stabilization Measures are satisfied, the Company and relevant parties will, based on the plan on Share price stabilization considered and approved by the Board of Directors or at the general meeting of the Company, adopt part or all of the following measures to stabilize the Share price of the Company: (1) repurchase of Shares by the Company; (2) increase in holding of Shares of the Company by the actual controllers of the Company; (3) increase in holding of Shares of the Company by the directors (except independent non-executive Directors) and senior management of the Company; and (4) other methods permitted by the securities regulatory authorities.

The implementation of the above measures shall comply with the provisions of relevant laws and regulations and the requirements of regulatory authorities. On the basis that it will not result in the shareholding structure of the Company failing to meet the conditions for listed companies, it may comprehensively consider the implementation of one or more of the abovementioned measures to safeguard the stability of the Share price of the Company. The Company shall convene the meeting of the Board of Directors within five working days after triggering the Conditions for Initiating Share Price Stabilization Measures and announce specific implementation measures to be adopted on stabilizing the Share price. The Company

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and relevant parties shall initiate Share price stabilization measures in accordance with the provisions of relevant laws and regulations after the announcement of specific implementation plans. Specific contents of the above Share price stabilization measures are as follows:

(1) Repurchase of Shares by the Company

A meeting of the Board of Directors shall be convened to discuss specific plans on Share price stabilization within five working days after the Conditions for Initiating Share Price Stabilization Measures are satisfied. Where specific plans on Share price stabilization considered and determined by the Board of Directors require the Company to repurchase Shares, the Board of Directors shall submit the resolution on the repurchase of Shares by the Company to the general meeting for consideration and approval before implementation.

The Company will repurchase Shares via the stock exchange in accordance with laws within 12 months after specific plans on Share price stabilization, including the Share repurchase plan, are considered and approved at the general meeting and announced. The price for the repurchase of Shares of the Company shall be no higher than the latest audited net asset value per Share of the Company (if there are changes in the net asset and the total number of Shares of the Company due to ex-right or ex-dividend events after the latest audit base date, the net asset value per Share shall be adjusted accordingly). The funds for the repurchase of Shares shall be the Company's own funds.

(2) Increase in holding of Shares of the Company by the controlling Shareholder and actual controllers

If the Share price stabilization measures considered and approved by the Board of Directors or at the general meeting include increase in holding of Shares of the Company by the controlling Shareholder and actual controllers of the Company, the controlling Shareholder and actual controllers of the Company will increase their holding of Shares of the Company by way of centralized bidding and/or other legitimate means via the stock exchange within 12 months after specific plans on Share price stabilization are approved and announced. The funds for increase in holding of Shares shall be no less than 20% of the after-tax cash dividends received from the Company in the previous accounting year (it shall be excluded where the actual increase in holding of Shares upon the termination of the plan on Share price stabilization is lower than the above standards due to the suspension of Share price stabilization measures).

The controlling Shareholder and actual controllers will vote for relevant resolutions on repurchase of Shares at the meeting of the Board of Directors or the general meeting convened by the Company on matters about Share repurchase in accordance with relevant provisions of the plan on Share price stabilization approved at the general meeting of the Company and perform all obligations based on the resolutions of the general meeting.

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(3) Increase in holding of Shares of the Company by the directors and senior management

If the Share price stabilization measures considered and approved by the Board of Directors or at the general meeting include increase in holding of Shares of the Company by the directors (except independent non-executive Directors) and senior management of the Company, the directors (except independent non-executive Directors) and senior management of the Company will increase their holding of Shares of the Company by way of centralized bidding and/or other legitimate means via the stock exchange within 12 months after specific plans on Share price stabilization are approved and announced. The funds for increase in holding of Shares shall be no less than 20% of the after-tax remuneration received from the Company in the previous accounting year (it shall be excluded where the actual increase in holding of Shares upon the termination of the plan on Share price stabilization is lower than the above standards due to the suspension of Share price stabilization measures).

If the Company proposes to appoint new directors (except independent non-executive Directors) or senior management within three years after listing, the Company will require them to issue letters of undertaking upon their appointment, undertaking to fulfill the undertakings on stabilizing the Share price of the Company made by the directors (except independent non-executive Directors) or senior management upon the initial public offering and listing of the Company.

IV. REQUIREMENTS ON INCREASE IN HOLDING OR REPURCHASE OF SHARES

The implementation and information disclosure of the above plan on Share price stabilization shall comply with the PRC Company Law and the PRC Securities Law and the provisions of relevant regulations issued by the CSRC, the stock exchange and other competent authorities, without violation of the timing limits on increase in holding or repurchase of Shares under the relevant laws and regulations. Furthermore, the shareholding distribution of the Company upon the implementation shall meet the listing conditions.

V. SPECIFIC PROCEDURES OF SHARE PRICE STABILIZATION MEASURES

When the Company is involved in the circumstance where it should initiate the plan on Share price stabilization, specific resolution procedures for the plan on Share price stabilization of the Company shall be as follows:

The Board of Directors of the Company shall convene the meeting of the Board of Directors within five working days from the date on which the abovementioned Conditions for Initiating Share Price Stabilization Measures are satisfied and announce the contents of the plan after relevant specific plans on Share price stabilization are considered and approved.

- (1) If the contents of the plan do not involve the repurchase of Shares of the Company, relevant parties shall complete the implementation within 12 months after the resolution of the Board of Directors is announced.

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- (2) If the contents of the plan do involve the repurchase of Shares of the Company, the Board of Directors of the Company shall submit the plan on Share price stabilization to the general meeting for consideration and issue the notice of the general meeting upon the announcement of the resolution of the Board of Directors. Specific repurchase procedures are as follows:
- ① The Share repurchase plan of the Company shall be considered and approved at the general meeting of the Company, complete relevant procedures stipulated by relevant laws and regulations, relevant requirements of the CSRC and other regulatory documents with binding effects on the Company, and be granted necessary approval. Resolutions of the general meeting shall be approved by more than two thirds of voting rights held by the shareholders attending the general meeting. After the Share repurchase plan of the Company is considered and approved at the general meeting of the Company, and when the company implements the Share repurchase plan, the Company shall authorize the Board of Directors to implement relevant resolutions on the repurchase of Shares and announce specific implementation plans in advance. Upon the implementation of the Share repurchase plan, the Company shall notify the creditors in accordance with laws, submit relevant materials to securities regulatory authorities, the relevant stock exchanges and other competent departments and handle approval or filing procedures.
 - ② The Company will repurchase Shares via the stock exchange in accordance with laws. After the completion of the implementation of the Share repurchase plan, the Company shall announce the report on the changes of the Shares of the Company within two working days, cancel the Shares repurchased in accordance with laws and handle the procedures on the registration of industrial and commercial changes within 10 working days.

VI. UNDERTAKING AND RESTRAINING MEASURES

If the Company, the controlling Shareholder, the actual controllers or directors with obligation to increase in holding of Shares of the Company (except independent non-executive Directors) and senior management of the Company fails to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they undertake to the restraining measures as follows:

- (1) Undertaking by the Company: the Company undertakes that, in the event the Company fails to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, the Company shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to its Shareholders and public investors. The Board shall propose alternative measures to the general meeting, and the independent non-executive Directors and the Supervisory Committee shall express their opinions on such alternative measures. Before the general meeting consider and approve the

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alternative measures, the Company should communicate and exchange ideas with Shareholders, particularly medium and small Shareholders, through various channels to hear the opinions and requests of medium and small Shareholders adequately, and to give timely responses to issues concerned by medium and small Shareholders.

- (2) Undertaking by the controlling Shareholder and actual controllers: Each of the controlling Shareholder and actual controllers undertake that, in the event they fail to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to the Shareholders and public investors. The Company shall have the right to withhold or deduct the fund in such amount that should have been used to increase their holding of Shares of the Company from the cash dividends due to be paid to such controlling Shareholder and actual controllers. The transfers of Shares of the Company held by the controlling Shareholder and actual controllers shall be prohibited until he/she implements the above specific measures for Share price stabilization, except in circumstances where the transfer of Shares is necessary due to inheritance, compulsory execution, or to fulfill commitments to protect investors' interests.
- (3) Undertaking by the Directors (except independent non-executive Directors) and senior management of the Company: Each of the Directors (except independent non-executive Directors) and senior management of the Company undertake that, in the event they fail to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to the Shareholders and public investors. The Company shall have the right to withhold or deduct the fund in such amount that should have been used to increase their holding of Shares of the Company from the remuneration and/or cash dividends due to be paid to such Directors and senior management of the Company. The transfers of Shares of the Company held by the Directors (except independent non-executive Directors) and senior management of the Company shall be prohibited until he/she implements the above specific measures for Share price stabilization, except in circumstances where the transfer of Shares is necessary due to inheritance, compulsory execution, or to fulfill commitments to protect investors' interests.
- (4) While the undertaking parties are implementing the "Specific Measures of Share Price Stabilization" as stipulated under Paragraph III of this plan, they shall comply with relevant requirements of the relevant laws, administrative regulations, departmental rules, normative documents on the repurchase of Shares by the Company or the increase in holding of Shares of the Company by the controlling Shareholder and actual controllers of the Company, the Directors and senior

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management of the Company. In case of any inconsistency between the rules and any laws, administrative regulations, departmental rules, normative documents to be promulgated in the future, the rules shall be amended in accordance with the latter accordingly.

(b) Undertaking in relation to the Recovery Measures of Dilution on Immediate Return by the Company's Initial Public Offering of A Shares

The proceeds raised from the proposed Issue of A Shares will be used for the development of the Company's principal business. As it takes a certain amount of time for projects invested by such proceeds to be implemented and constructed, when the Company's Share capital and net assets increase but the projects to be funded by proceeds have not yet realized profit, the immediate returns to Shareholders such as earnings per Share and return on net assets will decrease to a certain extent if net profit does not realize growth accordingly after the Issue of A Shares.

In order to reduce the impact of the dilution on immediate return caused by the initial public offering of A Shares, the Company hereby undertakes:

(1) ACTIVELY IMPLEMENTING THE PROJECTS FUNDED BY RAISED PROCEEDS AND IMPROVING THE PROFITABILITY AND COMPREHENSIVE COMPETITIVENESS OF THE COMPANY

The investment projects funded by the proceeds from the proposed Issue of A Shares closely focus on the current principal business of the Company, conform to the Company's future development strategies and are conducive to improving the continuous profitability and market competitiveness of the Company. The Board of Directors of the Company has fully considered the investment projects funded by the proceeds. After the receipt of the proceeds, the Company will actively promote the implementation of the investment projects funded by the proceeds, actively expand the market and further increase the revenue and boost the profitability.

(2) STRENGTHEN THE MANAGEMENT OF RAISED PROCEEDS TO ENSURE THE COMPLIANT AND EFFICIENT USE OF SUCH PROCEEDS

In accordance with the provisions of the PRC Company Law, PRC Securities Law, "Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange" (《上海證券交易所創業板上市規則》) and other laws, regulations, normative documents and the Articles of Association, the Company has formulated the "Management Policy for Raised Proceeds" (see Appendix VIII), which specified the deposit, usage, change of committed investment project, management and supervision of the special account for proceeds.

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To guarantee the compliant and effective use of proceeds, after the receipt of the proceeds, the Board of Directors of the Company will continuously supervise the Company's special deposit of proceeds, guarantee that the proceeds are used for designated investment projects, and coordinate with regulatory banks and sponsors for inspection and supervision on the use of proceeds to ensure the reasonable and compliant use of proceeds and reasonably prevent the risks in relation to the use of proceeds.

(3) **ACTIVELY IMPROVING THE CORE COMPETITIVENESS OF THE COMPANY AND STANDARDIZING INTERNAL SYSTEMS**

The Company will endeavor to further consolidate and enhance the core competitive strengths of the Company and broaden its market, increase R&D inputs and boost leading advantages in products and technology, in a bid to ensure growth in both revenue and profitability. The Company will strengthen internal control and leverage on the effectiveness of corporate management and control. It will advance overall budget management, optimize the budget management process, enhance cost management and strengthen supervision of budget execution, comprehensively and effectively control the Company's operation, management and control risks and improve the operational efficiency and profitability.

(4) **OPTIMIZING THE PROFIT DISTRIBUTION POLICY AND STRENGTHENING THE INVESTOR RETURN MECHANISM**

In order to further improve its profit distribution policy, establish a scientific, continuous and stable dividend distribution mechanism, increase the transparency of profit distribution decisions, and safeguard the interests of its Shareholders, the Company has, in accordance with the requirements of the "Notice on Further Implementation of Matters Relating to Distribution of Cash Dividends for Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》), "Guideline No. 3 on Supervision of Listed Companies – Cash Dividends for Listed Companies" (《上市公司監管指引第3號 – 上市公司現金分紅》) and other relevant documents issued by the CSRC, and combined with the actual conditions of the Company, formulated the "Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the Sci-Tech Board", specifying in respect of the profit distribution of the Company, in particular the specific conditions for the distribution of cash dividend, the proportion, the form of distribution and the conditions for the distribution of stock dividend, and improving the decision-making mechanism on the profit distribution of the Company and the principles for the adjustment of the profit distribution policy.

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Following the completion of the Issue of A Shares, the Company will strictly implement the profit distribution policy. If the conditions for profit distribution are met, it will actively promote the profit distribution to Shareholders and step up efforts in the implementation of continuous, stable and scientific returns to investors, thereby practically protect the legitimate interests of public investors.

(5) CONSTANTLY IMPROVING CORPORATE GOVERNANCE AND PROVIDING SYSTEMATIC GUARANTEE FOR THE DEVELOPMENT OF THE COMPANY

The Company will strictly abide by the PRC Company Law, the PRC Securities Law, the “Code of Corporate Governance of Listed Companies” (《上市公司治理準則》) and other laws and regulations and regulatory documents to continuously improve the governance structure and enhance internal control; ensure that Shareholders can fully exercise their rights; ensure that the Board of Directors will exercise their powers in accordance with laws and regulations and the Articles of Association and make scientific, prompt and prudent decisions; ensure that independent non-executive Directors can duly perform their duties so as to protect the overall interests of the Company, especially the legitimate interests of medium and small Shareholders; and ensure that the Supervisory Committee can independently and effectively exercise the power to supervise and inspect the Directors, senior management and the Company’s finances, and provide systematic guarantees for the Company’s development.

If, at any time during the period commencing on the date of issuance of the undertakings and ending on the date of completion of the Company’s initial public offering of the A Shares, the CSRC announces other new regulatory requirements on the recovery measures for returns and undertakings and the above undertakings given by the Company cannot meet such requirements, the Company undertakes that it will issue supplementary commitments in accordance with the latest requirements of the CSRC.

(c) *Undertaking in relation to the Dividend Distribution Policy After the Initial Public Offering of A Shares and Listing on the Sci-Tech Board*

In order to safeguard the legitimate interests of public investors, the Company hereby makes the following commitment in relation to the dividend distribution policy after the proposed Issue of A Shares and listing on the Sci-Tech Board:

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(1) Profit distribution method

Provided that the Company's profit and cash flows are sufficient to meet its normal operations and long-term development, the Company will give priority to the distribution of dividends in cash. Where the Company is expected to maintain a promising development prospect in the future and the development of the Company requires a huge amount of cash, the Company may distribute dividends in Shares.

(2) Conditions for cash dividend distribution

- (a) The distributable profit (i.e. the after-tax net profit after the Company has made up for losses and made allocations to the reserve fund) for the year is positive, and the Company has such a sufficient cash flow that the distribution of cash dividends will not affect the Company's continuous operation in the future.
- (b) The accumulated distributable profit of the Company is positive.
- (c) The audit firm has issued a standard audit report with unqualified opinion on the financial report for the financial year.
- (d) The Company has no major investment plan or significant cash expenditure (except for projects funded by proceeds). Major investment plan or significant cash expenditure refers to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming 12 months with accumulated expenses amounting to or exceeding 30% of the latest audited net assets attributable to the parent company.

(3) Conditions for stock dividend distribution

When the Company maintains good operating conditions and the Board of Director believes that distribution of stock dividends is beneficial to the overall interests of all Shareholders, the Company may propose a stock dividend distribution plan on the premise of ensuring full cash dividend distribution.

Where the Company adopts the distribution of profit in the form of stock dividends, it should take into full consideration of whether the total Share capital after the issuance of stock dividends is compatible with the Company's current operation scale, profit growth rate, and dilution of net asset value per Share, with an aim to ensure that such profit distribution plan is in line with the overall and long-term interests of all Shareholders.

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(4) Proportion of cash distribution

1. The Company shall maintain the continuity and stability of the profit distribution policy. The accumulated profit distributed in the form of cash for the last three years shall be no less than 30% of the annual average distributable profit realized in the last three years when conditions for cash dividends are met.
2. The Board of Directors of the Company shall comprehensively consider its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, distinguish the following circumstances, and propose differentiated cash dividend policies in accordance with the procedures set out in the Articles of Association:
 - (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when profits are distributed;
 - (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when profits are distributed;
 - (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed.

Where it is difficult to distinguish the Company's stage of development but there is major investment plan or significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

(5) Interval of distributions

On the premise of meeting the conditions for profit distribution and ensuring the normal operation and long-term development of the Company, the Company shall distribute profits once a year in principle after being considered and approved at the annual general meeting. The Board of Directors of the Company may propose interim cash dividends in view of the Company's profitability and capital needs and submit it to the general meeting for approval.

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- (6) Decision-making mechanism and procedure for profit distribution
1. The Board of Directors shall formulate the annual profit distribution plan and the interim profit distribution plan. Independent non-executive Directors shall independently express clear opinions on the profit distribution plan. Independent non-executive Directors may solicit opinions from medium and small Shareholders for putting forward a dividend distribution proposal to the Board of Directors for consideration directly.
 2. The Supervisory Committee shall consider the profit distribution plan and make a resolution.
 3. The profit distribution plan shall be submitted to the general meeting for consideration and approval after being considered and approved by the Board of Directors and the Supervisory Committee.
 4. The profit distribution plan shall be considered at the general meeting. The Company shall provide online voting and other channels for Shareholders to participate in voting at the general meeting. Before the Shareholders consider specific plans on cash dividends, the Company should communicate and exchange ideas with Shareholders, particularly medium and small Shareholders, through various channels (including but not limited to Shareholder hotline, fax, email and interactive platform) to hear the opinions and requests from medium and small Shareholders adequately, and to give timely responses to issues concerned by medium and small Shareholders.
 5. After the profit distribution plan has been resolved at the general meeting, the Board of Directors of the Company shall complete the dividend distribution within two months after the same was considered and approved at the general meeting.

(7) Modification of profit distribution policy

The Company shall strictly implement its cash dividend policy as determined in the Articles of Association and specific cash dividend plans as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association based on changes in the development stage, the production and operation conditions, the investment plans and the needs in the long-term development of the Company, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after substantiation. The adjustment or changes shall be passed by Shareholders representing not less than two thirds of voting rights held by all

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Shareholders present at the meeting; the independent non-executive Directors shall give clear opinion on matters such as the truthfulness, adequacy and reasonableness of the reasons for adjustments or changes, truthfulness and validity of the approval procedures as well as its compliance with the conditions required in the Articles of Association, and the Company shall communicate and exchange ideas with medium and small Shareholders before the general meeting and give timely responses to issues concerned by medium and small Shareholders. Independent non-executive Directors may collect opinions from Shareholders through the online voting system, if necessary.

Specific conditions for the Company to adjust the cash dividend policy:

- (1) The Company suffers from losses or has issued a loss warning announcement;
- (2) The balance of cash (including bank deposits and bonds with high liquidity), excluding cash raised from capital markets and cash within special funding for special purposes or special account management funding such as government special financial funds, is not sufficient to pay the cash dividends within two months from the date of general meeting approving the profit distribution;
- (3) The execution of the established dividend policy will render it impossible for the material investment projects and material transactions approved at the general meeting or by the Board of Directors to be implemented according to established transaction plans; and
- (4) The Board of Directors has reasonable grounds to believe that execution of the established dividend policy will have a material adverse impact on the continuing operation and profitability of the Company.

(d) Undertaking for Non-compliance of the Public Undertaking and Restraining Measures

In order to safeguard the interests of public investors, if the Company fails to fulfill the public commitments it made at the time of the proposed Issue of A Shares and listing on the Sci-Tech Board during actual implementation, other than for force majeure reasons, the Company will accept the following restraining measures until the undertaking is fulfilled or corresponding remedial measures are completed:

- i. The Company will promptly and fully explain specific reasons for the non-fulfillment, and apologize to its Shareholders and public investors at its general meeting and on the newspaper designated by the CSRC;

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- ii. If losses are incurred by the investors in securities transaction as a result, the Company will pay compensation to the investors for their losses incurred in accordance with laws;
- iii. The Company will make corrections within the time period required by relevant regulatory authorities, and provide legal, reasonable and effective supplemental undertakings or alternative undertakings to the investors of the Company;
- iv. The Company will adopt measures such as decreasing or stopping the payment of salary and allowance to the Directors, Supervisors or senior management personnel of the Company (to the extent such personnel receives remuneration from the Company) responsible for the unfulfillment of the undertakings.

If the Company fails to fulfill the public commitments for force majeure reasons, the Company will accept the following restraining measures until the undertaking is fulfilled or corresponding remedial measures are completed:

- i. The Company will promptly and fully explain specific reasons for the non-fulfillment, and apologize to its Shareholders and public investors at its general meeting and on the newspaper designated by the CSRC;
- ii. The Company will come up with a proposal as soon as possible to minimize its investors' losses, and submit the same to general meeting for consideration and approval, in order to achieve maximum protection of the interests of the Company's investors.

(7) Proposal for the vesting of accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the proposal for vesting of accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares. Details are as follows:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has any undistributed accumulated profit or uncovered losses before the Issue of A Shares and listing on the Sci-Tech Board, it is proposed that the new and existing Shareholders shall Share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

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(8) Use of proceeds raised in previous offering

In accordance with the PRC Company Law and the requirements of other applicable laws, regulations and regulatory documents, as of June 30, 2022, the Company used approximately RMB45.14 million from the net proceeds raised in the Global Offering, the breakdown of which is as follows:

Proposed use	Percentage of total net proceeds	Allocation of net proceeds (RMB million)	Utilized amount as at June 30, 2022 (RMB million)	Unutilized amount as at June 30, 2022 (RMB million)
a) To fund our Core Products	68.52%	450.56	20.82	429.74
b) To fund our other key clinical-stage drug candidates and our key pre-clinical drug candidates	6.34%	41.7	4.06	37.64
c) To acquire potential technologies and assets and expand our pipeline of drug candidates	15.79%	103.85	0	103.85
d) For general corporate purposes	9.35%	61.49	20.26	41.23
Total	100.00%	657.6	45.14	612.46

A special resolution will be proposed at the EGM and the Class Meetings to consider and approve the above.

(9) Proposed engagement of intermediaries

The Company intends to engage professional intermediaries, including but not limited to Haitong Securities Co., Ltd. (海通證券股份有限公司) as the sponsor/lead underwriter, Zhong Lun Law Firm (北京市中倫律師事務所) as the legal adviser to the Company as to PRC laws, and PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) as the auditor, for the Issue of A Shares and listing on the Sci-Tech Board, and further authorizes the Board of Directors to determine the remunerations of such intermediaries.

An ordinary resolution will be proposed at the EGM to consider and approve the above engagements and authorization.

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(10) Proposed amendments to the Articles in respect of Issue of A Shares

In view of the proposed Issue of A Shares and listing on the Sci-Tech Board, and in accordance with relevant requirements of laws, regulations and regulatory documents, including the PRC Company Law, the PRC Securities Law, the “Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》), the “Guidelines for Articles of Association of Listed Companies” (《上市公司章程指引》), the “Governance Standard of the Listed Companies” (《上市公司治理準則》), and the “Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend of Listed Companies” (《上市公司監管指引第3號 – 上市公司現金分紅》), the Company intends to amend the Articles. Details of the proposed amendments made to the Articles are set out in Appendix IV to this circular.

The proposed amendments to the Articles would form part of the listing application materials to be submitted to the CSRC and the Shanghai Stock Exchange for the Issue of A Shares and listing on the Sci-Tech Board. Upon consideration and approval of the proposed amendments to the Articles by the Shareholders at the EGM and the Class Meetings by way of a special resolution and after the completion of the Issue of A Shares and listing on the Sci-Tech Board, the proposed amendments to the Articles shall come into effect. Upon approval by the Shareholders at the EGM and the Class Meetings and the proposed amendments to the Articles having come into effect, the Company will make consequential change to the number of the relevant articles as a result of the adoption of the amendments.

The details of the proposed amendments to the Articles are prepared and written in Chinese without a formal English version. As such, any English translation shall be for reference only. In the event of any inconsistency, the Chinese version shall prevail. After the proposed amendments to the Articles comes into effect, the full text of the revised Articles will be published on the websites of the Stock Exchange and the Company.

The legal advisers to the Company as to Hong Kong laws and the PRC laws have respectively confirmed that the revised Article of Association complies with the applicable requirements of Appendix 3 to the Listing Rules and do not violate the laws of the PRC. The Company also confirms that there is nothing unusual in the Proposed Amendments from the perspective of a PRC company listed on the Stock Exchange.

The proposed amendments to the Articles of Association have been approved by the Board, and are subject to the approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings.

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(11) Amendment or adoption of the internal governance policies of the Company

The Company intends to formulate the “Terms of Reference for the independent non-executive Directors” and the “Management Policy for Raised Proceeds”, and intends to amend the following internal governance policies:

- (a) the “Rules of Procedures for the Meeting of Shareholders”;
- (b) the “Rules of Procedures for the Meeting of Board of Directors”;
- (c) the “Rules of Procedures for the Meeting of Supervisory Committee”;
- (d) the “Management Policy for Related (Connected) Transactions”; and
- (e) the “Management Policy for External Guarantees”.

The above internal governance policies will come into effect on the date of completion of the Issue of A Shares and listing on the Sci-Tech Board. Until then, the current internal governance policies (as applicable) will continue to apply.

It is proposed to the Shareholders at the EGM to authorize the Board of Directors and its authorized persons to adjust and amend the above internal governance policies which will become effective from the date of completion of the Issue of A Shares and listing on the Sci-Tech Board in accordance with the provisions of the relevant laws, regulations and regulatory documents, and the requirements and suggestions from the relevant domestic and overseas government authorities and regulatory institutions, and taking into consideration the actual situation of this proposed Issue of A Shares and listing.

Ordinary resolutions will be proposed at the EGM to consider and approve the amendments to and/or adoption of each of the “Rules of Procedures for the Meeting of Shareholders”, the “Rules of Procedures for the Meeting of Board of Directors” and the “Rules of Procedures for the Meeting of Supervisory Committee”, full texts of which are set out in Appendices V to VII to this circular, respectively.

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to and/or adoption of each of the “Management Policy for Raised Proceeds”, the “Terms of Reference for the independent non-executive Directors”, the “Management Policy for Related (Connected) Transactions”, and the “Management Policy for External Guarantees” and full texts of which are set out in Appendices VIII to XI to this circular respectively.

In the event of any discrepancy between the English translation and the Chinese version of the proposed amendments to the internal governance policies, the Chinese version shall prevail.

LETTER FROM THE BOARD

(12) Confirmation of the Company's related party transactions from January 1, 2019 to June 30, 2022

In accordance with the PRC Company Law, the PRC Securities Law, the “Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》), and other laws and regulations related to domestic listing and the rules for the identification of “related parties” and “related transactions”, the Company has conducted a review of the transactions entered into with related parties during the reporting period (from January 1, 2019 to June 30, 2022) by the Company and its subsidiaries within the scope of the Company's consolidated financial statements.

The Company considered that the related party transactions during the reporting period were conducted due to normal operational needs with necessity and reasonableness. The Company has complied with the principles of fairness with respect to its related party transactions during the reporting period and entered into such related party transactions voluntarily. The pricing of such related party transactions was fair, reasonable, did not diminish the interest of the Company and its Shareholders and did not cause any negative impact to the independence of the Company.

The related Directors, Dr. Pu Zhongjie, Ms. Pu Jue and Dr. Sui Ziyue, have abstained from voting on the Board resolution confirming the Company's related party transactions.

A special resolution will be proposed at the Extraordinary General Meeting and the Class Meetings to consider and confirm the above transactions.

To the best of the Directors' knowledge, information and belief, the related Shareholders, Ningbo Houde Yimin, Lepu Medical and Shanghai Lvyuan, are required to abstain from voting on the above resolution at the EGM and the class meeting of H Shareholders.

(13) Uncovered deficit of the Company amount to more than one-third of the total Share capital of the Company

According to the audit report of PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)), as at December 31, 2021, the Share capital of the Company was RMB1,531,669,838, and according to the audited consolidated financial statement, the accumulated loss of the Company was RMB1,642,437,852.85. In accordance with the relevant provisions of the PRC Company Law, where the uncovered losses of the Company amount to more than one-third of the total Share capital of the Company, a general meeting shall be convened and held to consider and approve such matters. The reasons for the Company's uncovered deficit are mainly because only one of the Company's products have recently obtained marketing approval, and there are more products in the research and development stage, incurring a large amount of research and

LETTER FROM THE BOARD

development expenditure. The Company will continue to process with the research and development of its product candidates and will actively broaden the sales channels for the product that entered commercialization stage, so as to achieve a sustainable and stable development.

An ordinary resolution will be proposed at the EGM to consider and approve the uncovered deficit of the Company amounting to more than confirmed one-third of the total Share capital of the Company.

III. OTHER INFORMATION IN RELATION TO THE PROPOSED ISSUE OF A SHARES

1. Reasons for the proposed Issue of A Shares and listing on the Sci-Tech Board

In order to further accelerate the Company's development and improve its comprehensive competitiveness, the Company considers that the proposed listing on the Sci-Tech Board meets the needs of the Company and would be beneficial to the Company and its Shareholders as a whole.

Benefits of becoming a dual listed company

The Issue of A Shares and listing on the Sci-Tech Board would enhance the reputation and influence of the Company by achieving listing statuses in both the PRC and Hong Kong stock markets. The Company would also have access to an established platform in the PRC capital market and broaden its capital base and financing channels. In addition to the compliance with the Listing Rules, the Company and its internal control framework also have to meet the requirements under the "Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange" (《上海證券交易所科創板股票上市規則》) and other laws and regulations related to a domestically listed company following the Issue of A Shares and listing on the Sci-Tech Board. Therefore, the Company would be able to maintain and optimize its corporate governance in its management structures and internal governance policies and continue to ensure effective accountability.

Enabling the Company to pursue further R&D and commercialization of its pipeline products

The Company is innovation-driven and dedicated to developing safe, effective and accessible drugs to enhance the life quality of patients and address unmet significant clinical needs in oncology therapeutics. As of June 30, 2022, the Company has one clinical/commercialization-stage drug candidate, seven clinical-stage drug candidates (including one of them co-developed through a joint venture), three pre-clinical drug candidates and two clinical-stage combination therapies of the candidates in the pipeline. As disclosed in the Company's announcement dated July 22, 2022, one of the drug candidates has also recently obtained marketing approval in relation to one of its targeted

LETTER FROM THE BOARD

indications. As the Company maintains the rapid growth momentum and is marching towards the commercialization stage, in addition to the proceeds raised from the Global Offering, the Issue of A Shares would provide the Company with additional capital and allow the Company to pursue further research and development and commercialization of its pipeline products.

2. Effects of the Issue of A Shares on shareholding structure of the Company

Upon completion of the Issue of A Shares and listing on the Sci-Tech Board, all of the then existing Domestic Shares (excluding those which is subject to the Conversion and Listing as described below) will be converted into A Shares and be listed on the Sci-Tech Board. Such converted A Shares will be deposited in China Securities Depository and Clearing Co., Ltd. and subject to lock-up periods as required under relevant PRC laws and regulations.

Assuming that a total of 414,861,209 new A Shares are to be issued, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Issue of A Shares is as follow (assuming there is no other change in the Share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Issue of A Shares):

	As at the date of this circular	Immediately after the completion of the Issue of A Shares
Controlling Shareholder		
(1) Domestic Shares	–	–
(2) H Shares	658,591,549	658,591,549
(3) A Shares to be converted from Domestic Shares	–	–
subtotal	658,591,549 (39.69% of the total issued Shares)	658,591,549 (31.75% of the total issued Shares)
Other Shareholders		
(1) Domestic Shares	54,268,364	–
(2) H Shares	946,584,925	946,584,925
(3) A Shares to be converted from Domestic Shares	–	54,268,364
New A Shares proposed to be issued	–	414,861,209
 Total	 <u>1,659,444,838</u>	 <u>2,074,306,047</u>

LETTER FROM THE BOARD

Assuming a maximum of 414,861,209 A Shares are issued, no core connected person (as defined under the Listing Rules) will subscribe for any A Shares under the Issue of A Shares and all existing Domestic Shares will be converted into A Shares following the completion of the Issue of A Shares. It is expected that a total of 1,164,877,392 Shares of the Company, representing 56.16% of the then total issued Shares of the Company will be held by the public (including H Shares and A Shares held by the public but excluding any Shares held by the Company's substantial Shareholders, Directors, Supervisors, chief executive and their respective close associates) following the completion of the Issue of A Shares. As such, the Company would still be able to meet the minimum requirement on public float percentage under the Listing Rules. The Company will closely monitor the shareholdings of the Controlling Shareholder and other core connected persons to monitor its public float percentage (including H Shares and A Shares held by the public) to maintain the minimum percentage of listed securities as prescribed by Rule 8.08(1) of the Listing Rules at all times in public hands. The Company will also ensure its compliance with relevant requirements on public float as stipulated under the Listing Rules and will promptly notify the Stock Exchange of any changes in the Company's public float.

3. Fund raising activities in the past twelve months

On February 23, 2022, the Company issued 126,876,000 new H Shares at HK\$7.13 per H Share for total net proceeds of approximately HK\$804.2 million by way of initial public offering of the Company on the Stock Exchange.

On March 17, 2022, as part of the Global Offering, the over-allotment option was partially exercised and the Company issued an aggregate of 899,000 H Shares at HK\$7.13 per H Share for total net proceeds of approximately HK\$6.22 million.

The total net proceeds from the Global Offering (including the exercise of the over-allotment option) was approximately HK\$810.42 million (equivalent to approximately RMB657.60 million). The intended use of net proceeds from the Global Offering has been disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, and the Group intends to continue to utilize the net proceeds raised from the Global Offering in accordance with such plans. For details of the utilization of the net proceeds from the Global Offering, please refer to "II. DETAILS OF THE RESOLUTIONS – 2. Other Resolutions related to the Issue of A Shares – (8) Use of proceeds raised in previous offering" above.

Apart from the fund-raising activities listed above, the Company has not conducted any fund-raising activities involving the issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

IV. THE EGM AND THE CLASS MEETINGS

The EGM will be held at Conference Room, Building 7, No. 37 Chaoqian Road, Changping District, Beijing, PRC on Friday, September 16, 2022 at 10:00 a.m., and the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders will be held immediately after the conclusion of the EGM and immediately after the conclusion of the Class Meeting of H Shareholders, respectively, on Friday, September 16, 2022. Notice convening the EGM and Notices of the Class Meetings are set out in pages N-1 to N-19 of this circular and are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (www.lepubiopharma.com).

V. CLOSURE OF REGISTER OF MEMBERS

As disclosed in the announcement of the Company dated August 1, 2022, for the purpose of determining the H Shareholders who are entitled to attend and vote at the EGM and the Class Meeting of H Shareholders, the register of members of H Shares will be closed from Wednesday, August 17, 2022 to Friday, September 16, 2022 (both days inclusive), during which period no transfer of H Shares will be registered.

VI. PROXY ARRANGEMENT

The form of proxy of each of the EGM and the Class Meetings are enclosed.

If you intend to appoint a proxy to attend the EGM and/or the Class Meetings, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy should be returned to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and for Domestic Shareholders, the form of proxy should be returned to the Company's principal place of office in the PRC at 2nd Floor, Building 41, Lane 518, Xinzhuan Road, Songjiang District, Shanghai, PRC by personal delivery or by post, not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Thursday, September 15, 2022) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the Class Meetings or at any other adjourned meeting should you so wish and in such event the forms of proxy shall be deemed to be revoked.

VII. VOTING BY POLL

Any vote of Shareholders at the EGM and the Class Meetings must be taken by poll except where the chairman of each of the EGM and the Class Meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. Accordingly, the chairman of the EGM and the Class Meetings will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the EGM and the Class Meetings.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, save for each of Ningbo Houde Yimin, Lepu Medical and Shanghai Lvyuan, who is a Shareholder required to abstain from voting on the resolution on the confirmation of the Company's related party transactions from January 1, 2019 to June 30, 2022 at the EGM and the class meeting of H Shareholders, none of the Shareholders are required to abstain from voting at the EGM and/or the Class Meetings.

VIII. RECOMMENDATION

The Board considers that all the resolutions proposed at the EGM, the Class Meeting of H Shareholders and the Class Meeting of Domestic Shareholders are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these proposed resolutions.

IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

X. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

There is no assurance that the Issue of A Shares will proceed. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the Issue of A Shares will be disclosed by the Company in due course.

Yours faithfully,
By order of the Board
Lepu Biopharma Co., Ltd.
Dr. Pu Zhongjie
Chairman of the Board and Executive Director

PRECAUTIONARY MEASURES FOR THE 2022 FIRST EXTRAORDINARY GENERAL MEETING, THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS AND THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS

In view of the coronavirus disease 2019 (COVID-19) pandemic and in an attempt to protect the health of our Shareholders who might be attending the EGM and the Class Meetings, our staff and other participants, the Company will implement the following precautionary measures at the meeting venue:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy and other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting.
- (ii) Attendees may be required to complete the health declaration forms. Anyone who responds positively to any of the questions in the health declaration form may be denied entry into the meeting venue and be requested to leave the meeting venue.
- (iii) Attendees are required to wear surgical face masks throughout the EGM and the Class Meetings including anytime inside the meeting venue before and after the EGM and the Class Meetings. Attendees are also advised to maintain social distancing and to observe good personal hygiene.
- (iv) No refreshment or drinks will be provided to attendees at the EGM and the Class Meetings.

To the extent permitted under the applicable laws, the Company reserves the right to deny any person enter into the EGM and the Class Meetings venue or require any person to leave the EGM and the Class Meetings venue so as to ensure the health and safety of the other attendees at the EGM and the Class Meetings. Subject to the development of COVID-19, the Company may be required to change the EGM and the Class Meetings arrangements at short notice. Shareholders should check the websites of the Company (www.lepubiopharma.com) and the Stock Exchange (www.hkexnews.hk) for further announcements and updates on the EGM and the Class Meetings arrangements.

In addition to the traditional physical attendance, Shareholders will be able to attend the EGM and the Class Meetings via the Online Platform. The Online Platform can be accessed from any location with access to the internet via smartphone, tablet device or computer. Shareholders will be able to listen and speak at the EGM and the Class Meetings via the Online Platform. The Online Platform will be available for logging in by Shareholders approximately 30 minutes before the commencement of the EGM and the Class Meetings, and can be accessed via smartphone, tablet or computer with internet access from anywhere.

PRECAUTIONARY MEASURES FOR THE 2022 FIRST EXTRAORDINARY GENERAL MEETING, THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS AND THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS

Shareholders should note that attending the EGM and the Class Meetings via the Online Platform will not be counted towards a quorum nor will they be able to cast their votes online. The Company reminds all Shareholders that physical attendance in person at the EGM and the Class Meetings is not necessary for the purpose of exercising voting rights. Shareholders are advised to appoint the chairman of the EGM and the Class Meetings as their proxy to vote according to their indicated voting instructions.

Login details for Shareholders

Registered Shareholders wishing to participate in the EGM and the Class Meetings must register by emailing to ir@lepubiopharma.com not less than 2 business days before the designated time for convening the EGM and the Class Meetings (i.e. 10:00 a.m. on Wednesday, September 14, 2022). The Company will provide online conference access to Shareholders registered to participate in the EGM and the Class Meetings and completed his/her registration and identity verification. Shareholders registered to participate in the EGM and the Class Meetings by way of the Online Platform shall provide their email addresses and other documents as required for the registration of the physical meeting.

Non-registered Shareholders who hold Shares through Intermediaries, and are eligible and intend to attend the EGM and the Class Meetings by way of the Online Platform, shall contact the Intermediaries for arrangements to be made to enable such non-registered shareholders to attend such meeting by way of the Online Platform.

Shareholders who have completed the registration and identity verification will receive an email on how to participate in the EGM and the Class Meetings by way of the Online Platform before 9:00 a.m. on Friday, September 16, 2022. Shareholders who have obtained the link to the EGM and the Class Meetings held by way of the Online Platform shall not share such information with others.

Raising questions in relation to the EGM and the Class Meetings

Shareholders registered to participate in the EGM and the Class Meetings may submit questions related to the resolutions of the EGM and the Class Meetings. For this purpose, all questions must be emailed to ir@lepubiopharma.com before 10:00 a.m. on Thursday, September 15, 2022. According to the discretion of the chairman of the EGM and the Class Meetings on the proper conduct of the EGM and the Class Meetings, questions related to the resolutions of the EGM and the Class Meetings will be handled by the Board at the EGM and the Class Meetings.

PRECAUTIONARY MEASURES FOR THE 2022 FIRST EXTRAORDINARY GENERAL MEETING, THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS AND THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS

If Shareholders have any enquiries regarding the above arrangement, they can contact the Company via email (ir@lepubiopharma.com) or telephone (+86-10-80123991) before Friday, September 16, 2022. If Shareholders have any questions in relation to the EGM and the Class Meetings, they contact the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, through the following contact information:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: +852 2862 8555
Website: www.computershare.com/hk/contact

If Shareholders have any other question relating to the resolutions to be proposed at the EGM and the Class Meetings or would like to communicate with the Board of the Company, please write to 2nd Floor, Building 41, Lane 518, Xinzhuan Road, Songjiang District, Shanghai, the PRC.

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

LEPU BIOPHARMA CO., LTD.

**PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN THREE YEARS
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES AND LISTING
ON THE SCI-TECH BOARD**

I. PRINCIPLES FOR STABILIZING SHARE PRICE OF THE COMPANY

The Company will maintain normal operation and sustainable development so as to deliver reasonable returns to all shareholders of the Company (the “Shareholders”). To balance the immediate and long-term interests of all Shareholders and facilitate the healthy development of the Company and the market stability, and if the Share price of the Company triggers the specific conditions for initiating Share price stabilization measures, the Company, its controlling Shareholder, the actual controllers, Directors (except independent non-executive Directors) and senior management of the Company will, in accordance with the PRC Company Law and the PRC Securities Law and relevant provisions of regulatory documents issued by the CSRC as well as the actual conditions of the Company, initiate relevant Share price stabilization measures to uphold fair market orders and practically protect the legitimate interests of investors, the minority investors in particular.

**II. SPECIFIC CONDITIONS FOR INITIATING SHARE PRICE STABILIZATION
MEASURES**

Where the closing price of the Shares of the Company has been lower than the latest audited net asset value per Share of the Company for 20 consecutive trading days within 36 months after the listing of the Shares of the Company (the “Conditions for Initiating Share Price Stabilization Measures”, and if the abovementioned closing price of the Shares is not comparable with the latest audited net asset value per Share of the Company due to ex-right or ex-dividend events, the net asset value per Share shall be adjusted accordingly), which is not due to force majeure events, the Company shall initiate Share price stabilization measures.

Where the closing price of the Shares of the Company has been higher than the latest audited net asset value per Share of the Company for 20 consecutive trading days upon implementation of Share price stabilization measures by the Company or relevant parties, the implementation of Share price stabilization measures may be suspended. After the suspension of the implementation of Share price stabilization measures, where the closing price of the Shares of the Company has been lower than the latest audited net asset value per Share of the Company for 20 consecutive trading days again within 12 months after the approval and announcement of the abovementioned plan on Share price stabilization, it shall continue to implement the abovementioned plan on Share price stabilization. Where the implementation of all measures involved in the plan on Share price stabilization has completed or the period for the implementation of the plan on Share price stabilization has expired and is under suspension, it shall be deemed that this round of the plan on Share price stabilization has been terminated.

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

III. SPECIFIC MEASURES OF SHARE PRICE STABILIZATION

When the Conditions for Initiating Share Price Stabilization Measures are satisfied, the Company and relevant parties will, based on the plan on Share price stabilization considered and approved by the Board of Directors or at the general meeting of the Company, adopt part or all of the following measures to stabilize the Share price of the Company: (1) repurchase of Shares by the Company; (2) increase in holding of Shares of the Company by the actual controllers of the Company; (3) increase in holding of Shares of the Company by the directors (except independent non-executive Directors) and senior management of the Company; and (4) other methods permitted by the securities regulatory authorities.

The implementation of the above measures shall comply with the provisions of relevant laws and regulations and the requirements of regulatory authorities. On the basis that it will not result in the shareholding structure of the Company failing to meet the conditions for listed companies, it may comprehensively consider the implementation of one or more of the abovementioned measures to safeguard the stability of the Share price of the Company. The Company shall convene the meeting of the Board of Directors within five working days after triggering the Conditions for Initiating Share Price Stabilization Measures and announce specific implementation measures to be adopted on stabilizing the Share price. The Company and relevant parties shall initiate Share price stabilization measures in accordance with the provisions of relevant laws and regulations after the announcement of specific implementation plans. Specific contents of the above Share price stabilization measures are as follows:

(1) Repurchase of Shares by the Company

A meeting of the Board of Directors shall be convened to discuss specific plans on Share price stabilization within five working days after the Conditions for Initiating Share Price Stabilization Measures are satisfied. Where specific plans on Share price stabilization considered and determined by the Board of Directors require the Company to repurchase Shares, the Board of Directors shall submit the resolution on the repurchase of Shares by the Company to the general meeting for consideration and approval before implementation.

The Company will repurchase Shares via the stock exchange in accordance with laws within 12 months after specific plans on Share price stabilization, including the Share repurchase plan, are considered and approved at the general meeting and announced. The price for the repurchase of Shares of the Company shall be no higher than the latest audited net asset value per Share of the Company (if there are changes in the net asset and the total number of Shares of the Company due to ex-right or ex-dividend events after the latest audit base date, the net asset value per Share shall be adjusted accordingly). The funds for the repurchase of Shares shall be the Company's own funds.

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

(2) Increase in holding of Shares of the Company by the controlling Shareholder and actual controllers

If the Share price stabilization measures considered and approved by the Board of Directors or at the general meeting include increase in holding of Shares of the Company by the controlling Shareholder and actual controllers of the Company, the controlling Shareholder and actual controllers of the Company will increase their holding of Shares of the Company by way of centralized bidding and/or other legitimate means via the stock exchange within 12 months after specific plans on Share price stabilization are approved and announced. The funds for increase in holding of Shares shall be no less than 20% of the after-tax cash dividends received from the Company in the previous accounting year (it shall be excluded where the actual increase in holding of Shares upon the termination of the plan on Share price stabilization is lower than the above standards due to the suspension of Share price stabilization measures).

The controlling Shareholder and actual controllers will vote for relevant resolutions on repurchase of Shares at the meeting of the Board of Directors or the general meeting convened by the Company on matters about Share repurchase in accordance with relevant provisions of the plan on Share price stabilization approved at the general meeting of the Company and perform all obligations based on the resolutions of the general meeting.

(3) Increase in holding of Shares of the Company by the Directors and senior management

If the Share price stabilization measures considered and approved by the Board of Directors or at the general meeting include increase in holding of Shares of the Company by the directors (except independent non-executive Directors) and senior management of the Company, the directors (except independent non-executive Directors) and senior management of the Company will increase their holding of Shares of the Company by way of centralized bidding and/or other legitimate means via the stock exchange within 12 months after specific plans on Share price stabilization are approved and announced. The funds for increase in holding of Shares shall be no less than 20% of the after-tax remuneration received from the Company in the previous accounting year (it shall be excluded where the actual increase in holding of Shares upon the termination of the plan on Share price stabilization is lower than the above standards due to the suspension of Share price stabilization measures).

If the Company proposes to appoint new directors (except independent non-executive Directors) or senior management within three years after listing, the Company will require them to issue letters of undertaking upon their appointment, undertaking to fulfill the undertakings on stabilizing the Share price of the Company made by the Directors (except independent non-executive Directors) or senior management upon the Company's Issue of A Shares and listing on the Sci-Tech Board.

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

IV. REQUIREMENTS ON INCREASE IN HOLDING OR REPURCHASE OF SHARES

The implementation and information disclosure of the above plan on Share price stabilization shall comply with the PRC Company Law and the PRC Securities Law and the provisions of relevant regulations issued by the CSRC, the stock exchange and other competent authorities, without violation of the timing limits on increase in holding or repurchase of Shares under the relevant laws and regulations. Furthermore, the shareholding distribution of the Company upon the implementation shall meet the listing conditions.

V. SPECIFIC PROCEDURES OF SHARE PRICE STABILIZATION MEASURES

When the Company is involved in the circumstance where it should initiate the plan on Share price stabilization, specific resolution procedures for the plan on Share price stabilization of the Company shall be as follows:

The Board of Directors shall convene the meeting of the Board of Directors within five working days from the date on which the abovementioned Conditions for Initiating Share Price Stabilization Measures are satisfied and announce the contents of the plan after relevant specific plans on Share price stabilization are considered and approved.

- (1) If the contents of the plan do not involve the repurchase of Shares of the Company, relevant parties shall complete the implementation within 12 months after the resolution of the Board of Directors is announced.
- (2) If the contents of the plan do involve the repurchase of Shares of the Company, the Board of Directors of the Company shall submit the plan on Share price stabilization to the general meeting for consideration and issue the notice of the general meeting upon the announcement of the resolution of the Board of Directors. Specific repurchase procedures are as follows:
 - ① The Share repurchase plan of the Company shall be considered and approved at the general meeting of the Company, complete relevant procedures stipulated by relevant laws and regulations, relevant requirements of the CSRC and other regulatory documents with binding effects on the Company, and be granted necessary approval. Resolutions of the general meeting shall be approved by more than two thirds of voting rights held by the Shareholders attending the general meeting. After the Share repurchase plan of the Company is considered and approved at the general meeting of the Company, and when the Company implements the Share repurchase plan, the Company shall authorize the Board of Directors to implement relevant resolutions on the repurchase of Shares and announce specific implementation plans in advance. Upon the implementation of the Share repurchase plan, the Company shall

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

notify the creditors in accordance with laws, submit relevant materials to securities regulatory authorities, the relevant stock exchanges and other competent departments and handle approval or filing procedures.

- ② The Company will repurchase Shares via the stock exchange in accordance with laws. After the completion of the implementation of the Share repurchase plan, the Company shall announce the report on the changes of the Shares of the Company within two working days, cancel the Shares repurchased in accordance with laws and handle the procedures on the registration of industrial and commercial changes within 10 working days.

VI. UNDERTAKING AND RESTRAINING MEASURES

If the Company, the controlling Shareholder, the actual controllers or directors with obligation to increase in holding of Shares of the Company (except independent non-executive Directors) and senior management of the Company fails to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they undertake to the restraining measures as follows:

- (1) Undertaking by the Company: the Company undertakes that, in the event the Company fails to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, the Company shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to its Shareholders and public investors. The Board shall propose alternative measures to the general meeting, and the independent non-executive Directors and the Supervisory Committee shall express their opinions on such alternative measures. Before the general meeting consider and approve the alternative measures, the Company should communicate and exchange ideas with Shareholders, particularly medium and small Shareholders, through various channels to hear the opinions and requests of medium and small Shareholders adequately, and to give timely responses to issues concerned by medium and small Shareholders.
- (2) Undertaking by the controlling Shareholder and actual controllers: Each of the controlling Shareholder and actual controllers undertake that, in the event they fail to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to the Shareholders and public investors. The Company shall have the right to withhold or deduct the fund in such amount that should have been used to increase their holding of Shares of the Company from the cash dividends due to be paid to such controlling

**APPENDIX I PLAN FOR STABILIZATION OF PRICE OF SHARES WITHIN
THREE YEARS AFTER THE INITIAL PUBLIC OFFERING
OF A SHARES AND LISTING ON THE SCI-TECH BOARD**

Shareholder and actual controllers. The transfers of Shares of the Company held by the controlling Shareholder and actual controllers shall be prohibited until he/she implements the above specific measures for Share price stabilization, except in circumstances where the transfer of Shares is necessary due to inheritance, compulsory execution, or to fulfill commitments to protect investors' interests.

- (3) Undertaking by the Directors (except independent non-executive Directors) and senior management of the Company: Each of the Directors (except independent non-executive Directors) and senior management of the Company undertake that, in the event they fail to implement the above specific measures for Share price stabilization when the conditions for initiating Share price stabilization measures are fulfilled, they shall explain the specific reasons for non-performance at the general meeting and on the media designated for the disclosure of information and apologize to the Shareholders and public investors. The Company shall have the right to withhold or deduct the fund in such amount that should have been used to increase their holding of Shares of the Company from the remuneration and/or cash dividends due to be paid to such Directors and senior management of the Company. The transfers of Shares of the Company held by the Directors (except independent non-executive Directors) and senior management of the Company shall be prohibited until he/she implements the above specific measures for Share price stabilization, except in circumstances where the transfer of Shares is necessary due to inheritance, compulsory execution, or to fulfill commitments to protect investors' interests.

- (4) While the undertaking parties are implementing the "Specific Measures of Share Price Stabilization" as stipulated under Paragraph III of this plan, they shall comply with relevant requirements of the relevant laws, administrative regulations, departmental rules, normative documents on the repurchase of Shares by the Company or the increase in holding of Shares of the Company by the controlling Shareholder and actual controllers of the Company, the Directors and senior management of the Company. In case of any inconsistency between the rules and any laws, administrative regulations, departmental rules, normative documents to be promulgated in the future, the rules shall be amended in accordance with the latter accordingly.

LEPU BIOPHARMA CO., LTD.**THREE-YEAR DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS
AFTER THE INITIAL PUBLIC OFFERING OF A SHARES AND THE LISTING
ON THE SCI-TECH BOARD**

The Company intends to apply for the initial public offering and listing of A Shares on the Sci-Tech Board. After the proposed Issue of A Shares and listing, the dividend distribution plan of the Company for shareholders of the Company (the “Shareholders”) for the next three years is as follows:

I. BASIC PRINCIPLES

In accordance with the Articles of Association of Lepu Biopharma Co., Ltd. (Draft), the current operating conditions and the capital demand plan of the investment projects and after taking full consideration of Shareholders’ requirements and intentions, the Board of Directors of the Company balances the relationship between Shareholders’ returns and the future development of the Company, guarantees the stability and feasibility of the dividend distribution policy, establishes a more scientific and reasonable mechanism on investors’ returns and ensures the maximum long-term benefits of Shareholders while balancing Shareholders’ returns and the corporate development, thereby formulating a reasonable profit distribution plan and specific action plans.

II. FACTORS CONSIDERED

The dividend distribution plan of the Company for Shareholders for the next three years after the listing of A Shares on the Sci-Tech Board an arrangement made on the basis of the comprehensive analysis on the overall strategic development planning of the enterprise, the cost of social capital, the external financing environment and other factors after taking full consideration of the current and future profit scale, the cash flow, the development stage, the capital demand of the investment projects as well as the bank credit and financing environment to balance the short-term and long-term benefits of Shareholders.

III. DETAILS OF THE DIVIDEND DISTRIBUTION PLAN**(I) Methods of distribution**

Provided that the profit and cash flows of the Company are sufficient to meet its normal operations and long-term development, the Company will give priority to the distribution of cash dividends. Where the Company is expected to maintain a promising development prospect in the future and the development of the Company requires a huge amount of cash, the Company may distribute stock dividends.

(II) Conditions for cash dividend distribution

When the distributable profit (i.e. the after-tax net profit after the Company has made up for losses and made allocations to the reserve fund) for the year is positive, and the Company has sufficient cash flow such that the distribution of cash dividends will not affect the Company's continuous operation in the future; the accumulated distributable profit of the Company is positive; the audit firm has issued a standard audit report with unqualified opinion on the financial report for the financial year; the Company has no major investment plan or significant cash expenditure (except for the Projects). Major investment plan nor significant cash expenditure refers to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming 12 months with accumulated expenses amounting to or exceeding 30% of the latest audited net assets attributable to the parent company.

(III) Conditions for stock dividend distribution

Provided that the Company is under sound operation and the Board of Directors believes that the distribution of stock dividend is beneficial to the overall interests of all Shareholders of the Company as a whole, the Company may, under the premise that the Company ensures sufficient cash dividend distribution, propose plans on stock dividend distribution. Where the Company conducts dividend distribution by way of stock dividend, it shall fully take into account whether the total Share capital after the distribution of stock dividends is in line with, inter alia, the current operational scale, pace of profit growth and dilution of net assets per Share of the Company, in order to ensure that the profit distribution plan is in line with the overall and long-term interests of the Shareholders as a whole.

(IV) Proportion of cash distribution

1. The Company shall maintain the continuity and stability of the profit distribution policy. The accumulated profit distributed in the form of cash for the last three years shall be no less than 30% of the annual average distributable profit realized in the last three years when conditions for cash dividends are met.
2. The Board of Directors of the Company shall comprehensively consider its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, distinguish the following circumstances, and propose differentiated cash dividend policies in accordance with the procedures set out in the Articles of Association:
 - (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when profits are distributed;

- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when profits are distributed;
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed.

Where it is difficult to distinguish the Company's stage of development but there is major investment plan or significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

(V) Intervals of distributions

On the premise of meeting the conditions for profit distribution and ensuring the normal operation and long-term development of the Company, the Company shall distribute profits once a year in principle after being considered and approved at the annual general meeting. The Board of Directors of the Company may propose interim cash dividends in view of the Company's profitability and capital needs and submit it to the general meeting for approval.

IV. DECISION-MAKING MECHANISM AND PROCEDURES OF PROFIT DISTRIBUTION

1. The Board of Directors shall formulate the annual profit distribution plan and the interim profit distribution plan. Independent non-executive Directors shall independently express clear opinions on the profit distribution plan. Independent non-executive Directors may solicit opinions from medium and small Shareholders for putting forward a dividend distribution proposal to the Board of Directors for consideration directly.
2. The Supervisory Committee shall consider the profit distribution plan and make a resolution.
3. The profit distribution plan shall be submitted to the general meeting for consideration and approval after being considered and approved by the Board of Directors and the Supervisory Committee.
4. The profit distribution plan shall be considered at the general meeting. The Company shall provide online voting and other channels for Shareholders to participate in voting at the general meeting. Before the Shareholders consider specific plans on cash dividends, the Company should communicate and exchange ideas with Shareholders, in particular medium and small Shareholders, through various channels (including but not limited to Shareholder hotline, fax, email and

interactive platform) to hear the opinions and requests from medium and small Shareholders adequately, and to give timely responses to issues concerned by medium and small Shareholders.

5. After the profit distribution plan has been resolved at the general meeting, the Board of Directors of the Company shall complete the dividend distribution within two months after the same was considered and approved at the general meeting.

V. ADJUSTMENT MECHANISM OF THE DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS

The Company shall strictly implement its cash dividend policy as determined in the Articles of Association and specific cash dividend plans as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association based on changes in the development stage, the production and operation conditions, the investment plans and the needs in the long-term development of the Company, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after substantiation. The adjustment or changes shall be passed by Shareholders representing not less than two thirds of voting rights held by all Shareholders present at the meeting; the independent non-executive Directors shall give clear opinion on matters such as the truthfulness, adequacy and reasonableness of the reasons for adjustments or changes, truthfulness and validity of the approval procedures as well as its compliance with the conditions required in the Articles of Association, and the Company shall communicate and exchange ideas with medium and small Shareholders before the general meeting and give timely responses to issues concerned by medium and small Shareholders. Independent non-executive Directors may collect opinions from Shareholders through the online voting system, if necessary.

Specific conditions for the Company to adjust the cash dividend policy:

- (1) The Company suffers from losses or has issued a loss warning announcement;
- (2) The balance of cash (including bank deposits and bonds with high liquidity), excluding cash raised from capital markets and cash within special funding for special purposes or special account management funding such as government special financial funds, is not sufficient to pay the cash dividends within two months from the date of general meeting approving the profit distribution;
- (3) The execution of the established dividend policy will render it impossible for the material investment projects and material transactions approved at the general meeting or by the Board of Directors to be implemented according to established transaction plans;

- (4) The Board of Directors has reasonable grounds to believe that execution of the established dividend policy will have a material adverse impact on the continuing operation and profitability of the Company.

VI. INFORMATION DISCLOSURE MECHANISM ON PROFIT DISTRIBUTION

The Company shall disclose in detail the formulation and implementation of the profit distribution plan and the cash dividend policy in accordance with relevant requirements in the annual report and the interim report and state whether or not it is consistent with the requirements of the Articles of Association or the requirements of resolutions at the general meeting, whether or not the criteria and proportions of dividends are definite and clear, whether or not the relevant decision-making procedures and mechanisms are complete, whether or not the independent non-executive Directors have fulfilled their responsibilities and duties, whether or not the medium and small Shareholders have the opportunity to fully express their views and demands, whether or not the legitimate rights and interests of medium and small Shareholders are fully protected. In the event that adjustments or changes are made to the cash dividend policy, whether or not the details of the conditions and procedures of such adjustment or changes are legitimate and transparent shall also be specified. If the Company is profitable for the year and the conditions for cash dividends have been met, but the Board of Directors fails to make the plan on profit distribution in cash, the Company shall disclose the reasons in regular reports, explain the use and the utilization plan of the fund that has not been utilized for distribution but retained by the Company, on which independent non-executive Directors and the Supervisory Committee shall express their independent opinions. When convening a general meeting, the Company shall provide online voting and other channels for medium and small Shareholders to participate in voting at such meeting.

VII. OTHER MATTERS

In case of the misappropriation of Company funds by the Shareholders, the Company shall deduct the cash dividends distributed to such Shareholders in order to repay the misappropriated funds.

Where there is a change in the Company's control resulting from the issuance of securities, significant asset restructuring, merger and division or acquisition of the Company, the Company shall disclose in detail the cash dividend policy and relevant arrangements after the offering or issuance, restructuring or change in the control, as well as the explanation of the Board of Directors thereon in the offering circular or the distribution plan, report on significant asset restructuring, report on change in equity or report on acquisition.

**APPENDIX III ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY
THE INITIAL PUBLIC OFFERING OF A SHARES AND
RECOVERY MEASURES FOR THE IMMEDIATE RETURN**

LEPU BIOPHARMA CO., LTD.

**ANALYSIS ON DILUTION ON IMMEDIATE RETURN BY
THE INITIAL PUBLIC OFFERING OF A SHARES AND RECOVERY MEASURES
FOR THE IMMEDIATE RETURN**

In order to reduce the impact of the dilution of immediate returns by the proposed Issue of A Shares of the Company and fully protect the interests of medium and small shareholders of the Company (the “Shareholders”), the Company and its actual controllers, directors and senior management made the following undertakings:

I. UNDERTAKINGS OF THE COMPANY

The proceeds raised from the initial public offering of A Shares will be used for the development of the Company’s principal business. As it takes certain time to construct and implement the projects funded by proceeds, when the Company’s Share capital and net assets increase and the projects to be funded by proceeds have not yet realized profit, the immediate returns to Shareholders such as earnings per Share and return on net assets will decrease to a certain extent if net profit does not realize growth accordingly after the Issue of A Shares.

In order to reduce the impact of the dilution of immediate returns by the proposed Issue of A Shares, the Company intends to adopt the following measures:

1. Actively implementing the projects funded by proceeds and improving the profitability and comprehensive competitiveness of the Company

The investment projects funded by the proceeds from the proposed Issue of A Shares closely focus on the current principal business of the Company, conform to the Company’s future development strategies and are conducive to improving the continuous profitability and market competitiveness of the Company. The Board of Directors of the Company has fully considered the investment projects funded by the proceeds. After the receipt of the proceeds, the Company will actively promote the implementation of the investment projects funded by the proceeds, actively expand the market and further increase the revenue and boost the profitability.

2. Strengthening the management of proceeds and ensuring the standardized and effective use of proceeds

In accordance with the provisions of the PRC Company Law, PRC Securities Law, “Rules Governing the Listing of Securities on the Sci-Tech Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所創業板上市規則》) and other laws, regulations, normative documents and the Articles of Association, the Company has formulated the “Management Policy for Raised Proceeds”, which specified the

deposit, usage, change of committed investment project, management and supervision of the special account for proceeds. To guarantee the compliant and effective use of proceeds, after the receipt of the proceeds, the Board of Directors of the Company will continuously supervise the Company's special deposit of proceeds, guarantee that the proceeds are used for designated investment projects, and coordinate with regulatory banks and sponsors for inspection and supervision on the use of proceeds to ensure the reasonable and compliant use of proceeds and reasonably prevent the risks in relation to the use of proceeds.

3. Actively improving the core competitiveness of the Company and standardizing internal systems

The Company will endeavor to further consolidate and enhance the core competitive strengths of the Company and broaden its market, increase R&D inputs and boost leading advantages in products and technology, in a bid to ensure growth in both revenue and profitability. The Company will strengthen internal control and leverage on the effectiveness of corporate management and control. It will advance overall budget management, optimize the budget management process, enhance cost management and strengthen supervision of budget execution, comprehensively and effectively control the Company's operation, management and control risks and improve the operational efficiency and profitability.

4. Optimizing the profit distribution policy and strengthening the investor return mechanism

In order to further improve its profit distribution policy, establish a scientific, continuous and stable dividend distribution mechanism, increase the transparency of profit distribution decisions, and safeguard the interests of its Shareholders, the Company has, in accordance with the requirements of the "Notice on Further Implementation of Matters Relating to Distribution of Cash Dividends for Listed Companies" (《關於進一步落實上市公司現金分紅有關事項的通知》), "Guideline No. 3 on Supervision of Listed Companies – Cash Dividends for Listed Companies" (《上市公司監管指引第3號–上市公司現金分紅》) and other relevant documents issued by the CSRC, and combined with the actual conditions of the Company, formulated the "Three-Year Dividend Distribution Plan for Shareholders after the Initial Public Offering of A Shares and Listing on the Sci-Tech Board", specifying in respect of the profit distribution of the Company, in particular the specific conditions for the distribution of cash dividend, the proportion, the form of distribution and the conditions for the distribution of stock dividend, and improving the decision-making mechanism on the profit distribution of the Company and the principles for the adjustment of the profit distribution policy.

Following the completion of the the Issue of A Shares, the Company will strictly implement the profit distribution policy. If the conditions for profit distribution are met, it will actively promote the profit distribution to Shareholders and step up efforts in the implementation of continuous, stable and scientific returns to investors, thereby practically protect the legitimate interests of public investors.

5. Constantly improving corporate governance and providing systematic guarantee for the development of the Company

The Company will strictly abide by the PRC Company Law, the PRC Securities Law, the “Code of Corporate Governance of Listed Companies” (《上市公司治理準則》) and other laws and regulations and regulatory documents to continuously improve the governance structure and enhance internal control; ensure that Shareholders can fully exercise their rights; ensure that the Board of Directors will exercise their powers in accordance with laws and regulations and the Articles of Association and make scientific, prompt and prudent decisions; ensure that independent non-executive Directors can duly perform their duties so as to protect the overall interests of the Company, especially the legitimate interests of medium and small Shareholders; and ensure that the Supervisory Committee can independently and effectively exercise the power to supervise and inspect the Directors, senior management and the Company’s finances, and provide systematic guarantees for the Company’s development.

II. UNDERTAKINGS OF THE ACTUAL CONTROLLERS OF THE COMPANY

In order to reduce the impact of the dilution of immediate return by the initial public offering of A Shares, the actual controllers of the Company have made the following undertakings:

- “1. We will not interfere with the operation and management activities of the Company and will not encroach on the interests of the Company;
2. If we, as one of the responsible parties of the recovery measures for returns, violate the aforesaid undertakings or refuse to fulfill the aforesaid undertakings, we agree that the CSRC, the Shanghai Stock Exchange or other securities regulatory authorities can penalize or take relevant administrative measures against us in accordance with relevant requirements and rules promulgated or issued by them.”

**III. UNDERTAKINGS OF ALL DIRECTORS AND SENIOR MANAGEMENT OF THE
COMPANY**

In order to reduce the impact of the dilution of immediate return by the initial public offering of A Shares, the directors and senior management of the Company have made the following undertakings:

- “1. We undertake not to transfer benefits to other organizations or individuals at nil consideration or on unfair terms nor otherwise prejudice the interests of the Company.
2. We undertake to control relevant duty-related expenses.
3. We undertake not to utilize the Company’s assets for the purpose of investment and consumption activities that are irrelevant to our duties.
4. We undertake to ensure the remuneration system formulated by the Board of Directors or the Remuneration Committee to be related to the execution of the recovery measures for returns of the Company.
5. We undertake to ensure the exercise conditions under the equity incentive of the Company to be announced to be related to the execution of the recovery measures for returns of the Company.”

From the date of undertaking until the completion of the proposed Issue of A Shares, if the CSRC issues other new regulatory rules related to recovery measures for returns and their undertakings, resulting in the aforesaid undertakings fail to meet those rules of the CSRC, the Company and its actual controllers, directors and senior management undertake to make additional undertakings in accordance with the latest rules of the CSRC.

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Before amendment	After amendment
<p>Article 1 In order to safeguard the legitimate interests of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the organization and conduct of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies, the Mandatory Provisions of Articles of Association of Companies Listing Overseas, the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, 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 laws, administrative regulations, departmental rules, normative documents and requirements of the relevant regulatory authorities.</p>	<p>Article 1 In order to safeguard the legitimate interests of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the organization and conduct of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Share Offering and Listing of Joint Stock Limited Companies, the Mandatory Provisions of Articles of Association of Companies Listing Overseas, the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), <u>Guide to Articles of Association of Listed Company, Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (the “Sci-Tech Board Listing Rules”), Code of Corporate Governance for Listed Companies</u> and other laws, administrative regulations, departmental rules, normative documents and requirements of the relevant regulatory authorities.</p>
<p>New provision</p>	<p><u>Article 6 The registered capital of the Company is RMB[●].</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 8 Upon approval through a resolution at the general meeting of the Company and by the securities regulatory authorities, these Articles of Association shall take effect on the date of the listing of overseas-listed foreign shares (H Shares) issued by the Company on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”). The previous Articles of Association of the Company shall lapse automatically once these Articles of Association take effect.</p> <p>When these Articles of Association come into effect, these Articles of Association shall be legally binding on the Company’s organization and conduct, the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves as well as the Company, its shareholders, Directors, Supervisors, senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with these Articles of Association.</p> <p>Pursuant to these Articles of Association, a shareholder may claim against the other shareholders, and the shareholders may claim against the Company’s Directors, Supervisors and senior management members. The shareholders may claim against the Company. The Company may claim against its shareholders, Directors, Supervisors and senior management members.</p> <p>For the purposes of the preceding paragraph, the term “claim” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.</p>	<p>Article 8 When these Articles of Association come into effect, these Articles of Association shall be legally binding on the Company’s organization and conduct, the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves as well as the Company, its shareholders, Directors, Supervisors, senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with these Articles of Association.</p> <p>Pursuant to these Articles of Association, a shareholder may claim against the other shareholders, and the shareholders may claim against the Company’s Directors, Supervisors and senior management members. The shareholders may claim against the Company. The Company may claim against its shareholders, Directors, Supervisors and senior management members.</p> <p>For the purposes of the preceding paragraph, the term “claim” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 14 The Company shall issue Shares in an open, fair and just manner, and each Share of the same class shall have the same right.</p> <p>All Shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each Share subscribed for by any entities or individuals.</p>	<p>Article 15 The Company shall issue Shares in an open, fair and just manner, and each Share of the same class shall have the same right.</p> <p>All Shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each Share subscribed for by any entities or individuals.</p> <p><u>The domestic Shares and overseas listed foreign Shares issued by the Company shall rank <i>pari passu</i> with each other for all dividends or any other distributions made. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any Share by reason only that the person who is interested directly or indirectly therein have failed to disclose his/her interests to the Company.</u></p>
<p>Article 19 The total number of ordinary shares that the Company may issue upon approval by the examination and approval departments authorized by the State Council is 1,492,692,648. The Company issued 1,492,692,648 ordinary shares to its promoters upon its establishment, representing 100% of the total number of ordinary shares that may be issued by the Company.</p>	<p>This provision is deleted.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 20 After the Company’s initial public offering and listing, the Company’s Share capital is 1,659,444,838 ordinary Shares comprising 54,268,364 domestic Shares and 1,605,176,474 foreign Shares.</p>	<p>Article 20 After the Company’s initial public offering and listing, the Company’s Share capital is 1,659,444,838 ordinary Shares comprising 54,268,364 domestic Shares and 1,605,176,474 foreign Shares.</p> <p><u>The Company has obtained approval from the Shanghai Stock Exchange (hereinafter referred to as “SSE”) and registered with the CSRC for the initial public offering of [●] domestic ordinary Shares dominated in Renminbi (A Shares) which have been listed on the Sci-Tech Board on [●]. After the Company completed the initial public offering and listing of domestic ordinary Shares dominated in Renminbi (A Shares), the capital structure of the Company shall comprise of: [●] ordinary Shares, with [●] domestic ordinary Shares dominated in Renminbi (A Shares), and [●] H Shares.</u></p>
<p>Article 21 Domestic Shares issued by the Company are deposited under the centralized custody of the securities depository institution that meets relevant requirements. The H Shares of the Company are mainly deposited under the custody of entrusted Hong Kong securities clearing companies and such Shares may also be held under the personal names of shareholders.</p>	<p>Article 21 <u>The registered depository of the domestic Shares issued by the Company is China Securities Depository and Clearing Co., Ltd (CSDS).</u> The H Shares of the Company are mainly deposited under the custody of entrusted Hong Kong securities clearing companies and such Shares may also be held under the personal names of shareholders.</p>
<p>Article 24 The registered capital of the Company is RMB1,492,692,648. Immediately before the issue of H Shares, the Company had a registered capital of RMB1,531,669,838.</p> <p>Following the completion of the aforesaid issue of H Shares, the Company has a registered capital of RMB1,659,444,838.</p>	<p>Article 24 The registered capital of the Company is RMB1,492,692,648. Immediately before the issue of H Shares, the Company had a registered capital of RMB1,531,669,838.</p> <p>Following the completion of the aforesaid issue of H Shares, the Company has a registered capital of RMB1,659,444,838.</p> <p><u>Following the completion of the aforesaid issue of A Shares, the Company has a registered capital of RMB[●].</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 29 Where the Company repurchases its own Shares for the purposes of items (I) and (II) of Article 28 herein, it shall obtain approval at a general meeting. Where the Company repurchases its own Shares for the purposes of items (III), (V) and (VI) above, it shall be subject to approval by way of Board resolution at a Board meeting attended by more than two-thirds of the Directors. Following the repurchase of its Shares in accordance with the foregoing, such Shares shall be cancelled within ten days from the date of repurchase in the case of item (I) above and transferred or cancelled within six months in the case of items (II) and (IV) above; and such Shares shall be transferred or cancelled within three years in the case of items (III), (V) and (VI) above and in case of the total number of Shares of the Company held by the Company shall not exceed 10% of the total number of Shares issued by the Company. The nominal value of such Shares which have been cancelled shall be reduced from the registered capital of the Company, and the Company shall promptly apply for registration with the original company registration authorities of the change of registered capital of the Company.</p>	<p>Article 29 Where the Company repurchases its own Shares for the purposes of items (I) and (II) of Article 28 herein, it shall obtain approval at a general meeting. Where the Company repurchases its own Shares for the purposes of items (III), (V) and (VI) of Article 28, it shall be subject to approval by way of Board resolution at a Board meeting attended by more than two-thirds of the Directors. Following the repurchase of its Shares in accordance with the foregoing, such Shares shall be cancelled within ten days from the date of repurchase in the case of item (I) above and transferred or cancelled within six months in the case of items (II) and (IV) above; and such Shares shall be transferred or cancelled within three years in the case of items (III), (V) and (VI) above and in case of the total number of Shares of the Company held by the Company shall not exceed 10% of the total number of Shares issued by the Company. The nominal value of such Shares which have been cancelled shall be reduced from the registered capital of the Company, and the Company shall promptly apply for registration with the original company registration authorities of the change of registered capital of the Company. <u>The repurchase by the Company of its own Shares shall comply with the PRC Securities Law and other applicable requirements of the laws and regulations to fulfill its obligation to disclose information.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 30 With the approval from relevant national competent authorities, the Company may repurchase its Shares in any one of the following manners:</p> <p>(I) making of a repurchase offer in the same proportion to all shareholders;</p> <p>(II) repurchase through open transactions on a stock exchange;</p> <p>(III) repurchase by agreement outside of a stock exchange;</p> <p>(IV) other methods recognized by laws, regulations and relevant regulatory authorities.</p>	<p>Article 30 With the approval from relevant national competent authorities, the Company may repurchase its Shares in any one of the following manners:</p> <p>(I) making of a repurchase offer in the same proportion to all shareholders;</p> <p>(II) repurchase through open transactions on a stock exchange;</p> <p>(III) repurchase by agreement outside of a stock exchange;</p> <p>(IV) other methods recognized by laws, regulations and relevant regulatory authorities.</p> <p><u>The repurchase by the Company of its Shares in circumstances as set out in items (3), (5) and (6) of Article 28 herein shall be conducted through open centralized trading.</u></p>
<p>Article 43 The Share certificates of the Company shall be in registered form.</p> <p>In addition to the particulars provided for in the Company Law, the Share certificates of the Company shall clearly state such other particulars as required by the stock exchanges on which the Company's Shares are listed.</p> <p>The overseas listed foreign Shares issued by the Company may take the form of overseas depository receipt or other derivative form of Share certificate in accordance with laws and securities registration and depository practice of the listing venue.</p>	<p>Article 43 The Share certificates of the Company shall be in registered form.</p> <p>In addition to the particulars provided for in the Company Law, the Share certificates of the Company shall clearly state such other particulars as required by the stock exchanges on which the Company's Shares are listed.</p> <p><u>The registered depository of the Shares held by the domestic shareholders of the Company is China Securities Depository and Clearing Co., Ltd (CSDS). The register of domestic shareholders and the Shares held by the domestic shareholders are based on the information recorded in the securities book-entry system of CSDS.</u></p> <p>The overseas listed foreign Shares issued by the Company may take the form of overseas depository receipt or other derivative form of Share certificate in accordance with laws and securities registration and depository practice of the listing venue.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 49 Changes due to share transfer should not be made to register of shareholders within thirty (30) days before a general meeting or within five (5) days before the record date for the purpose of determining entitlements to dividend distributions. If provisions otherwise provided by the stock exchanges in the places where the shares of the Company shares are listed, these provisions shall apply.</p>	<p><u>Article 49 If there are other requirements on the period for closure of register of members prior to the date of a general meeting or the record date for dividend distribution as determined by the Company under the laws, regulations, departmental rules, normative documents and the relevant securities regulatory authorities of the places where the Shares of the Company are listed, such requirements shall prevail.</u></p>
<p>Article 56 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) the right to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) the right to attend or appoint a proxy to attend general meetings and to speak and vote at such meetings;</p> <p>(III) the right to supervise the Company's business operations, to present proposals or to raise enquires;</p> <p>(IV) the right to transfer, give as a gift or pledge Shares in accordance with laws, administrative regulations, normative documents and relevant requirements of the securities regulatory authorities of the places where the Shares of the Company are listed as well as these Articles of Association;</p>	<p>Article 56 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(I) the right to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) the right to <u>request, convene, preside over,</u> attend or appoint a proxy to attend general meetings and to speak and vote at such meetings, <u>pursuant to the laws;</u></p> <p>(III) the right to supervise the Company's business operations, to present proposals or to raise enquires;</p> <p>(IV) the right to transfer, give as a gift or pledge Shares in accordance with laws, administrative regulations, normative documents and relevant requirements of the securities regulatory authorities of the places where the Shares of the Company are listed as well as these Articles of Association;</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>(V) the right to obtain relevant information in accordance with these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. obtaining a copy of these Articles of Association, subject to payment of cost; 2. the right to inspect and copy, subject to payment of reasonable charges: <ol style="list-style-type: none"> (1) all parts of the register of shareholders; (2) personal information of the Directors, Supervisors and senior management of the Company, including: <ol style="list-style-type: none"> (A) current and previous names and aliases; (B) main address (domicile); (C) nationality; (D) full-time and all other part-time occupations and duties; (E) identification credentials and their numbers. (3) the status of the Company's Share capital; (4) special resolutions of general meetings of the Company; (5) reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose; 	<p>(V) the right to obtain relevant information in accordance with these Articles of Association, including:</p> <ol style="list-style-type: none"> 1. obtaining a copy of these Articles of Association, subject to payment of cost; 2. the right to inspect and copy, subject to payment of reasonable charges: <ol style="list-style-type: none"> (1) all parts of the register of shareholders; (2) personal information of the Directors, Supervisors and senior management of the Company, including: <ol style="list-style-type: none"> (A) current and previous names and aliases; (B) main address (domicile); (C) nationality; (D) full-time and all other part-time occupations and duties; (E) identification credentials and their numbers. (3) the status of the Company's Share capital; (4) special resolutions of general meetings of the Company; (5) reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of Shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;

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Before amendment	After amendment
<p>(6) minutes of general meetings;</p> <p>(7) the latest audited financial report;</p> <p>(8) a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities.</p> <p>Documents of Items (1) to (8) (except Item (2)) mentioned above shall be made available by the Company, according to the requirements of the listing rules, at the Company's address in Hong Kong, for the public shareholders and holders of overseas listed Shares to inspect free of charge (minutes of general meetings are available for inspection by the shareholders only). If the information to be inspected and photocopied involves business secrets or inside information of the Company, the Company may refuse to provide the same.</p> <p>(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;</p> <p>(VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to repurchase their Shares;</p> <p>(VIII) other rights under laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and these Articles of Association.</p>	<p>(6) minutes of general meetings;</p> <p>(7) the latest audited financial report;</p> <p>(8) a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities.</p> <p>Documents of Items (1) to (8) (except Item (2)) mentioned above shall be made available by the Company, according to the requirements of the listing rules, at the Company's address in Hong Kong, for the public shareholders and holders of overseas listed Shares to inspect free of charge (minutes of general meetings are available for inspection by the shareholders only). If the information to be inspected and photocopied involves business secrets or inside information of the Company, the Company may refuse to provide the same.</p> <p style="text-align: center;"><u>3. to inspect the resolutions of the board of directors, the resolutions of the supervisory committee, the financial and accounting reports, and the corporate bond counterfoils;</u></p> <p>(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;</p> <p>(VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to repurchase their Shares;</p> <p>(VIII) other rights under laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and these Articles of Association.</p>

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Before amendment	After amendment
<p>The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the Shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.</p>	<p>The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the Shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.</p>
<p>Article 66 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws:</p> <p>(I) to decide the business operation guidelines and investment plans for the Company;</p> <p>(II) to elect, change, appoint and remove Directors and Supervisors who are not employees’ representatives, and determine the remunerations of Directors and Supervisors;</p> <p>(III) to consider and approve reports of the Board;</p> <p>(IV) to consider and approve reports of the Supervisory Committee;</p> <p>(V) to consider and approve the annual financial budgets and final accounting proposals of the Company;</p> <p>(VI) to consider and approve the Company’s profit distribution plans and loss recovery plans;</p> <p>(VII) to resolve on the increase or reduction of the registered capital of the Company and issuance of Shares of any class, stock warrants or other similar securities;</p> <p>(VIII) to resolve on the issuance of bonds of the Company;</p> <p>(IX) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;</p> <p>(X) to amend these Articles of Association;</p>	<p>Article 66 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws:</p> <p>(I) to decide the business operation guidelines and investment plans for the Company;</p> <p>(II) to elect, change, appoint and remove Directors and Supervisors who are not employees’ representatives, and determine the remunerations of Directors and Supervisors;</p> <p>(III) to consider and approve reports of the Board;</p> <p>(IV) to consider and approve reports of the Supervisory Committee;</p> <p>(V) to consider and approve the annual financial budgets and final accounting proposals of the Company;</p> <p>(VI) to consider and approve the Company’s profit distribution plans and loss recovery plans;</p> <p>(VII) to resolve on the increase or reduction of the registered capital of the Company and issuance of Shares of any class, stock warrants or other similar securities;</p> <p>(VIII) to resolve on the issuance of bonds of the Company;</p> <p>(IX) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;</p> <p>(X) to amend these Articles of Association;</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>(XI) to consider and approve the Company's purchase or disposal of major assets, investment or guarantees within one year with the aggregate amount exceeding 30% of the latest audited total assets of the Company;</p> <p>(XII) to determine the Company's engagement, removal or discontinuance of engagement of accounting firms;</p> <p>(XIII) to consider and approve matters relating to the changes in the use of proceeds;</p> <p>(XIV) to consider and approve Share incentive schemes;</p> <p>(XV) to consider and approve Share incentive schemes; (XV) to consider other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where Shares of the Company are listed and these Articles of Association.</p>	<p><u>(XI) to consider and approve the provision of guarantees to third parties that shall be approved at a general meeting required by these Articles of Association;</u></p> <p>(XII) to consider and approve the Company's purchase or disposal of major assets, investment within one year with the aggregate amount exceeding 30% of the latest audited total assets of the Company;</p> <p><u>(XIII) to consider and approve the significant transactions and related (connected) transactions that shall be considered and approved at a general meeting required by laws, administrative regulations, the regulatory rules of the stock exchange of the places where the Shares of the Company are listed and the Articles of Association; unless otherwise specified, "connected transactions" used herein shall have the same meaning as "related party transactions" defined in the Sci-Tech Board Listing Rules and "connected transactions" defined in the Hong Kong Listing Rules;</u></p> <p><u>(XIV) to consider and approve the proposal raised by shareholders who, individually or in the aggregate, hold 3% or more of the total number of voting Shares of the Company;</u></p> <p>(XV) to determine the Company's engagement, removal or discontinuance of engagement of accounting firms;</p> <p>(XVI) to consider and approve matters relating to the changes in the use of proceeds;</p> <p>(XVII) to consider and approve Share incentive schemes;</p> <p>(XVIII) to consider other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where Shares of the Company are listed and these Articles of Association.</p>

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Before amendment	After amendment
New provision	<p><u>Article 69 The following external guarantees provided by the Company shall be considered and approved by the general meeting:</u></p> <p><u>(1) any guarantee provided after the total amount of guarantee provided by the Company and its controlled subsidiaries has exceeded fifty percent (50%) of the Company's latest audited net assets;</u></p> <p><u>(2) any guarantee provided after the total amount of guarantee provided by the Company has exceeded thirty percent (30%) of the Company's latest audited total assets;</u></p> <p><u>(3) any guarantee provided after the amount of guarantee has exceeded 30% of the Company's latest audited net assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;</u></p> <p><u>(4) any guarantee provided to a party which has an asset-liability ratio in excess of seventy percent (70%);</u></p> <p><u>(5) a single guarantee for an amount in excess of ten percent (10%) of the latest audited net assets;</u></p> <p><u>(6) guarantees to be provided to shareholders, actual controllers and their related parties.</u></p> <p><u>The above guarantees to third parties that shall be approved at a general meeting shall be considered and approved by the board before submission to the general meeting for approval. Matters of guarantee within the authority of the Board of Directors shall also be subject to the approval of at least two-thirds (2/3) of the directors present at a meeting of the Board of Directors, in addition to the approval by a majority of all directors.</u></p>

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Before amendment	After amendment
	<p><u>When the guarantee specified in item (3) is considered at the general meeting, it shall be approved by more than two-thirds (2/3) of voting rights held by the shareholders attending the general meeting.</u></p> <p><u>If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a controlled subsidiary and other shareholders of the controlled subsidiary provide an equivalent guarantee in proportion to the interests enjoyed by them, which is not detrimental to the interests of the Company, it may be exempted from the provisions of items (1), (4) and (5) above. The Company shall summarize and disclose the aforementioned guarantees in its annual and interim reports.</u></p>
<p>Article 71 The venue of a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting.</p> <p>A general meeting shall usually be in the form of physical meeting held on-site. However, so far as permitted by the securities regulatory authorities or the stock exchange, such meeting may also be held in such other manners as recognized or required by the securities regulatory authorities or the stock exchange. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>	<p>Article 72 The venue of a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting.</p> <p>A general meeting shall usually be in the form of physical meeting held on-site. <u>The Company may also provide online voting means for the convenience of shareholders' attendance.</u> However, so far as permitted by the securities regulatory authorities or the stock exchange, such meeting may also be held in such other manners as recognized or required by the securities regulatory authorities or the stock exchange. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.</p>

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Before amendment	After amendment
<p>Article 78 When a general meeting is convened by the Company, the Board of Directors, the Supervisory Committee and shareholders who severally or jointly hold three percent (3%) or more of the Shares of the Company, shall be entitled to make proposals to the general meetings.</p> <p>Shareholders, who severally or jointly hold 3% or more of the Shares of the Company, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals.</p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.</p> <p>The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with Article 77 herein.</p>	<p>Article <u>79</u> When a general meeting is convened by the Company, the Board of Directors, the Supervisory Committee and shareholders who severally or jointly hold three percent (3%) or more of the Shares of the Company, shall be entitled to make proposals to the general meetings.</p> <p>Shareholders, who severally or jointly hold 3% or more of the Shares of the Company, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals.</p> <p>Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.</p> <p>The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with Article <u>78 and provision of the second paragraph of this Article</u> herein.</p>

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Before amendment	After amendment
<p>Article 80 Notice of a general meeting shall satisfy the following requirements:</p> <p>(I) be in writing;</p> <p>(II) time, venue and duration of the meeting;</p> <p>(III) matters and proposals to be considered at the meeting. Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals;</p> <p>(IV) necessary information and explanations to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of Shares, restructuring of Share capital or other restructuring;</p> <p>(V) in the event that any of the Directors, Supervisors, the CEO or other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, the CEO or other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;</p> <p>(VI) the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) a prominent statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;</p>	<p>Article 81 Notice of a general meeting shall satisfy the following requirements:</p> <p>(I) be in writing;</p> <p>(II) time, venue and duration of the meeting;</p> <p>(III) matters and proposals to be considered at the meeting. Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals;</p> <p>(IV) necessary information and explanations to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of Shares, restructuring of Share capital or other restructuring;</p> <p>(V) in the event that any of the Directors, Supervisors, the CEO or other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, the CEO or other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;</p> <p>(VI) the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) a prominent statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;</p>

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Before amendment	After amendment
<p>(VIII) the time and venue for lodging a proxy form for the meeting;</p> <p>(IX) the record date for shareholders who are entitled to attend the general meeting;</p> <p>(X) the name and telephone number of the contact person for the meeting.</p> <p>The interval between the shareholding record date of general meeting and the date of the meeting shall be in compliance with the requirements of relevant regulatory authorities of the place where securities of the Company are listed. The shareholding record date shall not be changed once confirmed.</p> <p>Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals. If any matter to be discussed requires opinions of the independent non-executive Directors, the opinions and reasons of the independent non-executive Directors shall be disclosed together with the issuance of such notice.</p>	<p>(VIII) the time and venue for lodging a proxy form for the meeting;</p> <p>(IX) the record date for shareholders who are entitled to attend the general meeting;</p> <p>(X) the name and telephone number of the contact person for the meeting;</p> <p><u>(XI) the time and procedures of voting through internet or other means (if applicable).</u></p> <p>The interval between the shareholding record date of general meeting and the date of the meeting shall be in compliance with the requirements of relevant regulatory authorities of the place where securities of the Company are listed. The shareholding record date shall not be changed once confirmed.</p> <p>Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals. If any matter to be discussed requires opinions of the independent non-executive Directors, the opinions and reasons of the independent non-executive Directors shall be disclosed together with the issuance of such notice.</p> <p><u>If internet or other means is adopted for the general meeting, the Company shall specify clearly in the notice of the general meeting the procedures of voting through internet or other means. No voting at the general meeting through network or otherwise shall commence earlier than 3:00 pm on the day preceding the date of an on-site general meeting, and later than 9:30 am on the date of the on-site general meeting, or end earlier than 3:00 pm on the date of conclusion of the on-site general meeting.</u></p>

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Before amendment	After amendment
<p>Article 81 Unless these Articles of Association otherwise requires, the notice of a general meeting shall be sent to shareholders and announced in accordance with the relevant requirements in Chapter 10 of these Articles of Association.</p> <p>The notice of the general meeting may also be given by way of announcement. The announcement referred to in the preceding paragraph shall, within the period from twenty (20) to twenty-five (25) days before the convening of an annual general meeting or fifteen (15) to twenty (20) days before the convening of an extraordinary general meeting, be published in one or more newspapers designated by the securities regulatory authorities of the State Council. Once such an announcement is made, all holders of the domestic Shares shall be deemed to have received the relevant notice of the general meeting.</p> <p>The notices, materials or written statement of the general meeting should be delivered to the shareholders of overseas listed foreign Shares 20 days before the convening of an annual general meeting or 15 days before the convening of an extraordinary general meeting in any of the following manners:</p> <p>(I) to be delivered to every holder of overseas listed foreign Shares by person or by mail to the registered addresses of such holder of overseas listed foreign Shares;</p> <p>(II) announced at the websites designated by the securities regulatory authorities or the stock exchange of the places where securities of the Company are listed in accordance with relevant laws, administrative regulations and relevant listing rules;</p> <p>(III) other manners required by the stock exchanges of the places where securities of the Company are listed and the listing rules.</p>	<p>Article 82 Unless these Articles of Association otherwise requires, the notice of a general meeting shall be sent to shareholders and announced in accordance with the relevant requirements in Chapter 10 of these Articles of Association.</p> <p>The notice of the general meeting may also be given by way of announcement. The announcement referred to in the preceding paragraph shall, within the period from twenty (20) to twenty-five (25) days before the convening of an annual general meeting or fifteen (15) to twenty (20) days before the convening of an extraordinary general meeting, be published in one or more newspapers <u>or other media</u> designated by the securities regulatory authorities of the State Council. Once such an announcement is made, all holders of the domestic Shares shall be deemed to have received the relevant notice of the general meeting.</p> <p>The notices, materials or written statement of the general meeting should be delivered to the shareholders of overseas listed foreign Shares 20 days before the convening of an annual general meeting or 15 days before the convening of an extraordinary general meeting in any of the following manners:</p> <p>(I) to be delivered to every holder of overseas listed foreign Shares by person or by mail to the registered addresses of such holder of overseas listed foreign Shares;</p> <p>(II) announced at the websites designated by the securities regulatory authorities or the stock exchange of the places where securities of the Company are listed in accordance with relevant laws, administrative regulations and relevant listing rules;</p> <p>(III) other manners required by the stock exchanges of the places where securities of the Company are listed and the listing rules.</p>

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Before amendment	After amendment
<p>Article 86 All shareholders or their proxies whose names appear on the register of shareholders on the shareholding record date are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and these Articles of Association.</p> <p>Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one (who may not be shareholders) to act as his/her proxy to attend and vote at the meeting on his/her behalf. If a shareholder has appointed a proxy to attend any meeting, he/she shall be deemed to have attended the meeting in person. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(I) the shareholders’ right to speak at the meeting;</p> <p>(II) the right to demand a poll by himself/herself or jointly with others;</p> <p>(III) unless otherwise provided by these Articles of Association, the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.</p>	<p>Article 87 All shareholders or their proxies whose names appear on the register of shareholders on the shareholding record date are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and these Articles of Association.</p> <p>Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one <u>or more</u> (who may not be shareholders) to act as his/her proxy(ies) to attend and vote at the meeting on his/her behalf. If a shareholder has appointed a proxy to attend any meeting, he/she shall be deemed to have attended the meeting in person. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(I) the shareholders’ right to speak at the meeting;</p> <p>(II) the right to demand a poll by himself/herself or jointly with others;</p> <p>(III) unless otherwise provided by these Articles of Association, the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.</p>

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Before amendment	After amendment
<p>Article 103 The resolutions of the general meeting shall be announced promptly. Such announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting Shares held by them, the percentage of such voting Shares in relation to all the voting Shares of the Company, the total number of Shares required by the securities regulatory authorities in the place where the Shares of the Company Shares are listed to abstain from voting in favor and/or abstain from voting (if any), whether shareholders required to abstain from voting have in fact abstained, the voting methods, the voting result of each proposal and the identities of scrutinizers for vote-counting.</p>	<p>Article 104 The resolutions of the general meeting shall be announced promptly. Such announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting Shares held by them, the percentage of such voting Shares in relation to all the voting Shares of the Company, the total number of Shares required by the securities regulatory authorities in the place where the Shares of the Company Shares are listed to abstain from voting in favor and/or abstain from voting (if any), whether shareholders required to abstain from voting have in fact abstained, the voting methods, the voting result of each proposal and the identities of scrutinizers for vote-counting.</p> <p><u>Proposals not adopted or resolutions of the former general meeting changed in this general meeting shall be specially pointed out in the announcement of resolution of the general meeting.</u></p>

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Before amendment	After amendment
<p>Article 105 The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>(I) work reports of the Board and the Supervisory Committee;</p> <p>(II) profit distribution plan and loss recovery plan formulated by the Board of Directors;</p> <p>(III) appointment or dismissal of the members of the Board of Directors and Supervisory Committee, remuneration and payment methods thereof;</p> <p>(IV) annual budgets and final accounting proposals of the Company;</p> <p>(V) the Company’s annual report;</p> <p>(VI) the Company’s engagement, removal or discontinuance of engagement of accounting firms;</p> <p>(VII) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed or these Articles of Association.</p>	<p>Article 106 The following matters shall be resolved by way of ordinary resolutions at a general meeting:</p> <p>(I) work reports of the Board and the Supervisory Committee;</p> <p>(II) profit distribution plan and loss recovery plan formulated by the Board of Directors;</p> <p>(III) appointment or dismissal (<u>except supervisors who are employee representatives</u>) of the members of the Board of Directors and Supervisory Committee, remuneration and payment methods thereof;</p> <p>(IV) annual budgets and final accounting proposals of the Company;</p> <p>(V) the Company’s annual report;</p> <p>(VI) the Company’s engagement, removal or discontinuance of engagement of accounting firms;</p> <p>(VII) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed or these Articles of Association.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 107 Shareholders (including their proxies) shall exercise their voting rights according to the number of voting Shares they represent, with one vote for each Share.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting Shares represented by shareholders present at a general meeting.</p> <p>Subject to the applicable laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the Shares of the Company are listed, the Board of Directors, independent non-executive Directors and shareholders who meet the relevant requirements may solicit voting rights from shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>Article 108 Shareholders (including their proxies) shall exercise their voting rights according to the number of voting Shares they represent, with one vote for each Share.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting Shares represented by shareholders present at a general meeting.</p> <p><u>When the general meeting considers matters that could materially affect the interest of medium and small investors, the votes by medium and small investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.</u></p> <p>Subject to the applicable laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the Shares of the Company are listed, the Board of Directors, independent non-executive Directors and shareholders who meet the relevant requirements may solicit voting rights from shareholders. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 114 The general meeting shall vote on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be shelved nor refused at the general meeting.</p>	<p>Article 115 <u>Apart from the cumulative voting system</u>, the general meeting shall vote on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be shelved nor refused at the general meeting.</p>
<p>New provision</p>	<p>Article 118 <u>The on-site meeting of the general meeting shall not end earlier than the meeting via online or other means. The chairman of the meeting shall announce the information and results of voting of each proposal at the site of the meeting, and announce whether the proposal is approved or not according to the voting results.</u></p> <p><u>Before the official announcement on the voting results is made, the Company, vote counter, scrutineer, substantial shareholders, network service providers and other relevant parties involved in the on-site general meeting or internet and other voting methods shall be obliged to keep the voting information confidential.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 117 A shareholder attending a general meeting shall express one of the following opinions on any proposed resolutions to be voted on: for, against or abstain.</p> <p>Blank, wrong, illegible or uncast votes shall be deemed as the voters’ waiver of their voting rights, and the voting results representing the Shares held by such voters shall be counted as “abstain”.</p>	<p>Article 119 A shareholder attending a general meeting shall express one of the following opinions on any proposed resolutions to be voted on: for, against or abstain. <u>The securities registration and clearing organization shall be the nominal holder of Shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder’s intent.</u></p> <p>Blank, wrong, illegible or uncast votes shall be deemed as the voters’ waiver of their voting rights, and the voting results representing the Shares held by such voters shall be counted as “abstain”.</p>
<p>Article 126 The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with Articles 126 to 130.</p>	<p>Article 126 The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with Articles <u>129</u> to <u>132</u>.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 126 Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders’ class meetings in respect of matters referred to in Items (II) to (VIII) and (XI) to (XII) in Article 125 hereof, except that interested shareholders shall not vote at such shareholders’ class meetings.</p> <p>The term “interested shareholders” in the preceding paragraph shall mean:</p> <p>(I) in case of a repurchase of Shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with these Articles of Association, the controlling shareholders as defined in Chapter 14 of these Articles of Association shall be the “interested shareholders”;</p> <p>(II) in case of a repurchase of Shares by the Company by an off-market agreement in accordance with these Articles of Association, holders of Shares in relation to such agreement shall be the “interested shareholders”;</p> <p>(III) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligations than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the “interested shareholders”.</p>	<p>Article 128 Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders’ class meetings in respect of matters referred to in Items (II) to (VIII) and (XI) to (XII) in Article <u>127</u> hereof, except that interested shareholders shall not vote at such shareholders’ class meetings.</p> <p>The term “interested shareholders” in the preceding paragraph shall mean:</p> <p>(I) in case of a repurchase of Shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with these Articles of Association, the controlling shareholders as defined in Chapter 14 of these Articles of Association shall be the “interested shareholders”;</p> <p>(II) in case of a repurchase of Shares by the Company by an off-market agreement in accordance with these Articles of Association, holders of Shares in relation to such agreement shall be the “interested shareholders”;</p> <p>(III) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligations than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the “interested shareholders”.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 127 Resolution of a shareholders' class meeting shall be passed only by two thirds (2/3) or more of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders' class meeting in accordance with Article 126.</p>	<p>Article 129 Resolution of a shareholders' class meeting shall be passed only by two thirds (2/3) or more of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders' class meeting in accordance with Article <u>128</u>.</p>
<p>Article 128 When the Company is to convene a shareholders' class meeting, it shall issue a written notice in accordance with the requirements on the notice period in respect of annual general meetings and extraordinary general meetings stipulated under Article 79 of these Articles of Association, informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.</p> <p>If there are any special provisions by the listing rules of the places where the Shares of the Company are listed, such provisions shall prevail.</p>	<p>Article 130 When the Company is to convene a shareholders' class meeting, it shall issue a written notice in accordance with the requirements on the notice period in respect of annual general meetings and extraordinary general meetings stipulated under Article <u>80</u> of these Articles of Association, informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.</p> <p>If there are any special provisions by the listing rules of the places where the Shares of the Company are listed, such provisions shall prevail.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 131 Directors shall be elected and replaced at the general meeting, with a term of three (3) years for each session. A Director may serve consecutive terms if re-elected upon the expiry of his/her term, unless otherwise required by the relevant regulations and these Articles of Association. Prior to the expiry of a Director’s term of office, his/her appointment shall not be terminated by the general meeting without reasons.</p> <p>The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current session of the Board of Directors.</p> <p>A general meeting may remove a Director before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant regulations. Removal of Directors shall not prejudice such Director’s right to claim for compensation under any contract.</p> <p>A Director need not hold any Shares in the Company.</p>	<p>Article 133 Directors shall be elected and replaced at the general meeting, with a term of three (3) years for each session. A Director may serve consecutive terms if re-elected upon the expiry of his/her term, unless otherwise required by the relevant regulations and these Articles of Association. Prior to the expiry of a Director’s term of office, his/her appointment shall not be terminated by the general meeting without reasons.</p> <p>The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current session of the Board of Directors.</p> <p>A general meeting may remove a Director before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant regulations. Removal of Directors shall not prejudice such Director’s right to claim for compensation under any contract.</p> <p><u>The CEO or other senior management members may concurrently hold the role of director, but the total number of directors who concurrently serve as the CEO or other senior management members and directors who are employee representatives shall not exceed half of the total number of directors of the Company.</u></p> <p>A Director need not hold any Shares in the Company.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 142 The term of office of the independent non-executive Directors is the same as those of other Directors of the Company. An Independent Director may be re-elected after the expiration of his/her term of office but shall not serve for more than nine (9) consecutive years.</p>	<p>Article 144 The term of office of the independent non-executive Directors is the same as those of other Directors of the Company. An Independent Director may be re-elected after the expiration of his/her term of office but shall not serve for more than <u>six (6)</u> consecutive years.</p>
<p>Article 148 In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with value of fixed assets disposed within four months before the proposed disposal, exceeds thirty-three percent (33%) of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.</p> <p>The term “fixed assets disposal” referred to in this Article includes (among other things) transferring certain interests in assets, but excludes provision of guarantees with fixed assets.</p> <p>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a violation of the first paragraph of this Article.</p>	<p>Article 150 In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with value of fixed assets disposed within four months <u>(4)</u> before the proposed disposal, exceeds thirty-three percent (33%) of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.</p> <p>The term “fixed assets disposal” referred to in this Article includes (among other things) transferring certain interests in assets, but excludes provision of guarantees with fixed assets.</p> <p>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a violation of the first paragraph of this Article.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 151 The Company shall establish the corresponding review and decision-making procedures on external investment, acquisition or disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and other significant matters and specify the authority of the Board of Directors. Decision-making procedures on significant matters shall be performed in strict compliance with relevant systems. Those exceeding the authority of the Board of Directors shall be submitted to the general meeting for approval.</p>	<p>Article 153 The Company shall establish the corresponding review and decision-making procedures on external investment, acquisition or disposal of assets, pledge of assets, external guarantees, entrusted wealth management, <u>connected (related party) transactions</u> and other significant matters and specify the authority of the Board of Directors. Decision-making procedures on significant matters shall be performed in strict compliance with relevant systems. Those exceeding the authority of the Board of Directors shall be submitted to the general meeting for approval.</p> <p><u>Subject to the relevant disclosure and approval regulations of the Hong Kong Listing Rules, the decision-making authority for Company-related matters are as follows:</u></p> <p>(1) <u>Material Transactions</u></p> <p><u>Any transactions of the Company (except for guarantee) falling within one of the criteria below shall be submitted to the Board Meeting for deliberation:</u></p> <p><u>1. that the total assets (at book value or assessed value, whichever is higher) involved in the transaction account for more than 10% of the Company's latest total audited assets;</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
	<p><u>2. that the transaction amount accounts for more than 10% of the Company's market value;</u></p> <p><u>3. that the net assets of the transaction object (such as equity) in the latest accounting year account for more than 10% of the Company's market value;</u></p> <p><u>4. that the operating income of the transaction object (such as equity) in the latest accounting year accounts for more than 10% of the audited operating revenue of the Company in the latest accounting year, and exceeds RMB10 million;</u></p> <p><u>5. that the profits from the transaction account for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million; or</u></p> <p><u>6. that the net profits of the transaction object (such as equity) in the latest accounting year accounts for more than 10% of the audited net profit of the Company in the latest accounting year, and exceeds RMB1 million.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
	<p><u>Any transactions of the Company (except for guarantee) falling within one of the criteria below shall be submitted to the General Meeting for deliberation:</u></p> <ol style="list-style-type: none"> <u>1. that the total assets (at book value or assessed value, whichever is higher) involved in the transaction account for more than 50% of the Company's latest total audited assets;</u> <u>2. that the transaction amount accounts for more than 50% of the Company's market value;</u> <u>3. that the net assets of the transaction object (such as equity) in the latest accounting year account for more than 50% of the Company's market value;</u> <u>4. that the operating income of the transaction object (such as equity) in the latest accounting year accounts for more than 50% of the audited operating revenue of the Company in the latest accounting year, and exceeds RMB50 million;</u> <u>5. that the profits from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million; or</u> <u>6. that the net profits of the transaction object (such as equity) in the latest accounting year accounts for more than 50% of the audited net profits of the Company in the latest accounting year, and exceeds RMB5 million.</u>

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Before amendment	After amendment
	<p><u>If any value involved in the calculations above is negative, the absolute value shall apply. The foregoing transaction amount refers to the amount paid for the transaction, the liabilities and expenses assumed, etc. If the transaction arrangement involves possible future payment or receipt of consideration, and neither specific amount is involved nor the amount has been determined according to the set conditions, the expected maximum amount will be taken as the transaction amount.</u></p> <p><u>The foregoing market value stipulated shall refer to the arithmetic mean of the closing market value for the 10 trading days prior to the transaction.</u></p> <p><u>If the Company implements the transactions by installments, the foregoing rules shall be applied to the aggregated amount of the installments. The Company shall disclose the actual occurrence of the transactions by installments in a timely manner. The same applies when the above matters under the consideration of the Board involve such transactions.</u></p> <p><u>Where a transaction involving the purchase or sale of assets by the Company involves a total amount of assets or a transaction amount that cumulatively exceeds 30% of the Company's latest audited total assets within a period of 12 months, it shall, in addition to being disclosed and audited or assessed in accordance with the relevant provisions, be submitted to the general meetings for consideration and approved by at least two-thirds of the voting rights held by the shareholders present at the meeting.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
	<p><u>Unless prescribed by laws, regulations, normative documents, other matters stipulated in the business rules of the stock exchanges in the places where the Shares of the Company Shares are listed, if the Company conducts the same type of transactions related to the subject matter, it shall submit to the competent authority for consideration based on the principle of accumulative calculation for consecutive 12 months. The relevant transactions that require the consideration of the general meeting according to the provisions of these Articles shall be reviewed and approved by the Board and submitted to the general meeting of the Company for consideration. Where the Company has performed its standards and procedures in accordance with the provisions, such transactions shall no longer be aggregated.</u></p> <p><u>Transactions other than those subject to the approval of the general meeting or the Board of Directors shall be considered and approved by the CEO.</u></p> <p><u>The transactions mentioned herein include the following:</u></p> <ol style="list-style-type: none"> <u>1. purchase or sale of assets;</u> <u>2. external investments (except for the purchase of bank wealth management products);</u>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
	<p>3. <u>transfer or acquiring R&D projects;</u></p> <p>4. <u>signing license agreements;</u></p> <p>5. <u>provision of guarantees;</u></p> <p>6. <u>leasing in or leasing out of assets;</u></p> <p>7. <u>entrusting or being entrusted with the management of assets and business;</u></p> <p>8. <u>donating or receiving assets;</u></p> <p>9. <u>debt restructuring;</u></p> <p>10. <u>provision of financial assistance.</u></p> <p><u>The above purchase or sale of assets excludes purchase of raw materials, fuels and power and transactions in relation to daily operation including sale of products or goods.</u></p> <p>(2) <u>External Guarantee</u></p> <p><u>The external guarantees under Article 43 of the Articles of Association shall be considered and approved at the general meeting. The external guarantees outside of the approval authority of the general meeting shall be considered and approved by the Board of Directors. In the event of consideration and approval of external guarantees by the Board of Directors, the relevant resolution subject to the approval of at least two-thirds (2/3) of the directors present at a meeting of the Board of Directors, in addition to the approval by a majority of all directors.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
	<p><u>(3) Related (connected) Transactions</u></p> <p><u>Related (connected) transactions of the Company meeting any of the following criteria shall be submitted to the Board of Directors for consideration and approval:</u></p> <ol style="list-style-type: none"> <u>1. Transactions with related (connected) natural persons in the amount of more than RMB300,000;</u> <u>2. Transactions with related (connected) legal persons in the amount that accounts for more than 0.1% of the Company's latest audited total assets or market value and exceeds RMB3 million.</u> <p><u>Related (connected) transactions of the Company meeting any of the following criteria shall be submitted to the general meeting for consideration and approval:</u></p> <p><u>Transactions between the Company and related (connected) parties (other than the provision of guarantees) with an amount that accounts for more than 1% of the Company's latest audited total assets or market value and exceeds RMB30 million.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
	<p><u>For related (connected) transactions submitted to the general meeting for consideration and approval, the transaction subjects shall be evaluated or audited whereas the related (connected) transactions in relation to daily operation may be exempt from audit or evaluation.</u></p> <p><u>Guarantees provided to related (connected) persons by the Company (whatever the amount) shall be first considered and approved by the Board of Directors and thereafter be submitted to the general meeting for consideration.</u></p> <p><u>Transactions with the same related (connected) person or transactions under the same categories with different related (connected) persons conducted by the Company within 12 consecutive months shall be calculated on a cumulative basis. The abovementioned related (connected) person above includes any legal persons or organizations that are under control (or control through Shares) by the same actual controller as the related (connected) persons, or with directors or senior management by the same natural persons.</u></p> <p><u>Related (connected) transactions which are required to be submitted to the general meeting for consideration under the Articles of Association shall be executed after being approved by the general meeting; related (connected) transactions other than those subject to the approval of the general meeting or the Board of Directors shall be considered and approved by the CEO.</u></p>

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RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 159 Except for matters set out in Items (VI), (VII) and (XIII) of Article 147 of these Articles of Association which are required to be approved by voting by two thirds (2/3) or more of the Directors, other matters can be approved by voting by more than half of the Directors as resolutions of the Board of Directors.</p> <p>As for the voting on a Board resolution, each Director shall have one vote only.</p>	<p>Article 161 Except for matters set out in Items (VI), (VII) and (XIII) of Article 149 of these Articles of Association which are required to be approved by voting by two thirds (2/3) or more of the Directors, other matters can be approved by voting by more than half of the Directors as resolutions of the Board of Directors.</p> <p>As for the voting on a Board resolution, each Director shall have one vote only.</p>
<p>Article 160 When a Director is connected to companies which are the subject of a resolution to be decided at a Board meeting, the related Director shall not vote on that resolution, and shall not vote on behalf of other Directors. Such Board meeting can be held if more than one half of the non-connected Directors attend. Resolutions made by the Board meeting shall be passed by more than one half of the non-connected Directors (resolutions involving Items (VI), (VII) and (XIII) of Article 147 of these Articles of Association shall be approved by voting by two thirds (2/3) or more of the non-connected Directors). The independent non-executive Directors shall offer their independent opinions on the material connected transactions. If less than three (3) non-connected Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.</p>	<p>Article 162 When a Director is related (connected) to companies which are the subject of a resolution to be decided at a Board meeting, the related Director shall not vote on that resolution, and shall not vote on behalf of other Directors. Such Board meeting can be held if more than one half of the non-related (non-connected) Directors attend. Resolutions made by the Board meeting shall be passed by more than one half of the non-related (non-connected) Directors (resolutions involving Items (VI), (VII) and (XIII) of Article 149 of these Articles of Association shall be approved by voting by two thirds (2/3) or more of the non-related (non-connected) Directors). The independent non-executive Directors shall offer their independent opinions on the material related (connected) transactions. If less than three (3) non-related (non-connected) Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.</p>

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Before amendment	After amendment
<p>Article 190 The Company shall have a Supervisory Committee. The Supervisory Committee shall be comprised of three (3) Supervisors. The Supervisory Committee shall have one chairman, one employee representative Supervisor. The proportion of employee representative Supervisors shall not be less than one third of all Supervisors. Employee representative Supervisors of the Supervisory Committee shall be elected by employee representative meetings.</p> <p>The Supervisory Committee shall have one (1) chairman, which shall be appointed or dismissed by the votes of two thirds (2/3) (two thirds inclusive) or more of the members of the Supervisory Committee.</p>	<p>Article 192 The Company shall have a Supervisory Committee. The Supervisory Committee shall be comprised of three (3) Supervisors. The Supervisory Committee shall have one <u>(1)</u> chairman, <u>one (1)</u> employee representative Supervisor. The proportion of employee representative Supervisors shall not be less than one third <u>(1/3)</u> of all Supervisors. Employee representative Supervisors of the Supervisory Committee shall be elected by employee representative meetings.</p> <p>The Supervisory Committee shall have one (1) chairman, which shall be appointed or dismissed by the votes of two thirds (2/3) (two thirds inclusive) or more of the members of the Supervisory Committee.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
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Before amendment	After amendment
<p>Article 194 Notices of regular meetings of the Supervisory Committee shall be served to all Supervisors ten days before the meetings are convened. Notices of the extraordinary meetings of the Supervisory Committee shall be served to all Supervisors five days before the meetings are convened. The aforesaid notice period for the meetings of the Supervisory Committee may be exempted if written consent is given by all Supervisors.</p> <p>The notice for the meetings of the Supervisory Committee shall include the following:</p> <p>(I) the date, venue and duration of the meeting;</p> <p>(II) the method of holding the meeting;</p> <p>(III) the reasons and proposals of the meeting;</p> <p>(IV) the date of dispatch of the notice.</p>	<p>Article 196 Notices of regular meetings of the Supervisory Committee shall be served to all Supervisors ten (10) days before the meetings are convened. Notices of the extraordinary meetings of the Supervisory Committee shall be served to all Supervisors five (5) days before the meetings are convened. The aforesaid notice period for the meetings of the Supervisory Committee may be exempted if written consent is given by all Supervisors.</p> <p>The notice for the meetings of the Supervisory Committee shall include the following:</p> <p>(I) the date, venue and duration of the meeting;</p> <p>(II) the method of holding the meeting;</p> <p>(III) the reasons and proposals of the meeting;</p> <p>(IV) the date of dispatch of the notice.</p>
<p>Article 213 A security for the repayment of a loan, which has been provided by the Company acting in breach of Item (I) of Article 211 shall not be enforceable against the Company, save in respect of the following circumstances:</p> <p>(I) the security was provided in connection with a loan, which was made to an associate of the Directors, Supervisors, the CEO and other senior management of the Company or its parents and the lender of such funds is not informed;</p> <p>(II) the collateral, which has been provided by the Company has already been legally disposed of by the lender to a bona fide purchaser.</p>	<p>Article 213 A security for the repayment of a loan, which has been provided by the Company acting in breach of Item (I) of Article <u>213</u> shall not be enforceable against the Company, save in respect of the following circumstances:</p> <p>(I) the security was provided in connection with a loan, which was made to an associate of the Directors, Supervisors, the CEO and other senior management of the Company or its parents and the lender of such funds is not informed;</p> <p>(II) the collateral, which has been provided by the Company has already been legally disposed of by the lender to a bona fide purchaser.</p>

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RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 224 The Company shall publish two (2) financial reports in each fiscal year; the interim financial report shall be published within sixty (60) days after the end of the first six (6) months of the fiscal year; the annual financial report shall be published within one hundred and twenty (120) days after the end of the financial year. Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.</p>	<p>Article 226 The Company shall publish two (2) financial reports in each fiscal year; the interim financial report shall be published within sixty (60) days after the end of the first six (6) months of the fiscal year; the annual financial report shall be published within one hundred and twenty (120) days after the end of the financial year.</p> <p><u>Unless otherwise provided by the laws, administrative regulations, departmental rules, normative documents and relevant stock exchanges or regulatory authorities of the place where the Shares of the Company are listed, the Company shall submit and disclose the annual report to the CSRC and the relevant stock exchanges within four (4) months after the end of each fiscal year, and submit and disclose the interim report to the dispatched office of the CSRC and the relevant stock exchanges within two (2) months after the end of the first half of each fiscal year.</u></p> <p><u>The preparation of the above annual report and the interim report shall comply with the laws, administrative regulations, and the regulations of the CSRC and the relevant stock exchanges.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 226 The profit distribution proposal of the Company for each year shall be reviewed and approved at the general meeting. The Company shall distribute its after-tax profit for the current year in the order of:</p> <p>(I) recovering losses of the preceding year;</p> <p>(II) withdrawing ten percent (10%) after-tax profit of the current year as a statutory common reserve fund;</p> <p>(III) withdrawing a risk reserve in accordance with relevant national requirements;</p> <p>(IV) withdrawing a discretionary common reserve fund according to resolutions of the general meeting;</p> <p>(V) distributing dividends to shareholders.</p>	<p>Article 226 The profit distribution proposal of the Company for each year shall be reviewed and approved at the general meeting. <u>The Board of Directors of the Company may propose interim cash dividends in view of the Company's profitability and capital needs and submit it to the general meeting for approval.</u></p> <p>The Company shall distribute its after-tax profit for the current year in the order of:</p> <p>(I) recovering losses of the preceding year;</p> <p>(II) withdrawing ten percent (10%) after-tax profit of the current year as a statutory common reserve fund;</p> <p>(III) withdrawing a risk reserve in accordance with relevant national requirements;</p> <p>(IV) withdrawing a discretionary common reserve fund according to resolutions of the general meeting;</p> <p>(V) distributing dividends to shareholders.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>The Company may not withdraw a statutory common reserve fund if the cumulative amount has reached fifty percent (50%) or more of the Company’s registered capital. The general meeting shall determine whether to allocate the discretionary reserve after allocating the statutory reserve and the risk reserve.</p> <p>If the statutory reserve could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing the statutory reserves.</p> <p>Where the general meeting distributes profits to shareholders in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision. After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with these Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in these Articles of Association.</p> <p>The Shares of the Company held by the Company shall not be subject to profit distribution.</p>	<p>The Company may not withdraw a statutory common reserve fund if the cumulative amount has reached fifty percent (50%) or more of the Company’s registered capital. The general meeting shall determine whether to allocate the discretionary reserve after allocating the statutory reserve and the risk reserve.</p> <p>If the statutory reserve could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing the statutory reserves.</p> <p>Where the general meeting distributes profits to shareholders in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision. After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with these Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in these Articles of Association.</p> <p>The Shares of the Company held by the Company shall not be subject to profit distribution.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 229 The Company may distribute dividends in cash or Shares. When a dividend is distributed by way of Shares, a resolution shall be made by the general meeting and submitted to the securities regulatory authorities and other relevant competent authorities for approval.</p> <p>The Company pays cash dividends and other payments to shareholders of domestic Shares in RMB. The Company shall pay cash dividends and other payments to the shareholders of the foreign-capital Shares, denominated and declared in RMB and paid in foreign currency. The Company shall pay the foreign currency required for the cash dividends and other payments to the shareholders of the foreign-capital Shares according to the relevant provisions of the State on the foreign exchange administration.</p> <p>Unless otherwise stipulated by relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the exchange rates shall apply the average selling price of the relevant foreign exchange announced by the People’s Bank of China one calendar week before the declaration date of the dividends and other payments.</p>	<p>Article 231 The Company may distribute dividends in cash or Shares. <u>Provided that the profit and cash flows of the Company are sufficient to meet its normal operations and long-term development, the Company will give priority to the distribution of dividends in cash. Where the Company is expected to maintain a promising development prospect in the future and the development of the Company requires a huge amount of cash, the Company may distribute dividends by way of stock dividends.</u> When a dividend is distributed by way of Shares, a resolution shall be made by the general meeting and submitted to the securities regulatory authorities and other relevant competent authorities for approval.</p> <p>The Company pays cash dividends and other payments to shareholders of domestic Shares in RMB. The Company shall pay cash dividends and other payments to the shareholders of the foreign-capital Shares, denominated and declared in RMB and paid in foreign currency. The Company shall pay the foreign currency required for the cash dividends and other payments to the shareholders of the foreign-capital Shares according to the relevant provisions of the State on the foreign exchange administration.</p> <p>Unless otherwise stipulated by relevant laws and regulations, for the payment of cash dividends and other payments in foreign currency, the exchange rates shall apply the average selling price of the relevant foreign exchange announced by the People’s Bank of China one calendar week before the declaration date of the dividends and other payments.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
New provision	<p><u>Article 232 The following conditions shall be met at the same time when the Company distributes cash dividends: The distributable profit (i.e. after-tax net profit after the Company has upon making for losses and withdrawn from the reserve fund) for the year is positive, and the Company has such a sufficient cash flow that distribution of cash dividends will not affect the Company’s subsequent sustainable development; the accumulated distributable profits of the Company is positive; The audit institution has issued a standard audit report with unqualified opinion on the financial report for the financial year; the Company has no such events as major investment plan or significant cash expenditure (excluding projects invested from raised proceeds). Significant investment plan or significant cash expenditure refers to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the upcoming twelve months with accumulated expenses amounting to or exceeding 30% of the latest audited net assets attributable to the parent company.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
New provision	<p><u>Article 233 Where the foregoing conditions for cash dividends are met, the board of the Company shall take into consideration various factors, including its industry features, development stages, its own business model and profitability as well as whether the Company has any substantial capital expenditure arrangement, and differentiate the following circumstances and propose differentiated cash dividend policies in accordance with the procedures under the Articles of Association:</u></p> <p>(1) <u>Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total current profit distribution when profits are distributed;</u></p> <p>(2) <u>Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total current profit distribution when profits are distributed;</u></p> <p>(3) <u>Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when profits are distributed</u></p> <p><u>Where the Company's stage of development is difficult to distinguish but there is major investment plan or substantial capital expenditure arrangement, the profit distribution may be dealt with pursuant to the previous rules.</u></p> <p><u>To ensure continuity and stability of profit distribution, subject to the cash dividend conditions, the distributed profits in cash accumulated in the latest three years shall not be less than 30% of the realized annual distributable profits in latest three years.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
New provision	<p>Article 234 <u>The Company adopts the following decision-making procedures and mechanisms for profit distribution:</u></p> <ol style="list-style-type: none"> <u>1. The annual or interim profit distribution proposal shall be proposed by the Board, and the independent non-executive Directors shall express independent opinions on the profit distribution proposal. The independent non-executive Directors may solicit the opinions of medium and small shareholders and propose dividend distributions and submit them directly to the board of directors for consideration.</u> <u>2. The Supervisory Committee shall consider and grant approval on the profit distribution plan.</u> <u>3. The Board of Directors and the Supervisory Committee shall submit the profit distribution plan upon consideration and approval by them to the general meeting for consideration and approval.</u> <u>4. The profit distribution plan shall be considered at the general meeting. The Company shall provide online voting and other channels for Shareholders to participate in voting at the general meeting. Before the shareholders consider specific plans on cash dividends, the Company should communicate and exchange ideas with Shareholders, particularly medium and small Shareholders, through various channels (including but not limited to Shareholder hotline, fax, email and interactive platform) to hear the opinions and requests from medium and small Shareholders adequately, and to give timely responses to issues concerned by medium and small Shareholders.</u>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
	<p><u>5. After the profit distribution plan has been approved by the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of profits within two months after the the same was considered and approved at the general meeting.</u></p>
<p>New provision</p>	<p><u>Article 235 Provided that the Company is under sound operation and the Board of Directors believes that the distribution of stock dividend is beneficial to the overall interests of all Shareholders of the Company as a whole, the Company may, under the premise that the Company ensures sufficient cash dividend distribution, propose plans on stock dividend distribution. Where the Company conducts dividend distribution by way of stock dividend, it shall fully take into account whether the total Share capital after the distribution of stock dividends is in line with, inter alia, the current operational scale, pace of profit growth and dilution of net assets per Share of the Company, in order to ensure that the profit distribution plan is in line with the overall and long-term interests of the Shareholders as a whole.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
New provision	<p><u>Article 236 The Company shall strictly implement its cash dividend policy as determined in the Articles of Association and the specific cash dividend plan as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association in light of the changes in the Company’s development stage, production and operation conditions, investment planning and long-term development needs, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after substantiation. The adjustment or changes shall be passed by the shareholders representing not less than two-thirds of voting rights held by all shareholders present at the meeting; the independent non-executive Directors shall give clear opinion on matters such as the truthfulness, adequacy and reasonableness of the reasons for adjustments and changes, truthfulness and validity of the approval procedures as well as its compliance with the conditions required in the Articles of Association, and communicate and exchange ideas with medium and small shareholders before the general meeting and respond to their concerns in a timely manner. Independent non-executive Directors may collect opinions from the shareholders through Internet-based voting system, if necessary;</u></p> <p><u>Specific conditions for the Company to adjust the cash dividend policy:</u></p> <p><u>(1) the Company suffers from losses or has issued loss warning announcement;</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
	<p>(2) <u>the balance of cash, excluding cash raised from capital markets and cash within special funding for special purposes or special account management funding such as a government special financial funds (including bank deposits and bonds with high liquidity), is not sufficient to pay the cash dividends within two months from the date of general meeting approving the profit distribution;</u></p> <p>(3) <u>the implementation of the established dividend policy will render it impossible for the material investment projects and material transactions approved by the general meeting or the Board of Directors of the Company to be implemented according to established transaction plans;</u></p> <p>(4) <u>the Board of Directors has reasonable grounds to believe that the implementation of the established dividend policy will have substantive adverse impact on the continuing operation and profitability of the Company.</u></p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 234 The Company shall appoint an independent firm of accountants, which is qualified under relevant national regulations to audit the Company’s annual financial report, review other financial reports of the Company, and provide financial statements auditing, net assets verification and other relevant consulting services.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting before the first annual general meeting and the term of appointment of the accounting firm shall end at the close of the first annual general meeting.</p> <p>If the inaugural meeting does not exercise its duties and powers in accordance with the aforementioned provisions, then the Board of Directors shall not exercise its duties and powers to appoint exercise its duties and powers.</p> <p>The accounting firm appointed by the Company shall hold office for one (1) year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible for reappointment.</p>	<p>Article 241 The Company shall appoint an independent firm of accountants, which is qualified under relevant national regulations to audit the Company’s annual financial report, review other financial reports of the Company, and provide financial statements auditing, net assets verification and other relevant consulting services.</p> <p><u>The accounting firm of the Company shall be appointed by the general meeting and the Board of Directors shall not appoint the accounting firm of the Company before the general meeting.</u></p> <p>The accounting firm appointed by the Company shall hold office for one (1) year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible for reappointment.</p>
<p>Article 252 In the circumstance set out in Item (I) of Article 251 of these Articles of Association, the Company may continue to subsist by amending the Articles of Association.</p> <p>An amendment to the Articles of Association according to the provisions as mentioned in the preceding paragraph requires affirmative votes by more than two thirds (2/3) of the votes held by shareholders attending the general meeting.</p>	<p>Article 259 In the circumstance set out in Item (I) of Article <u>258</u> of these Articles of Association, the Company may continue to subsist by amending the Articles of Association.</p> <p>An amendment to the Articles of Association according to the provisions as mentioned in the preceding paragraph requires affirmative votes by more than two thirds (2/3) of the votes held by shareholders attending the general meeting.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 253 Where the Company is dissolved under the circumstances set out in Items (I), (II), (IV) and (VI) of Article 251 of these Articles of Association, the Company shall establish a liquidation committee within fifteen (15) days upon the approval of the securities regulatory authorities. The composition of the liquidation committee shall be determined by ordinary resolution at general meeting. If the Company fails to establish a liquidation committee on time, creditors may request the people’s court to designate certain persons to form a liquidation committee to perform liquidation.</p> <p>Where the Company is voluntarily dissolved under the circumstance set out in Item (II) of Article 251 of the Articles of Association, such dissolution must be approved by more than two thirds (2/3) of the voting rights held by shareholders present at the general meeting.</p> <p>Where the Company is dissolved under the circumstance set out in Item (III) of Article 251 of the Articles of Association, the Company shall apply to the securities regulatory authorities with reasons for dissolution and liabilities settlement scheme. The Company shall be dissolved after obtaining the approval from the securities regulatory authorities.</p> <p>Where the Company is dissolved under the circumstance set out in Item (V) of Article 251 of the Articles of Association, the people’s court shall, according to the applicable laws, order the formation of a liquidation committee comprising shareholders, relevant authorities and professionals to process the liquidation in accordance with the applicable bankruptcy law of enterprises.</p>	<p>Article 260 Where the Company is dissolved under the circumstances set out in Items (I), (II), (IV) and (VI) of Article <u>258</u> of these Articles of Association, the Company shall establish a liquidation committee within fifteen (15) days upon the approval of the securities regulatory authorities. The composition of the liquidation committee shall be determined by ordinary resolution at general meeting. If the Company fails to establish a liquidation committee on time, creditors may request the people’s court to designate certain persons to form a liquidation committee to perform liquidation.</p> <p>Where the Company is voluntarily dissolved under the circumstance set out in Item (II) of Article <u>258</u> of the Articles of Association, such dissolution must be approved by more than two thirds (2/3) of the voting rights held by shareholders present at the general meeting.</p> <p>Where the Company is dissolved under the circumstance set out in Item (III) of Article <u>258</u> of the Articles of Association, the Company shall apply to the securities regulatory authorities with reasons for dissolution and liabilities settlement scheme. The Company shall be dissolved after obtaining the approval from the securities regulatory authorities.</p> <p>Where the Company is dissolved under the circumstance set out in Item (V) of Article <u>258</u> of the Articles of Association, the people’s court shall, according to the applicable laws, order the formation of a liquidation committee comprising shareholders, relevant authorities and professionals to process the liquidation in accordance with the applicable bankruptcy law of enterprises.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>Article 267 Definitions</p> <p>(I) The “controlling shareholder” shall refer to a person that satisfies any of the following conditions:</p> <ol style="list-style-type: none"> 1. he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors; 2. he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty percent (30%) or more of the Company’s voting rights; 3. he/she, acting alone or in concert with others, holds thirty percent (30%) or more of the issued and outstanding Shares of the Company; 4. he/she, acting alone or in concert with others, has de facto control over the Company in any other manner. <p>The “acting in concert” in this Article means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company’s voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control.</p>	<p>Article 274 Definitions</p> <p>(I) The “controlling shareholder” shall refer to a person that satisfies any of the following conditions:</p> <ol style="list-style-type: none"> 1. he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors; 2. he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty percent (30%) or more of the Company’s voting rights; 3. he/she, acting alone or in concert with others, holds thirty percent (30%) or more of the issued and outstanding Shares of the Company; 4. he/she, acting alone or in concert with others, has de facto control over the Company in any other manner. <p>The “acting in concert” in this Article means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company’s voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE ARTICLES IN
RESPECT OF THE ISSUE OF A SHARES**

Before amendment	After amendment
<p>(II) The “actual controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company through investment relations, agreements or other arrangements.</p> <p>(III) The “connected relations” refers to the relationship between the Company’s controlling shareholders, actual controller, Directors, Supervisors, senior management officers and those enterprises, which are directly or indirectly controlled by the foregoing parties and such other relationship, which may cause the interests of the Company to be transferred. However, the state-controlled enterprises do not have connected relations merely because they are all being controlled by the State.</p> <p>(IV) The “internal Directors” shall refer to such Directors who are concurrently taking other positions in the Company.</p>	<p>(II) The “actual controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company through investment relations, agreements or other arrangements.</p> <p><u>(III) The “connected transaction” refers to that as defined in the Hong Kong Listing Rules; the “related party transaction” refers to that as defined in the Sci-Tech Board Listing Rules.</u></p> <p>(IV) The “internal Directors” shall refer to such Directors who are concurrently taking other positions in the Company.</p>
New provision	<u>Article 280 These Articles of Association was approved by special resolution of the general meeting of the Company and shall take effect and be implemented from the date of the Company’s initial public offering of A Shares and listing on the Science and Technology Innovation Board of Shanghai Stock Exchange. The original Articles of Association of the Company shall be automatically invalidated since the effective date of these Articles of Association.</u>

LEPU BIOPHARMA CO., LTD.

RULES OF PROCEDURES FOR THE MEETING OF SHAREHOLDERS

Chapter 1 General Provisions

Article 1 In order to regulate the conduct of Lepu Biopharma Co., Ltd. (the “Company”) and ensure that general meetings exercise their powers in accordance with the law, the Rules are hereby formulated in accordance with the PRC Company Law, the Mandatory Provisions of Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “Hong Kong Listing Rules”), the “Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》) and other domestic and overseas regulatory regulations and the articles of association of Lepu Biopharma Co., Ltd. (the “Articles of Association”).

Article 2 The Company shall convene the general meeting in strict compliance with the relevant requirements of the laws, regulations, normative documents, the Articles of Association and the Rules so as to ensure that the shareholders of the Company (the “Shareholders”) can exercise their rights in accordance with the laws.

The Board of Directors of the Company shall earnestly perform its duties and organize the general meeting in a serious and timely manner. All the directors of the Company shall be diligent in ensuring that the general meeting is held properly and its powers are exercised in accordance with the laws. The secretary to the Board of the Company is responsible for the preparation for and organization of the general meetings.

Article 3 The general meeting shall be the authority of power of the Company and shall exercise its functions and powers within the scope specified in the PRC Company Law, other relevant laws, regulations, normative documents and the Articles of Association.

Article 4 General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once (1) every year within six (6) months after the end of the previous financial year. In case of adjournment under special circumstances, the Company shall promptly report to the local branch of the CSRC of the Company’s place of domicile and explain the reasons for adjournment. Extraordinary general meetings which are convened irregularly shall be convened within two (2) months from the date upon the occurrence of the circumstance specified in the Articles of Association.

Article 5 When the Company convenes a general meeting, a solicitor may be engaged to provide legal advices and make an announcement on the following issues:

- (I) whether the procedures for convening and holding the meeting comply with the laws, administrative regulations, the Articles of Association and the Rules;
- (II) the eligibility of persons attending the meeting and whether the qualification of the convener are lawful and valid;
- (III) whether the voting process and voting results are lawful and valid;
- (IV) any legal advices provided on such issues upon request of the Company.

Chapter 2 Convening of General Meetings

Article 6 The Board of Directors shall convene a general meeting within the period specified by Article 4 of the Rules on a timely basis.

Independent non-executive Directors shall be entitled to propose to convene an extraordinary general meeting to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board of Directors. If the Board of Directors does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

The Supervisory Committee shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board of Directors. In the event of any change to the original proposal set forth in the notice, the consent of the Supervisory Committee shall be obtained. If the Board of Directors does not agree to hold the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting itself.

Article 7 Shareholders requisitioning the convening of an extraordinary general meeting or a class meeting shall abide by the following procedures:

Shareholders severally or jointly holding ten percent (10%) or more of the Shares of the Company shall be entitled to request the Board of Directors to convene an extraordinary general meeting or class meeting, and shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting or class meeting within ten (10) days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such meeting within five (5) days after the resolution is made by the Board of Directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant Shareholders shall be obtained.

If the Board of Directors does not agree to hold the extraordinary general meeting or class meeting or fails to respond within ten (10) days upon receipt of the proposal, Shareholders severally or jointly holding ten percent (10%) or more of the Shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting or a class meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting or class meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant Shareholders shall be obtained.

In case of failure to issue the notice of extraordinary general meeting or class meeting within the prescribed period, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting and the Shareholders severally or jointly holding ten percent (10%) or more Shares of the Company for ninety (90) or more consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening Shareholders shall be no less than ten percent (10%) (on a one-share-one-vote basis) before a resolution passed at the general meeting is announced.

Where the Supervisory Committee or Shareholders convene a meeting by themselves in accordance with the provisions of this chapter, a written notice shall be sent to the Board of Directors and filed with the securities regulatory authorities where the Company is located and relevant stock exchanges. The Board of Directors and the secretary of the Board shall cooperate in terms of such meetings. The Board of Directors shall provide the register of Shareholders on the shareholding record date. The expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.

Article 8 The register of Shareholders obtained by the convener shall not be used for any purpose other than the convening of the general meeting.

Article 9 The chairman of the Board shall preside over and act as chairman of the general meeting convened by the Board of Directors. Where the chairman of the Board is unable to attend the meeting for any reason, one (1) Director selected by half or more of all Directors shall preside over and act as chairman of the meeting. Where it is unable to select the chairman of the meeting, one (1) person selected by Shareholders attending the meeting shall act as chairman of the meeting. Where the Shareholders fail to elect a chairman of the meeting for any reason, the Shareholder (including his/her proxy) present in person or by proxy who holds the largest number of voting Shares shall be the chairman of the meeting.

If the Board of Directors cannot perform or fails to perform the duties of convening a general meeting, the Supervisory Committee shall convene and preside over the meeting in a timely manner. If the Supervisory Committee does not convene and preside over the meeting, Shareholders who hold more than ten percent (10%) of the Shares of the Company individually or collectively for more than ninety (90) consecutive days may convene and preside over the meeting themselves.

The chairman/chairwoman of the Supervisory Committee shall preside over the general meeting convened by the Supervisory Committee. If the chairman/chairwoman of the Supervisory Committee is unable or fails to fulfill his/her duties, one (1) Supervisor jointly elected by half or more of the Supervisors shall preside over the meeting.

A representative elected by the convener shall preside over the general meeting convened by the Shareholders.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure and such violation makes it impossible for the general meeting to continue, one (1) person may be elected at the general meeting to act as the chairman and continue the meeting, subject to the approval of the attending Shareholders with more than half of the voting rights.

Chapter 3 Proposals and Notices of General Meetings

Article 10 The contents of a proposal of the general meetings to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and the Articles of Association. Proposals shall be submitted to or served on the Board of Directors in writing.

Article 11 When a general meeting is convened by the Company, the Board of Directors, the Supervisory Committee and Shareholders who severally or jointly hold three percent (3%) or more of the Shares of the Company, shall be entitled to make proposals to the Company.

Shareholders who severally or jointly hold three percent (3%) or more of the Shares of the Company may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals.

An ad hoc proposal raised by Shareholders shall satisfy the following conditions: (I) the contents do not violate the provisions of laws and regulations, and shall be within the scope of duties of the general meetings; (II) it shall have a clear topic and specific matters to be resolved on; and (III) it shall be raised and submitted to or served on the Board of Directors in writing ten (10) days before the general meeting.

Except as provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with Article 10 herein and this article.

Article 12 When the Company convenes a general meeting, a written notice shall be issued twenty (20) days prior to the annual general meeting and fifteen (15) days prior to the extraordinary general meeting by the convener to all Shareholders. When calculating the time limit of the notice, the date of the meeting held shall be excluded. An extraordinary general meeting shall not decide on matters not specified in the notice.

Article 13 Notice of a general meeting shall satisfy the following requirements:

- (I) be in writing;
- (II) time, venue and duration of the meeting;
- (III) matters and proposals to be considered at the meeting. Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals;

- (IV) necessary information and explanations to be made available to the Shareholders for them to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of Shares, restructuring of Share capital or other restructuring;
- (V) in the event that any of the Directors, Supervisors, the CEO or other senior management have material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, the CEO or other senior management as a Shareholder in a manner different from the manner they affect other Shareholders of the same class, the difference shall be explained;
- (VI) the full text of any special resolution to be proposed for approval at the meeting;
- (VII) a prominent statement that a Shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;
- (VIII) the time and venue for lodging a proxy form for the meeting;
- (IX) the record date for Shareholders entitled to attend the general meeting;
- (X) the name and telephone number of the contact person for the meeting;
- (XI) the voting time and voting procedures by online or other means (if applicable).

The interval between the shareholding record date of general meeting and the date of the meeting shall be in compliance with the requirements of relevant regulatory authorities of the place where the Shares of the Company are listed. The shareholding record date shall not be changed once confirmed.

This article shall apply to the notice of the general meeting convened by the Supervisory Committee or Shareholders by itself/themselves in accordance with the Rules.

Article 14 Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all the details of all proposals, as well as all the materials or explanations necessary for Shareholders to make a reasonable judgment on the matters to be discussed. If any matter to be discussed requires opinions of the independent non-executive Directors, the opinions and reasons of the independent non-executive Directors shall be disclosed together with the issuance of such notice.

When online voting or other means of voting are adopted for the general meeting, the notice of the general meeting shall specify the procedures of voting. The starting time of online voting or other means of voting shall not earlier than 3:00 p.m. of the day before which the on-site general meeting is held and shall not later than 9:30 a.m. of the day on which the on-site general meeting is held, and the ending time thereof shall not earlier than 3:00 p.m. of the day on which the on-site general meeting ends.

Article 15 Where the election of Directors and Supervisors are proposed to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the Director and Supervisor candidate(s) in accordance with laws, regulations, the listing rules of the places where the Shares of the Company are listed and the requirements of the Articles of Association, including at least the following contents:

- (I) personal information including education background, work experience and part-time job;
- (II) whether he/she is connected (related) with the Company or its controlling Shareholders and actual controller;
- (III) his/her shareholding in the Company;
- (IV) whether he/she has received any penalty from the securities regulatory authorities and other relevant governmental authorities and any penalty and warning from the stock exchange of the places where the Share of the Company are listed.

In addition to the accumulative voting system (see Article 47 for specific measures), election of every Director and Supervisor candidate shall be conducted by a separate resolution.

Article 16 After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled, and the proposals set out in such notice shall not be cancelled without valid reasons. In case of adjournment under special circumstances, the Company shall promptly report to the local branch of the CSRC of the Company's place of domicile with the reasons for adjournment, if necessary, the convener shall publish a notice at least two (2) working days before the original date of the general meeting and state the relevant reasons to every Shareholder.

If the general meeting is postponed, the Company shall announce the postponed date in the notice.

When Shareholders submit an interim proposal before the convening of the general meeting, the Company shall issue a supplemental notice of the general meeting within the prescribed period to disclose the name and the shareholding proportion of Shareholders submitting the interim proposal and the contents of the new proposal.

Article 17 For the notice delivered by the Company to the Shareholders of overseas listed foreign Shares, if delivered by an announcement, the Company shall submit an electronic version through the electronic upload system of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) in accordance with the requirements of the listing rules of the place where the Shares of the Company are listed, to publish it on the website of the Hong Kong Stock Exchange. The announcement shall also be published on the Company’s website at the same time, to facilitate that the Shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.

The Shareholders of overseas listed foreign Shares of the Company may choose in writing to receive the corporate communications from the Company in electronic way or by post, in Chinese version or English version or both. Such Shareholders may also notify the Company at a reasonable time in advance to change the way to receive the above-mentioned information and in which language in accordance with appropriate procedures.

Article 18 If a notice is delivered by post, it is only necessary to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and served in forty-eight (48) hours afterwards.

For Shareholders of domestic Shares, the notice of the general meeting may also be given by way of announcement. Such announcement shall, within the period from twenty (20) to twenty-five (25) days before the convening of an annual general meeting or fifteen (15) to twenty (20) days before the convening of an extraordinary general meeting, be published in one or more newspapers designated by the securities regulatory authorities of the State Council. Once such an announcement is made, all holders of the domestic Shares shall be deemed to have received the relevant notice of the general meeting.

Article 19 Notwithstanding the preceding article which specifies that the Company shall provide with and/or deliver the corporate communications (including notice of general meeting) in writing to the Shareholders, with regards to the way to provide with and/or deliver the corporate communications to Shareholders as required by the Hong Kong Listing Rules, if the Company has obtained the Shareholders’ written or implied consent in advance in accordance with relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may deliver or provide with the corporate communications to the Shareholders of the Company by electronic way or by way of announcement on the Company’s website. The corporate communications include but not limited to: notice of general meeting, circular, annual report, interim report, quarterly report and other types of corporate communications provided by the Hong Kong Listing Rules.

Article 20 Any accidental omission in giving the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Article 21 When considering a proposed resolution at a general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, for which the voting shall not proceed in such general meeting.

Chapter 4 Holding of General Meetings

Article 22 The venue for holding a general meeting of the Company shall be the domicile of the Company or other specific places specified in the notice of the meeting by the convener of the general meeting.

The general meeting shall be held at a venue and be in the form of an on-site meeting. Subject to laws and regulations and the mandatory provisions of the listing rules of the places where the Shares of the Company are listed, the Company also may facilitate the Shareholders to attend the general meeting by providing online platform or other means. A Shareholder who participated in a general meeting in the aforesaid manners shall be deemed present at the meeting.

Subject to assurance that the general meeting is lawful and valid, the Company shall prioritize the provision of an internet-based voting platform or other modern information technology means through various methods and channels to facilitate Shareholders to attend the general meeting conveniently.

Article 23 Where a general meeting of the Company is held by online or other means, the voting time and voting procedures by online or other means shall be clearly stated in the notice of the general meeting.

Article 24 The Board of Directors and other conveners shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles and infringing the legitimate rights and interests of any Shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 25 All Shareholders or their proxies whose names appear on the register of Shareholders on the shareholding record date are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed and the Articles of Association.

Article 26 Any Shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more person(s) (who may not be Shareholder(s)) to act as his/her proxy to attend and vote at the meeting on his/her behalf. The proxy(ies) so appointed by the Shareholder may, pursuant to the instructions of the Shareholder, exercise the following rights:

- (I) the Shareholders' right to speak at the general meeting;
- (II) the right to demand a poll by himself/herself or jointly with others; and
- (III) unless otherwise provided by applicable securities listing rules or other securities laws and regulations, the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the Shareholder is an Authorized Clearing House (or its proxy(ies)), such Shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in any general meeting or Shareholders' class meeting. If one or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of Shares represented by each of the proxies. The proxies so appointed may represent the Authorized Clearing House (or its proxy(ies)) in exercising its rights as if that proxy is an individual Shareholder of the Company.

Article 27 The appointment of a proxy shall be in writing and signed by the appointing Shareholder or his/her attorney duly authorized in writing; where the appointing Shareholder is a legal person or other organization, such appointment shall be affixed with the seal of such legal person or other organization or signed by its Director or attorney duly authorized. Such proxy forms shall contain the following:

- (I) the name of the proxy;
- (II) whether such proxy has any voting rights;
- (III) instruction of voting "for", "against" or "abstain" for each resolution proposed at any general meeting;
- (IV) the date of signing the proxy form and the effective period for such appointment;
- (V) the signature (or seal) of the principal. If the principal is a corporate Shareholder, the seal of the corporate shall be affixed;
- (VI) the number of Shares of the principal represented by the proxy;

(VII) a statement that in the absence of specific instructions from the Shareholder, whether the proxy may vote as he or she thinks appropriate. If it is not specified in the instrument of proxy, the proxy is deemed to have the right to vote at his or her discretion for resolutions without specific instructions from the Shareholder and the Shareholder shall assume the corresponding responsibility for such a vote.

For the number of Shares of the principal represented by the proxy, if more than one persons are authorized as the proxies of the Shareholder, the proxy form shall specify the number of the Shares to be represented by each proxy.

Article 28 The proxy form shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify not less than twenty-four (24) hours prior to convening of the meeting at which the relevant matters will be voted on, or twenty-four (24) hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authorization shall be notarized. The notarized power of attorney or other authorization must be delivered to the domicile of the Company or such other places specified in the notice of the meeting together with the proxy form.

If the principal is a legal person or other organization, its legal representatives or any other person authorized by its Board of Directors or other governing body shall attend the general meeting as a representative.

The Company is entitled to require the proxy attending the general meeting on behalf of a Shareholder to produce his/her identification document.

If a Shareholder being a legal person or other organization appoints its representative to attend the meeting, the Company is entitled to require the representative to present his/her own identification document and a notarially certified copy of the resolution or power of attorney authorized by the board of directors or other competent body of the legal person or other organization (except for the Authorized Clearing House or its proxies).

Article 29 Any proxy forms issued to a Shareholder by the Board of Directors of the Company for use in appointing a proxy shall be in such format as to enable the Shareholder to instruct the proxy to vote for, against or in abstention according to his/her free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of instructions by the Shareholder, the proxy may vote as he/she thinks fit.

Article 30 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers (or registration number), residential addresses, the number of voting Shares held or represented and names of appointers (or name of organizations).

Article 31 The convener and the lawyer shall jointly examine legality of the Shareholders' qualifications according to the register of Shareholders. The names of Shareholders and the number of voting Shares shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of Shareholders and proxies attending the meeting and the total number of voting Shares held.

Article 32 If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant Shares in respect of which the proxy is given are transferred before voting, the voting made according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.

Article 33 All Directors, Supervisors and the secretary of the Board shall attend general meetings of the Company, and unless giving proper reasons, the CEO and other senior management shall be present at the meetings.

Chapter 5 Voting and Resolutions at General Meetings

Article 34 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolutions at a general meeting shall be adopted by more than half of the voting rights held by Shareholders (including their proxies) attending the general meeting.

Special resolutions at a general meeting shall be adopted by two thirds (2/3) or more of the voting rights held by Shareholders (including their proxies) attending the general meeting.

Article 35 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (III) appointment or dismissal of the members of the Board of Directors and Supervisory Committee (other than employee representative supervisors), remuneration and payment methods thereof;
- (IV) annual budgets and final accounting proposals of the Company;
- (V) the Company's annual report;

(VI) the Company's engagement, removal or discontinuance of engagement of accounting firms;

(VII) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Shares of the Company are listed or the Articles of Association.

Article 36 The following matters shall be resolved by way of special resolutions at a general meeting:

(I) increase or reduction of the registered capital of the Company and issue of Shares of any class, stock warrants or other similar securities;

(II) issuance of corporate bonds;

(III) division, merger, dissolution and liquidation or change in the form of the Company;

(IV) purchase or disposal of major assets or guarantees of the Company within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;

(V) amendments to these Articles of Association;

(VI) Share incentive scheme;

(VII) any other matters as required by laws, administrative regulations, departmental rules, normative documents, listing rules of the place where the Shares of the Company are listed or these Articles of Association and matters which, as resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be approved by way of special resolutions.

Article 37 The chairman of the meeting shall, prior to voting, declare the number of attending Shareholders and their proxies as well as the total number of their voting Shares, and the number of attending Shareholders and their proxies and the total number of their voting Shares shall be as recorded in the meeting's register.

Article 38 In voting at the general meeting, Shareholders (including their proxies) shall exercise their voting rights according to the number of voting Shares they represent, with one vote for each Share.

When the general meeting considers matters that could materially affect the interest of medium and small investors, the votes by medium and small investors shall be counted separately. The results of such separate vote counting shall be disclosed promptly.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting Shares represented by Shareholders present at a general meeting.

Subject to the applicable laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the Shares of the Company are listed, the Board of Directors, independent non-executive Directors and Shareholders who meet the relevant requirements may solicit voting rights from Shareholders. Information including the specific voting preference shall be fully provided to the Shareholders for whom voting rights are being solicited. Consideration or de facto consideration for soliciting Shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.

When a connected (related party) transaction is considered at a general meeting, connected (related) Shareholders shall not vote, and the voting Shares held by them shall not be counted in the total number of voting Shares.

Subject to the applicable laws and regulations and the listing rules of the stock exchanges on which the Shares of the Company are listed, where any Shareholder is required to abstain from voting on or restricted to vote only for (or against) a particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Article 39 Any voting made by Shareholders at the general meeting shall be taken by a poll except where the chairman of the meeting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Unless otherwise required by the applicable securities listing rules or other securities laws and regulations or voting by a poll is proposed in accordance with the foregoing, the chairman of the meeting shall declare whether a proposal has been adopted according to the results of voting by show of hands, and record the same in the minutes of the meeting as the final basis. There is no need to prove the number or proportion of the votes for or against a given resolution adopted at the meeting.

The demand for voting by poll may be withdrawn by the person who requested the same.

Article 40 If the matter to be resolved by a poll is the election of the chairman of the meeting or the adjournment of the meeting, a poll shall be taken immediately. The chairman can decide when a poll will be taken for any other matters, and the meeting may proceed to discuss other matters, and the results of that poll shall be considered as resolutions passed at the meeting.

Article 41 The general meeting shall vote on all the proposed resolutions separately; in the event of several proposed resolutions for the same issue, such proposed resolutions shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposed resolutions shall neither be shelved nor refused at the general meeting.

Article 42 All Shareholders whose names appear on the register of Shareholders on the record date for the purpose of the general meeting are entitled to exercise their voting rights through on-site or other voting means that meet the regulations. However, the same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 43 A Shareholder attending a general meeting shall express one of the following opinions on any proposed resolutions to be voted on: for, against or abstain.

Blank, wrong, illegible or uncast votes shall be deemed as the voter's waiver of their voting rights, and the voting results representing the Shares held by such voters shall be counted as "abstain".

Article 44 Before the relevant proposed resolution is voted on at the general meeting, two representatives of the Shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. If any Shareholder is connected (related) to the matter under consideration, such Shareholder and his/her proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposed resolutions at the general meeting, the lawyers, representatives of the Shareholders and the representative of Supervisors shall be jointly responsible for scrutinizing and counting votes, and the voting results shall be announced at the general meeting and shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies who vote by online or other means shall have the right to check their voting results through the corresponding voting system.

Article 45 The on-site meeting of the general meeting shall not end earlier than the meeting via online or other means. The chairman of the meeting shall announce the information and results of voting of each proposal at the site of the meeting, and announce whether the proposal is approved or not according to the voting results.

Before the official announcement on the voting results is made, the Company, vote counter, scrutineer, substantial Shareholders, network service providers and other relevant parties involved in the on-site general meeting and other voting methods shall be obliged to keep the voting information confidential.

Article 46 On a poll taken at a meeting, a Shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes for, against or in abstention in the same way.

Article 47 The list of candidates for Directors and Supervisors who are not representatives of employees shall be submitted to the general meeting for voting in the form of proposals. The Board of Directors shall inform Shareholders of the biographical details and basic information of the candidate for Directors and Supervisors who are not representatives of employees in the notice of the general meeting.

When a poll for the election of Directors and Supervisors who are not representatives of employees is taken at the general meeting, the cumulative voting system may be adopted according to the provisions of the Articles of Association or the resolutions of the general meeting.

The cumulative voting system referred to in the preceding paragraph means that when Directors or Supervisors who are not representatives of employees are elected at the general meeting, each Share held by a Shareholder (including its proxies) has the same number of voting rights as the number of Directors or Supervisors to be elected who are not representatives of employees. The Shareholders can cast all his/her votes to one person in a centralized manner, or they can cast his/her votes to several persons in a distributed manner, but the Shareholders shall make an explanation on the allocation of the voting rights.

Article 48 When the votes against and in favor are equal, whether it is voted by a show of hands or a poll, the chairman of the meeting has the right to cast one more vote.

Article 49 The chairman of the meeting shall be responsible for deciding whether or not the resolutions of the general meeting are passed. The decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 50 At an annual general meeting, the Board of Directors and the Supervisory Committee shall report to the general meeting on their work in the past year, and each independent non-executive Director shall also make his/her work report.

Article 51 Directors, Supervisors and senior management shall give explanations and statements about inquiries raised by Shareholders at the general meeting.

Article 52 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the announcement, the chairman of the meeting shall have the votes counted immediately.

Article 53 In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

The minutes together with the attendance record of Shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company. Such minutes, attendance record and power of attorney shall not be destroyed within ten years.

Article 54 The content of the resolutions of the general meeting shall comply with the provisions of laws, administrative regulations and the Articles of Association.

The authorized drafters of the resolutions of the general meeting shall faithfully perform their duties, ensure the truthfulness, accuracy and completeness of the contents of the draft resolutions, and shall not use expressions that are likely to cause ambiguity.

Resolutions of the general meeting shall be announced in due time. The announcement shall specify the number of attending Shareholders and their proxies, the total number of voting Shares they represent and the proportion of these Shares to the total number of the voting Shares of the Company, the voting method, as well as the voting result for every resolution and the details of each of the resolutions passed. Where any proposal made by Shareholders is resolved, the names and shareholdings of the Shareholders and contents of the proposal shall be specified. Where a proposal has not been adopted or the resolution of any previous general meeting has been modified at the current general meeting, a special explanation shall be made in the announcement on the resolutions of the general meeting.

Article 55 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the Shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or directly terminate the meeting and publish an announcement in a timely manner.

Article 56 A Shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any Shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven (7) days of receipt of the reasonable payment therefor.

Chapter 6 Special Procedures for Voting by Class Shareholders

Article 57 Shareholders holding different classes of Shares shall be class Shareholders.

Class Shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations and the Articles of Association.

Where the Share capital of the Company includes Shares which do not carry voting rights, the words “non-voting Shares” must appear in the designation of such Shares.

Where the Share capital includes Shares with different voting rights, the designation of each class of Shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.

Article 58 The Company shall not proceed to change or abrogate the rights of class Shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate Shareholder meeting convened by the class shareholders so affected in accordance with Articles 59 to 62 of the Rules.

Article 59 The following circumstances shall be deemed as change or abrogation of the rights of a certain class Shareholder:

- (I) to increase or decrease the number of Shares of such class, or to increase or decrease the number of Shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the Shares of such class;
- (II) to change all or part of the Shares of such class into Shares of another class or to change all or part of the Shares of another class into Shares of that class or to grant relevant conversion rights;
- (III) to cancel or reduce rights to accrued dividends or cumulative dividends attached to Shares of the said class;
- (IV) to reduce or cancel rights attached to the Shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (V) to add, cancel or reduce Share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the Shares of the said class;
- (VI) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the Shares of the said class;

- (VII) to create a new class of Shares with voting rights, distribution rights or other privileges equal or superior to those of the Shares of the said class;
- (VIII) to restrict the transfer or ownership of the Shares of the said class or to impose additional restrictions;
- (IX) to issue rights to subscribe for, or to convert into, Shares of the said class or another class;
- (X) to increase the rights and privileges of the Shares of another class;
- (XI) to restructure the Company in such a way as to cause Shareholders of different classes to undertake liabilities disproportionately during the restructuring; and
- (XII) to amend or cancel provisions in the chapter.

Article 60 Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at Shareholders' class meetings in respect of matters referred to in Items (II) to (VIII) and (XI) to (XII) in Article 57 hereof, except that interested Shareholders shall not vote at such Shareholders' class meetings.

The term "interested Shareholders" in the preceding paragraph shall mean:

- (I) in case of a repurchase of Shares by the Company by way of a general offer to all Shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with the Articles of Association, the controlling Shareholders as defined in the Articles of Association shall be the "interested Shareholders";
- (II) in case of a repurchase of Shares by the Company by an off-market agreement in accordance with the Articles of Association, holders of Shares in relation to such agreement shall be the "interested Shareholders";
- (III) in case of a proposed restructuring of the Company, Shareholders who assume a relatively lower proportion of obligations than the obligations imposed on the other Shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other Shareholders of that class shall be the "interested Shareholders".

Article 61 Resolution of a Shareholders' class meeting shall be passed only by two thirds (2/3) or more of the total voting rights being held by the Shareholders of that class, who are entitled to do so, present and vote at the Shareholders' class meeting in accordance with Article 58 of the Rules.

Article 62 When the Company is to convene a Shareholders' class meeting, it shall issue a written notice in accordance with the requirements on the notice period in respect of annual general meetings and extraordinary general meetings stipulated under Article 12 of the Rules, informing all the Shareholders who are registered as holders of that class in the register of Shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.

If there are any special provisions by the listing rules of the places where the Shares of the Company are listed, such provisions shall prevail.

Article 63 The notice of a Shareholders' class meeting shall be sent to the Shareholders entitled to vote at such meeting only.

The procedures of a Shareholders' class meeting shall, to the extent possible, be identical with the procedures of a general meeting. Provisions of the Articles of Association relevant to procedures for the holding of a general meeting shall be applicable to a Shareholders' class meeting.

Article 64 Apart from holders of other classes of Shares, holders of domestic Shares and overseas listed foreign Shares are deemed to be Shareholders of different classes.

In the following circumstances, the special procedures for voting by class Shareholders shall not apply:

- (I) with the approval by a special resolution at the general meeting, the Company issues domestic Shares or overseas listed foreign Shares alone or at the same time at each interval of twelve (12) months and the number of the domestic Shares and overseas listed foreign Shares does not exceed twenty percent (20%) of the respective outstanding Shares of such class;
- (II) the Company has made the plans to issue domestic Shares or overseas listed foreign Shares at the time of incorporation and the implementation of such plan has been completed within fifteen (15) months from the date of approval by the securities regulatory authorities and other competent authorities; or
- (III) with the approval of the securities regulatory authorities and other competent authorities, Shareholders of the Company list and trade their unlisted Shares in any overseas stock exchanges.

Chapter 7 Minutes of General Meetings

Article 65 Minutes of a general meeting shall be prepared by the secretary of the Board. The minutes shall state the following:

- (I) the time, venue and agenda of the meeting and the name of the convener;
- (II) the name of the chairman of the meeting and the names of the Directors, Supervisors, the CEO and senior management who attend the meeting or are present in the meeting;
- (III) the numbers of Shareholders and proxies attending the meeting, total number of voting Shares they represent and the percentages of their voting Shares to the total Shares of the Company;
- (IV) the process of review and discussion, summary of any speech and voting results with respect to each proposal;
- (V) Shareholders' inquiries, opinions or suggestions and corresponding answers or explanations;
- (VI) the names of lawyers, vote counters and scrutinizers of the voting;
- (VII) other contents to be included as specified in the Articles of Association.

The convener shall ensure that the contents of the minutes are true, accurate and complete. The Directors, the Supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending Shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a term of not less than 20 years.

Chapter 8 Implementation of Resolutions of the General Meeting

Article 66 The Board of Directors is responsible for the organization and implementation of the resolutions passed at the general meeting and the resolutions will be handed over to the management of the Company to undertake specific tasks according to the content of the resolutions and the division of responsibilities; for resolution needed to be implemented by the Supervisory Committee, it shall be organized and implemented by the Supervisory Committee directly.

Article 67 The implementation of the resolutions of the general meeting shall be reported by the CEO to the Board of Directors, and the Board of Directors shall report to the next general meeting; matters involving the implementation of the Supervisory Committee shall be reported directly to the general meeting by the Supervisory Committee, and may also be reported to the Board of Directors first when deemed necessary by the Supervisory Committee.

Article 68 The Chairman of the Company shall supervise and inspect the implementation of the resolutions except those required to be executed by the Supervisory Committee, and can convene an extraordinary meeting of the Board of Directors to listen to and review the progress of implementation of the resolutions of the general meeting if necessary.

Article 69 If the general meeting approves the proposal on the election of directors and supervisors, the new directors and supervisors shall take office after the resolution is passed at the general meeting and their qualifications for appointment are approved.

Article 70 If the general meeting approves the proposal on cash distribution, bonus Shares or converting capital reserves into Share capital, the Company shall implement the specific plan within two (2) months after the conclusion of the general meeting.

Article 71 The controlling Shareholders and actual controllers of the Company shall not restrict or hinder medium and small investors to exercise voting rights according to laws and harm the legitimate rights of the Company as well as medium and small investors.

Article 72 The contents of the resolution of the Company's general meeting which violate laws and administrative regulations are invalid.

If the convening procedures and voting methods of the general meeting violate laws, administrative regulations or Articles of Association, or the contents of resolution violate the Articles of Association, the Shareholder can request the people's court to cancel within 60 days since the resolution is adopted.

Chapter 9 Supplementary Provisions

Article 73 The Rules, as an annex to the Articles of Association, have been reviewed and approved by the general meeting and shall take effect from the date on which the Shares of the Company are listed on the Sci-Tech Board, which is to regulate the organization and behavior of the Company's general meeting, and regulate a legally binding document of rights and obligations of the Company's Shareholders. From the effective date of the Rules, the original Rules of Procedure for General Meetings of the Company shall automatically become invalid.

Article 74 The Company shall amend the Rules under any of the following circumstances:

- (I) Subsequent to the amendments to the PRC Company Law or relevant laws, administrative regulations, the listing rules of places where Shares of the Company are listed or the Articles of Association, matters provided for in the Rules are in conflict with the provisions of the amended laws, administrative regulations or Articles of Association;

- (II) The general meeting resolves to amend the Rules.

Article 75 Any amendment to the Rules shall be resolved at the general meeting. Amendment proposals shall be made by the Board of Directors within the authority granted by the general meeting and shall come into effect upon approval at the general meeting.

Article 76 The terms “more” and “within” as stated herein shall include the given figure; while the terms “exceeding”, “below” and “over” shall exclude the given figure.

Rule 77 The Board of Directors of the Company shall be responsible for the interpretation of the Rules.

Article 78 For matters not covered in the Rules or inconsistent with the provisions of laws, administrative regulations, the listing rules of places where Shares of the Company are listed and the Articles of Association, the provisions of the laws, administrative regulations, the listing rules of places where Shares of the Company are listed and the Articles of Association shall prevail.

Article 79 The Rules are written in both Chinese and English, and the Chinese version shall prevail.

LEPU BIOPHARMA CO., LTD.

RULES OF PROCEDURES FOR THE MEETING OF BOARD OF DIRECTORS

Chapter I General Provisions

Article 1 In order to ensure the regulated operation of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Company”), enhance the work efficiency and legal and scientific decision-making standard of the Board of Directors, regulate the composition, duties and responsibilities, authorities and operating procedures of the Board of Directors and safeguard the interests of the Company and the legitimate interests of the shareholders of the Company (the “Company”), in accordance with the provisions of the PRC Company Law, the “Mandatory Provisions of Articles of Association of Companies Listing Overseas” (《到境外上市公司章程必備條款》), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “Hong Kong Listing Rules”), the “Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》) (the “Listing Rules of the Sci-Tech Innovation Board”) and other domestic and foreign regulatory regulations, as well as the Articles of Association of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Articles of Association”), the Rules are formulated.

Article 2 The Board of Directors shall be accountable to the general meeting in the principle of good faith and acting in accordance with the laws, ensure that the Company shall comply with the provisions of laws, administrative regulations and departmental rules, safeguard the interests of the Company and all Shareholders, and seriously perform its duties conferred by the Articles of Association and the general meeting, treat all Shareholders equally and pay attention to the interests of other stakeholders.

Article 3 The Board of Directors consists of nine (9) Directors, including one chairman, of whom no less than three shall be independent non-executive Directors and have no less than one-third (1/3) of all Directors. Independent non-executive Directors shall include at least one (1) person with appropriate professional qualifications or with appropriate accounting or relevant financial management expertise, and one independent non-executive Director ordinarily resident in Hong Kong. The Board of Directors exercises its powers and duties in accordance with the relevant provisions of the Articles of Association.

Article 4 The Company shall have a secretary of the Board who shall be responsible for the daily affairs of the Board of Directors. The Company has an Office of the Board of Directors to assist the secretary of the Board and keep the seal of the Board of Directors.

Article 5 The Board of Directors shall establish committees such as the Audit Committee, the Remuneration Committee and the Nomination Committee and may establish the Strategy Committee and other special committees, which shall, under the leadership of the Board of Directors, assist the Board of Directors in performing its functions and powers or provide advices or consulting opinions for the decision-making of the Board of Directors. The composition and the rules of procedure shall be determined separately by the Board of Directors.

Chapter II Convening and Notice of Meetings

Article 6 Board meetings

- (i) The Board meetings include regular Board meetings and extraordinary Board meetings.
- (ii) Regular Board meetings shall be held at least four (4) times a year. The Board meetings shall be convened by the Chairman of the Board by giving a notice to all Directors and Supervisors fourteen (14) days before the meeting is held. Except as provided by the listing rules of the place where the Shares of the Company are listed, the period for notice of regular Board meetings may be waived upon unanimous consent of all Directors in writing.
- (iii) The Chairman of the Board shall convene and preside over the extraordinary Board meetings within ten (10) days upon receipt of the proposal in any of the following circumstances: (1) proposal of one third (1/3) or more of the Directors; (2) proposal of the Supervisory Committee; (3) proposal of one half or more of the independent non-executive Directors; (4) when the Chairman of the Board considers necessary; (5) proposal of Shareholders holding one tenth (1/10) or more of the voting rights; (6) proposal of the CEO.

Article 7 Regular Board meetings shall include but not limited to:

- (I) Board meeting for approval of the Company's financial report:
 - 1. Board meeting for annual results

According to the Hong Kong Listing Rules, the meeting shall be held within ninety (90) days subsequent to the end of the Company's financial year, primarily to review the Company's annual results announcement and deal with any other relevant matters.

According to the Listing Rules of the Sci-Tech Board and other relevant domestic regulations, the meeting shall be held within one hundred twenty (120) days subsequent to the end of the Company's financial year, primarily to review the Company's annual report and deal with any other relevant matters. The annual Board meeting shall be held to ensure that annual financial report and annual report of the Company are dispatched to Shareholders within the time frame required by relevant laws, administrative regulations, departmental rules and relevant provisions of securities regulatory authorities of the place where the Shares of the Company are listed and the Articles of Association, to ensure that preliminary annual financial results of the Company shall be announced within the time frame specified above, and that the annual general meeting shall be held within six months subsequent to the end of the Company's financial year.

2. Board meeting for half-yearly results

The meeting shall be held within sixty (60) days subsequent to the end of the first six-month period of the Company's financial year, primarily to review the Company's half-yearly report and deal with any other relevant matters. The half-yearly Board meeting shall be held to ensure that interim financial report and interim report of the Company shall be announced within the time frame required by relevant laws, administrative regulations, departmental rules and relevant provisions of securities regulatory authorities of the place where the Shares of the Company are listed and the Articles of Association.

Article 8 The Board meetings shall be called by the Chairman of the Board by dispatching notices of the meetings. If, due to exceptional reasons, the Chairman of the Board is not able to call a meeting, the meeting shall be called by a Director as provided in the Articles of Association. The convener shall be responsible for dispatching a notice of the meetings.

Article 9 Notice convening a Board meeting shall be sent through telephone, facsimile or email; The period for notice: the notice of a regular Board meeting shall be dispatched fourteen (14) days prior to the date of the meeting and the notice of an extraordinary Board meeting shall be dispatched five (5) days prior to the date of the meeting. The period for notice of regular Board meeting may be waived upon unanimous written consent of all Directors. The period for notice of extraordinary Board meeting may be waived upon unanimous consent of all Directors.

The time and venue of the Board meeting can be determined by the Board of Directors in advance and recorded in the minutes. If such minutes has been dispatched to all Directors at least fourteen (14) days prior to the date of the next Board meeting, no further notice to Directors is required.

When a Director has attended a meeting, he/she shall be deemed to have been served with a notice of the meeting if he/she fails to state he/she did not receive the notice of the meeting before or during the meeting.

Except as provided by the listing rules of the place where the Shares of the Company are listed, the Board meetings can be held by way of teleconference meeting or by virtue of similar telecommunication device. In such meetings, so long as the Directors present can clearly hear and communicate with each other, all Directors present are deemed as if they have attended the meeting in person. Should an on-site meeting, video-conference or teleconference be unable to be held in case of emergency or owing to force majeure or other special reasons, it can be held by means of written communication, but regular Board meetings shall not be held by written circulation.

**APPENDIX VI PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF BOARD OF DIRECTORS**

Article 10 Before a Board meeting is held, a notice of the meeting shall be dispatched to all Directors, all Supervisors and other non-voting attendees. A notice of the meeting shall generally include the following contents:

- (i) the time and venue of the meeting;
- (ii) the duration of the meeting;
- (iii) the agenda, subject matters, topics and relevant materials;
- (iv) the date of dispatch of the notice;
- (v) the method of holding the meeting;
- (vi) the contact person and contact details.

Chapter III Proposal of Meetings

Article 11 The proposal of the Board resolutions shall be based primarily on the following:

- (i) matters proposed by the Directors;
- (ii) matters proposed by the Supervisory Committee;
- (iii) proposals by the special committees of the Board of Directors;
- (iv) matters proposed by the CEO;
- (v) matters that are required to be decided by the Board of Directors in accordance with the relevant laws, administrative regulations, departmental rules, relevant provisions of the securities regulatory authorities of the place where the Shares of the Company are listed and the Articles of Association.

Article 12 The secretary of the Board shall collect drafts of the resolutions to be proposed at the meeting, those who propose the relevant resolutions shall submit the such resolutions together with the relevant explanatory materials twenty (20) days before the meeting is held. After collating the relevant information, the secretary of the Board shall set out the time, venue and agenda of the Board meeting for submission to the Chairman of the Board.

Article 13 The meeting proposal submitted to the Board of Directors shall meet the following conditions:

- (i) The contents shall not conflict with laws, administrative regulations, departmental rules, the relevant provisions of the securities regulatory authority of the place where the Shares of the Company are listed and the provisions of the Articles of Association, and shall fall within the scope of functions and powers of the Board of Directors as stipulated in the Articles of Association;

- (ii) There shall be clear proposal contents and specific resolution matters, and the submitter shall make explanation on the relevant contents of the proposal when submitting the proposal;

- (iii) It shall be submitted in writing.

After receiving the aforesaid written proposal and relevant materials, the Office of the Board of Directors shall submit them to the Chairman of the Board on the same day. If the Chairman of the Board is of opinion that the content of the proposal is not clear or specific, or the relevant materials are insufficient, he/she may request the proposer to make amendment or supplement to them.

Article 14 During the period from the dispatch of a notice of a meeting to the time before the commencement of the meeting, the secretary of the Board shall be responsible for or arrange the communication and liaison with all Directors, especially the independent non-executive Directors, to obtain the opinions or suggestions from the Directors in respect of the relevant resolutions. The opinions or suggestions collected shall be passed to the proposer in a timely manner in order to better revise the said resolutions.

Chapter IV Holding of Meetings

Article 15 In principle, A Board meeting shall be held at the legal address of the Company, however it can be held in other places inside and outside the PRC as resolved by the Board of Directors.

Article 16 The Board meetings shall be held in the form of on-site meetings, written communication meetings, meetings by other methods of communication (including but not limited to telephone, video, etc.), and meetings by a combination of the aforesaid two or more methods. The Board meetings shall be held on site in principle. The regular Board meeting shall not be convened by way of written circulation.

Article 17 The Board meetings can be held by way of teleconference, video-conference or by virtue of similar telecommunication device, provided that the Directors present can clearly hear and communicate with each other, all Directors present are deemed as if they have attended such meeting in person. Audio records shall be made for such meetings. Where the Directors are not able to sign the meeting resolutions immediately at such meetings, they shall cast their votes orally. Votes cast orally by the Directors shall have the same effect as signature in writing, but a written confirmation letter shall be signed afterwards. If there is any discrepancy between such written signature and votes cast orally, the votes cast orally at the meeting shall prevail.

Article 18 The Board meeting shall not be held unless more than one half (1/2) of the Directors (including the Directors who are appointed to attend the meeting as required) are present.

**APPENDIX VI PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF BOARD OF DIRECTORS**

The Directors shall attend a Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. The authorization letter shall contain the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointer. A Director attending the meeting on behalf of other Directors shall exercise the rights of the Director within the scope of authorization.

If a non-independent Director fails to attend any two consecutive meetings of the Board of Directors in person or by appointing other Directors to attend such meetings on his/her behalf, such Director shall be deemed incapable of performing his/her duties, and the Board of Directors shall make recommendation to the general meeting for replacement.

If an independent non-executive Director fails to attend any three consecutive meetings of the Board of Directors, and the Board of Directors may make recommendation to the general meeting for replacement.

Article 19 Directors appoint or appointed by others to attend Board meetings shall observe the following principles:

- (i) When matters of related party (connected) transactions are considered, a non-related (connected) Director may not appoint any related (connected) Directors to attend on his/her behalf; and related (connected) Directors may not accept the appointment by non-related (connected) Directors;
- (ii) An independent non-executive Director may not appoint a non-independent Director to attend on his/her behalf, nor may a non-independent Director accept the appointment by an independent non-executive Director;
- (iii) A Director shall not appoint another Director to attend on his/her behalf without stating his/her voting intentions on any proposal, nor shall the Directors concerned accept the full power of attorney and other appointment with an unclear scope of authorization;
- (iv) A Director shall not accept the appointment by more than two Directors, nor shall he/she appoint a Director who has accepted the appointment by two other Directors to attend on their behalf.

Article 20 The Supervisors may attend the Board meetings as non-voting participants; the CEO and the secretary of the Board who are not concurrently directors shall attend the Board meetings as non-voting participants. The chairman of the meeting may notify other relevant persons to attend the Board meeting as non-voting participants if deemed necessary.

Those who attend the Board meetings as non-voting participants shall attend the Board meeting in person and cannot appoint others to attend the meeting.

**APPENDIX VI PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF BOARD OF DIRECTORS**

Article 21 The Board meetings shall be presided over by the Chairman of the Board. In the event that the Chairman of the Board cannot preside over the meetings, a Director elected by more than half of the Directors shall preside over the meetings according to the provisions of the Articles of Association. After the general election of the Board of Directors at the general meeting, the Director with the maximum number of affirmative votes at the general meeting (one will be elected among others in the event of more than one) shall preside over the Board meeting for the election of a new chairman of the Board by a majority of all Directors.

Chapter V Voting of Meetings

Article 22 The chairman of the meeting shall announce the commencement of the meeting at the prescribed time, at which each resolution shall be reviewed on a case-by-case basis under the guidance of the chairman of the meeting; in the event of that the order of proposals listed in the meeting notice needs to be changed, it shall be agreed by more than half (1/2) of the Directors present.

Unless the unanimous consent of all Directors present is obtained before the meeting, the Board meeting shall not vote on proposals not listed in the meeting notice. If a Director accepts the appointment by other Directors to attend the Board meeting on his/her behalf, he/she shall not vote on the proposal not listed in the meeting notice on behalf of the other Directors.

Article 23 During the consideration of the relevant proposals, motions and reports at the Board meeting, with a view to a thorough understanding of the main points and the process, the persons in charge of the relevant departments may be requested to sit in such meetings to be heard or inquired about the relevant details for the purpose of reaching a proper resolution.

Article 24 Where one half (1/2) or more of the Directors present or two (2) or more independent non-executive Directors are of opinion that the proposal is not clear or specific, or that they cannot make judgement on relevant matters due to insufficient meeting materials and other reasons, the chairman of the meeting shall request the meeting to suspend the voting on the said proposal.

The Director proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for consideration.

Article 25 Independent non-executive Directors shall express objective and impartial independent opinions on proposals that require independent non-executive Directors to express their independent opinions.

Article 26 All Directors present shall express their opinions of voting for, against or abstain from the resolutions submitted for consideration by the Board of Directors.

The Director attending the meeting on behalf of another Director shall exercise the rights of the appointer within the scope of the authorization.

**APPENDIX VI PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF BOARD OF DIRECTORS**

A Director who is absent from a Board meeting without appointing a proxy to attend the meeting on his/her behalf shall be deemed to have abstained from voting in such meeting.

Article 27 Voting at the Board meeting may be conducted by a show of hands or by open ballot or other voting methods approved by regulatory authorities. Each Director has one vote.

If any Director has related (connected) relationship (refers to the director or senior management of the counterparty, or the legal entity that can directly or indirectly control the counterparty, or the director or senior management of the legal entity directly or indirectly controlled by the counterparty) with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself or on behalf of another Director. Unless otherwise stipulated in the Articles of Association, the resolution of the Board meeting shall be passed by more than half of the non-related (connected) Directors. If the number of non-related (connected) Directors attending the meetings is less than three (3), the issue shall be submitted to the general meeting for consideration.

If the Company intends to conduct related party (connected) transactions that are required to be submitted to the general meeting for consideration, it shall obtain prior consent opinions from independent non-executive Directors before submitting it to the Board of Directors for consideration.

The prior consent opinions of independent non-executive Directors shall be approved by more than half of all independent non-executive Directors, and shall be disclosed in the announcement in relation to the related party (connected) transaction.

Article 28 Upon completion of voting by the Directors present, the relevant staff of the Office the Board of Directors shall promptly collect the votes of the Directors and have them counted by the secretary of the Board under the supervision of a Supervisor or an independent non-executive Director.

At an on-site meeting, the chairman of the meeting shall announce the counting result on the spot. In other cases, the chairman of the meeting shall require the secretary of the Board to notify the Directors the voting results before the next working day following the expiry of the required voting period.

If a Director votes after the chairman of the meeting has announced the voting result or beyond the expiry of the required voting period, results of votes by such Director shall not be counted.

Chapter VI Resolution of Meetings

Article 29 The Board of Directors shall pass resolutions to matters discussed at the meeting.

Article 30 A resolution of the Board of Directors shall be passed by a majority of all the Directors, except for the circumstances where the Board of Directors considers the resolutions regarding the formulation of plans for increase or decrease of registered capital of the Company, the plan for the issuance of corporate bonds or other securities and listing plans or the formulation of plans to amend the Articles of Association of the Company as stipulated in the Articles of Association.

In respect of any matter which needs to be passed at an extraordinary Board meeting, if the Board of Director has already sent out the written proposals to be resolved at such meeting (including through facsimile and email) to all Directors and each Director is ensured to fully express his/her opinions, resolutions of the extraordinary Board meeting may be made by means of telecommunication and no onsite meeting of the Board is required. Such resolution is deemed effectively passed provided that the number of directors who sign and approve such a resolution satisfies the number of Directors as required to make such decision under the Rules.

Article 31 Where any substantial Shareholder or Director has a material conflict of interest in matters to be considered by the Board of Directors, such matters shall be dealt with by way of a Board meeting (rather than a written resolution). Opinions given by independent non-executive Directors shall be recorded in the Board resolutions.

Article 32 Written resolutions of the Board of Directors which have not been made in accordance with the legal procedures shall not have legal effect as board resolutions, even though every Director has expressed his/her opinions in a different manner.

Article 33 Directors shall be held responsible for the resolutions of the Board meetings.

If a resolution of the Board meeting violates the laws, administrative regulations or the Articles of Association, and the Company has suffered serious losses as a result thereof, the Directors shall assume direct liability (including liability for damages). However, if it can be proven that a Director who voted against has expressly objected to the resolution when the resolution was voted upon, and that such dissenting vote has been recorded in the minutes of the meeting, such Director shall be free from such liability; any Director who voted in abstention or did not attend or appoint a proxy to attend such meeting shall not be released from such liability; any Director who expressed his/her objection in the discussion but did not expressly vote against shall not be released from such liability.

The Company can make appropriate insurance arrangements for the legal actions that each Director may be involved in.

Chapter VII Minutes of Meetings

Article 34 The minutes of the Board meeting shall serve as formal evidence of the matters discussed at such meetings, and detailed minutes of the matters discussed shall be kept by the Board meeting. The minutes of the Board meeting shall contain:

- (i) the date and venue of, and name of the convener of the meeting;
- (ii) the names of Directors attending the meeting and the names of Directors (proxies) appointed by others Directors to attend the Board meeting;
- (iii) the agenda of the meeting;
- (iv) the main points of the speeches of the Directors, detailed records of matters considered and decisions reached at the meeting shall be kept, including any doubts or objections expressed by the Directors;
- (v) the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against, or in abstention);
- (vi) signatures of the Directors and the secretary of the Board (recorder).

The secretary of the Board shall properly organize, record and compile matters discussed at the meeting. The minutes of each Board meeting shall be provided to all Directors present as soon as possible for their review. After receipt of the minutes of the meeting, the Directors who wish to make amendments and supplements to the minutes shall report such opinions in written form to the Chairman of the Board within one week. All of the attending Directors, secretary of the Board and the recorder shall sign on the final minutes of the meeting, and the secretary of the Board shall dispatch a complete copy to every Director.

Article 35 When holding a Board meeting, audio and video records of the whole process may be conducted as necessary.

Article 36 Documents and audio and visual information including powers of attorney, minutes and summary of meetings and Board resolutions shall be organized and compiled by the secretary of the Board and kept as records of the Company for a period of 20 years.

Chapter VIII Execution and Feedbacks of Board Resolutions

Article 37 Subsequent to any resolution made by the Board of Directors, the resolutions that are required to be submitted to the general meeting for review shall be submitted to the general meeting for approval in a timely manner; matters falling within the terms of reference of the CEO or matters delegated to the CEO by the Board of Directors shall be organized and thoroughly implemented by the CEO.

**APPENDIX VI PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF BOARD OF DIRECTORS**

Article 38 The Chairman of the Board is entitled to appoint another Director to inspect and supervise the execution of resolutions of the meetings.

Article 39 In each Board meeting, the management of the Company shall report to the meeting on the execution of matters resolved to be implemented at the previous Board meeting.

Article 40 Under the leadership of the Board of Directors and the Chairman of the Board, the secretary of the Board shall take the initiative to keep himself informed of the progress of the execution of the Board resolutions, and shall also submit reports and suggestions concerning important matters of implementation to the Board of Directors and Chairman of the Board regularly and in a timely manner.

Chapter IX Supplementary Provisions

Article 41 The terms “more than” and “within” as stated herein shall include the given figure.

Article 42 In case of any matters not covered herein or in conflict with the provisions of the laws, administrative regulations, other relevant normative documents and the Articles of Association promulgated from time to time, the latter shall prevail.

Article 43 The formulation of and any amendment to the Rules shall take effect and be implemented upon consideration and approval by the general meeting and from the date on which the Shares of the Company are listed on the Sci-Tech Board of the Shanghai Stock Exchange.

Article 44 The Board of Directors shall be responsible for the interpretation of the Rules.

Article 45 The Rules are written in both Chinese and English, and the Chinese version shall prevail.

LEPU BIOPHARMA CO., LTD.

RULES OF PROCEDURES FOR THE MEETING OF SUPERVISORY COMMITTEE

Chapter I General Provisions

Article 1 In order to regulate the operation of the Supervisory Committee of Lepu Biopharma Co., Ltd. (the “Company”) and ensure that the Supervisory Committee performs its duties granted by all shareholders of the Company (the “Shareholders”), in accordance with the provisions of the PRC Company Law, the “Mandatory Provisions of Articles of Association of Companies Listing Overseas” (《到境外上市公司章程必備條款》), the “Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》), the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (together, the “Listing Rules”) and other domestic and foreign regulatory regulations, as well as the Articles of Association of Lepu Biopharma Co., Ltd. (the “Articles of Association”), the Rules are formulated.

Article 2 The Supervisory Committee shall be accountable to the general meeting. The Supervisory Committee shall supervise the legality of the performance of duties by the Directors and senior management of the Company, and safeguard the legitimate rights and interests of the Company and its Shareholders.

Article 3 The Company shall safeguard the right of access of the Supervisory Committee, and provide the Supervisory Committee with necessary information and data in a timely fashion, to allow the Supervisory Committee to perform effective supervision, inspection and assessment on the financial position and operation management of the Company.

The management of the Company shall, as required by the Supervisory Committee, report to the Supervisory Committee on the execution and performance of material contracts, the use of funds, and losses and profits of the Company. The CEO undertake that such report is true to the fact.

Article 4 The composition of the Supervisory Committee shall be all Supervisors.

Chapter II Convening, Proposal and Notice of Meetings

Article 5 The meetings of the Supervisory Committee include regular meetings and extraordinary meetings.

Article 6 The meeting of the Supervisory Committee shall be held at least twice a year and at least once every six months.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

Article 7 The meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee fails to convene and preside over the meeting, a meeting of the Supervisory Committee shall be convened or presided over by a Supervisor jointly nominated by more than half of the Supervisors.

Article 8 The Supervisory Committee shall convene an extraordinary meeting within ten days if:

- (i) any Supervisor proposes to convene such a meeting;
- (ii) a resolution is passed at a general meeting or a Board meeting that violates laws, regulations, rules, various provisions and requirements of regulatory authorities, the Articles of Association, resolutions of general meetings of the Company and other relevant regulations;
- (iii) any misconduct of Directors and senior management is likely to cause significant damage to the Company or to cause adverse effects in the market;
- (iv) lawsuits are filed by Shareholders against the Company, Directors, Supervisors or senior management;
- (v) the Company, Directors, Supervisors or senior management are punished by the securities regulatory authorities or publicly condemned by the Shanghai Stock Exchange;
- (vi) required by securities regulatory authorities;
- (vii) other circumstances as stipulated by laws, administrative regulations, other relevant normative documents, the Listing Rules and the Articles of Association occur.

Article 9 The work arrangements, work reports and relevant matters related to the functions and powers of the Supervisory Committee may serve as proposals for regular meetings or extraordinary meetings when it is proposed by the Supervisors.

Article 10 Before sending the notice of meeting of the Supervisory Committee, the chairman of the Supervisory Committee shall collect proposals from all the Supervisors. The Supervisory Committee shall solicit opinions from the staff of the Company as necessary. In soliciting opinions, it shall state that the Supervisory Committee focuses on supervising the operations of the Company and the performance of duties by the Directors and senior management, not on making decisions on the operations and management of the Company.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

Article 11 The Company shall assign a designated person to be responsible for collecting proposals from Supervisors and submit them to the Supervisory Committee for consideration in a timely manner.

Article 12 The meetings of the Supervisory Committee shall be called by the chairman of the Supervisory Committee by dispatching notices of the meetings. A notice of meeting of the Supervisory Committee shall include the date, venue and duration of the meeting, the method of holding the meeting, the agenda, subject matters, topics and relevant information of the meeting, the date of dispatch of the notice, etc.

The period for notice of a meeting: the notice of a regular meeting of the Supervisory Committee shall be delivered to all Supervisors at least ten days prior to the date of the meeting and the notice of an extraordinary meeting of the Supervisory Committee shall be delivered to all Supervisors in writing five days prior to the date of the meeting. The period for notice of meeting of the Supervisory Committee may be waived upon unanimous written consent of all Supervisors.

In the event of any urgent circumstance where an extraordinary meeting of the Supervisory Committee needs to be convened as soon as possible, it is not limited by the period for the notice in the preceding paragraph, the meeting notice may be sent by verbal means or telephone at any time, but the convener shall make explanations at the meeting.

The methods of notice of the meeting of the Supervisory Committee are: written notice, telephone, e-mail and facsimile with confirmation of receipt.

Article 13 During the period from the dispatch of a notice of a meeting to the time before the commencement of the meeting, the Company shall assign a designated person to be responsible for or arrange the communication and liaison with all Supervisors to obtain the opinions or suggestions from the Supervisors in respect of the relevant resolutions in order to better revise the said resolutions.

Article 14 If a Supervisor proposes to convene an extraordinary meeting of the Supervisory Committee, he/she shall submit a written proposal signed by him/her directly to the chairman of the Supervisory Committee. The written proposal shall set forth the following:

- (i) the name of the proposing Supervisor;
- (ii) the reason or objective circumstance for the proposal;
- (iii) clear and specific motions;
- (iv) the time or duration of the proposed meeting;
- (v) contact information of the proposing Supervisor and date of proposal, etc.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

Within three working days after the chairman of the Supervisory Committee receives a written proposal from a Supervisor, he/she shall issue a notice to convene an extraordinary meeting of the Supervisory Committee.

If the chairman of the Supervisory Committee fails to send the notice of the meeting, the proposing Supervisors shall report to the regulatory authorities in a timely manner.

Chapter III Holding of Meetings

Article 15 The meetings of the Supervisory Committee shall be held in the form of on-site meetings, written communication meetings, meetings by other methods of communication (including but not limited to telephone, video, etc.), and meetings by a combination of the aforesaid two or more methods. The meetings of the Supervisory Committee shall be held on site, by video or telephone in principle, should an on-site meeting, video-conference or teleconference be unable to be held in case of emergency or owing to force majeure or other special reasons, it can be held by means of written communication.

The meetings of the Supervisory Committee can be held by way of teleconference, video-conference or by virtue of similar telecommunication device, provided that the Supervisors present can clearly hear and communicate with each other. Audio or video records shall be made for such meetings. Where the Supervisors are not able to sign the meeting resolutions immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Votes cast orally by the Supervisors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier votes cast orally at the meetings. If there is any discrepancy between such written signature and votes cast orally, the votes cast orally at the meeting shall prevail.

Where the meeting of the Supervisory Committee is held by means of written communication, the content of the proposals to be discussed and considered shall be distributed in writing to all Supervisors for voting. Unless otherwise stated by the Supervisors on the resolution, signing on the resolution by the Supervisors shall be deemed as an approval from the said Supervisors.

Article 16 The meeting of the Supervisory Committee shall not be held unless more than one half of the Supervisors are present. If the meeting of the Supervisory Committee is held by means of teleconference or video-conference, the number of Supervisors present at the meeting shall be counted based on the number of Supervisors who confirmed their attendance during the teleconference and Supervisors who are present by video display; if the meeting is held by means of written communication, the number of supervisors present at the meeting shall be counted based on the valid votes actually received within the specified period.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

The Supervisors shall attend a meeting of the Supervisory Committee in person. If a Supervisor is unable to attend for any reasons, he/she may appoint another Supervisor in writing to attend on his/her behalf. The authorization letter shall contain the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointer.

Article 17 The secretary of the Board shall attend the meeting of the Supervisory Committee as non-voting participants.

Chapter IV Voting, Resolutions and Minutes of Meetings

Article 18 The chairman of the meeting shall announce the commencement of the meeting at the prescribed time, at which each resolution shall be reviewed on a case-by-case basis under the guidance of the chairman of the meeting.

Article 19 The Supervisory Committee may, when considering relevant resolutions and reports, require the Directors, senior management, internal and external auditors to attend meetings as non-voting participants to give necessary explanations in respect of relevant matters and answer any questions raised by the Supervisory Committee.

All Supervisors present shall express their opinions of voting for, against or abstain from the resolutions submitted for consideration at the meeting of the Supervisory Committee. The Supervisor attending the meeting on behalf of another Supervisors shall exercise the rights of the appointer within the scope of the authorization.

A Supervisor who is absent from a meeting of the Supervisory Committee without appointing a proxy to attend the meeting on his/her behalf shall be deemed to have abstained from voting in such meeting.

Article 20 The Supervisory Committee shall pass resolutions to matters discussed at the meeting. Each Supervisor has one vote. Voting at the meeting of the Supervisory Committee may be conducted by a show of hands or open ballot or other voting methods approved by regulatory authorities. All resolutions must be passed by more than two-thirds of all Supervisors to be effective.

Article 21 The Supervisory Committee shall keep detailed minutes of the matters discussed at the meeting, which serve as formal evidence of the matters discussed at such meetings. Audio record of the whole process of the meeting of the Supervisory Committee may be conducted as necessary.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

The minutes of the meeting of the Supervisory Committee shall contain: the date and venue of, and name of the presider of the meeting; the names of Supervisors attending the meeting and the names of appointers and proxies attending the meeting; the agenda of the meeting; the main points of the speeches of the Supervisors; the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against, or in abstention).

The Company shall assign a designated person to carefully organize and record the matters considered at the meetings. The minutes of each meeting of the Supervisory Committee shall be provided to all Supervisors present for review as soon as possible. Supervisors and recorders present at the meeting shall sign the minutes of the meeting. Supervisors have the right to request that certain explanatory statements be made on the minutes of their speeches at the meeting.

Article 22 Where the Company hold a meeting of the Supervisory Committee, it shall make information disclosure in accordance with relevant laws, administrative regulations, the regulations of the stock exchange of the place where the Shares of the Company are listed, and the provisions of the Articles of Association. The content of such information disclosure shall be implemented by the secretary of the Boards according to relevant requirements.

The minutes and resolutions of the meeting of the Supervisory Committee shall, as important documents of the Company, be properly kept by the secretary of the Board at the domicile of the Company for a period of 20 years.

Chapter V Execution and Feedbacks of Resolutions of the Supervisory Committee

Article 23 The resolutions of the Supervisory Committee shall be implemented or supervised by designated Supervisor. The Supervisor so designated shall record the progress on the implementation of the resolution and report to the Supervisory Committee thereon.

Article 24 The chairman of the Supervisory Committee shall report the implementation of the resolutions approved at future meetings of the Supervisory Committee.

Article 25 Supervisors and the Supervisory Committee shall not be liable for resolutions of the Board of Directors. However, if the Supervisory Committee considers that the resolution of the Board of Directors is in violation of the laws, regulations and the Articles of Association or prejudicing the interests of the Company, the Supervisory Committee may resolve to propose re-consideration by the Board of Directors.

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE MEETING OF SUPERVISORY COMMITTEE**

Article 26 Where any resolution made by the Supervisory Committee involves a proposal for convening an extraordinary Board meeting or an extraordinary general meeting or a temporary proposal to the annual general meeting, a proposal with complete meeting topics and content shall be submitted to the Board of Directors in writing within the specified time and make sure that the contents of such proposals shall comply with the laws, regulations, the Listing Rules and the Articles of Association.

Chapter VI Supplementary Provisions

Article 27 The terms “more than” and “within” as stated herein shall include the given figure.

Article 28 The formulation of and any amendment to the Rules shall take effect and be implemented upon consideration and approval by the general meeting and from the date on which the Shares of the Company are listed on the Sci-Tech Board.

Article 29 In case of the Rules are in conflict with the provisions of the laws, administrative regulations, other relevant normative documents, the Listing Rules and the Articles of Association, the latter shall prevail.

Article 30 The Rules shall be construed by the Supervisory Committee.

LEPU BIOPHARMA CO., LTD.

MANAGEMENT POLICY FOR RAISED PROCEEDS

Chapter 1 General Provisions

Article 1 In order to regulate the use and management of proceeds by Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Company”), these Rules are formulated to improve the efficiency of the use of proceeds and protect the legitimate rights and interests of investors, in accordance with the PRC Company Law and the PRC Securities Law, the “Guidelines for the Regulation of Listed Companies No. 2 – Regulatory Requirements for the Management” (《上市公司監管指引第2號 – 上市公司募集資金管理和使用的監管要求》) and “Use of Proceeds by Listed Companies and the Guidelines for the Self-Regulation of the Listed Companies on the Sci-Tech Innovation Board of the Shanghai Stock Exchange No. 1 – Regulated Operation” (《上海證券交易所科創板上市公司自律監管指引第1號 – 規範運作》), and other laws, regulations, normative documents and the Articles of Association of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Articles of Association”), and in light of the actual conditions of the Company.

Article 2 Proceeds herein refer to the funds raised by the Company through issuing securities (including initial public offering of Shares, allotment of Shares, additional issuance, issuance of convertible corporate bonds, issuance of convertible corporate bonds with separate transactions, etc.) to non-specific investors and by issuing securities to specific investors, excluding the funds raised by the Company through implementation of equity incentive plan.

Article 3 The directors, supervisors and senior management of the Company shall exercise due diligence, urge the Company to use proceeds in compliance with the regulatory requirements, consciously maintain the safety of the funds raised by the Company, and shall not participate in, assist or conspire in the Company’s unauthorized or disguised change in the use of proceeds.

Article 4 The controlling Shareholder and the actual controller of the Company shall not directly or indirectly occupy or misappropriate proceeds raised by the Company, and shall not use proceeds raised by the Company and the Project financed by proceeds (hereinafter referred to as the “Project”) to obtain improper benefits.

Article 5 The Board of Directors of the Company shall adequately evaluate the feasibility of the Project using proceeds to ensure that it has better market prospects and profitability, effective mitigation against investment risks and improvement in the efficiency of use of proceeds.

Article 6 After proceeds are in place, the Company shall complete the capital verification procedures in a timely manner, and a capital verification report shall be issued by an accounting firm with securities qualifications.

Article 7 The sponsor(s) or independent financial advisor(s) shall perform continuous supervision over the management and use of Company's proceeds in accordance with relevant provisions of the "Administrative Measures on Sponsorship for Securities Issuance and Listing" (《證券發行上市保薦業務管理辦法》), the "Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange" (《上海證券交易所科創板股票上市規則》) and these Rules.

Chapter 2 Custody of Proceeds

Article 8 Proceeds shall be deposited into a special account approved by the Board of Directors of the Company (hereinafter referred to as the "Special Account") for centralized management. The Special Account shall neither be used to deposit any other funds, nor be used for any other purpose.

The Company shall, within one month after receiving proceeds, sign a tripartite supervision agreement on the Special Account with the sponsor(s) or independent financial advisor(s), and the commercial bank with which proceeds are deposited (hereinafter referred to as the "Commercial Bank"). The agreement shall at least include the following:

- (I) The Company shall deposit all proceeds into the Special Account;
- (II) The Commercial Bank shall provide the Company with monthly bank statements of the Special Account and copy them to the sponsor(s) or independent financial advisor(s);
- (III) The sponsor(s) or independent financial advisor(s) may inquire the information of the Special Account at any time at the Commercial Bank;
- (IV) The liability for breach of contract by the Company, the Commercial Bank, the sponsor(s) or independent financial advisor(s).

If the Company implements the Project through a holding subsidiary or other entity, a tripartite supervision agreement shall be signed by the Company, the company implementing the Project, the Commercial Bank and the sponsor(s) or independent financial advisor(s); the Company and the company implementing the Project shall be regarded as a joint party.

If the said agreement is terminated in advance of the expiration thereof due to any change of Commercial Bank, sponsor(s) or independent financial advisor(s), the Company shall enter into a new agreement with the relevant parties within one month from the date of termination thereof.

Chapter 3 Use of Proceeds

Article 9 The use of proceeds by the Company shall comply with the following requirements:

- (I) The Company shall use proceeds in accordance with the use plan for proceeds described in the application documents for the issuance;
- (II) If circumstances arise that seriously affect the normal implementation of the plan for the use of proceeds, the Company shall report it to the Shanghai Stock Exchange and make announcement in a timely manner;
- (III) If one of the following circumstances occurs in the Project, the Company shall re-evaluate the feasibility and expected returns of the Project, decide whether to continue the Project, and disclose the progress of the Project, the reason for abnormal conditions and the adjusted Project (if any) in the latest periodical report:
 - 1. Significant changes in the market environment involved in the Project;
 - 2. The Project has been on hold for more than one year;
 - 3. The completion period of the investment plan has been exceeded and the amount of proceeds invested has not reached 50% of the planned amount; and
 - 4. Other abnormal circumstances of the Project.
- (IV) After the implementation of the Project, there will be no new peer competition or obviously unfair related party transaction with the controlling Shareholders, actual controllers and other enterprises controlled by them that will cause material adverse effects, or serious impact on the independence of the Company's production and operation.

Article 10 Proceeds raised by the Company shall, in principle, be used for its principal business, which shall be in line with national industrial policies and relevant laws and regulations, and be invested in the field of technology innovation. The use of proceeds shall not violate the following rules:

- (I) Except for a financial enterprise, proceeds shall not be used to carry out entrusted wealth management (except cash management), entrusted loans and other financial investments, securities investments, derivatives investments and other high-risk investments, nor may they be used to invest directly or indirectly in any company which mainly engages in the buying and selling securities;

- (II) The use of proceeds shall not be changed in disguise by pledging, entrusting loans or other means;
- (III) Proceeds shall not be made available directly or indirectly to controlling Shareholders, actual controllers and other related parties for utilization, and facilitate the use of the Project by related parties to obtain improper benefits;
- (IV) The Company shall not violate any other provisions of the regulations on the management of proceeds.

Article 11 When using proceeds to purchase assets or equities, the Company shall disclose the basic information of the assets or equities, transaction price, pricing basis and whether there is an interest relationship with the Shareholders or other related parties of the Company while announcing the notice of convening the general meeting.

Article 12 If the Company pre-invests in the Project with self-owned capital, it may, within six months after receiving proceeds, use such proceeds for replacing the self-owned capital applied in such Project.

The replacement shall be reviewed and approved by the Board of Directors, with an assurance report issued by an accounting firm and published with the explicit consent from independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s). The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

Article 13 The cash management may be performed for the temporarily idle proceeds of the Company, and the products invested in by using proceeds shall comply with the following requirements:

- (I) High-security principal-guaranteed products such as structured deposits and large-denomination certificates of deposit;
- (II) Products are featured with and good liquidity, and shall have no impact on the normal implementation of the plan for the investment of proceeds.

The investment products shall not be pledged, and the product-specific settlement accounts (if applicable) shall not be used to deposit other funds or for other purposes. In case of opening or cancellation of a product-specific settlement account, the Company shall timely report to the Shanghai Stock Exchange for record and make an announcement within two trading days.

Article 14 Utilization of idle proceeds in investment products is subject to the approval of the Board of Directors of the Company, with the explicit consent from independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s). The Company shall make an announcement as follows within two trading days after the Board meeting:

- (I) The basic information of the fund-raising, including the time of raising, the amount of proceeds, the net amount of proceeds and investment plan, etc.;
- (II) The use of proceeds;
- (III) The amount and term of the investment products using idle proceeds, whether there is any disguised change in the use of proceeds and the measures to ensure that the normal implementation of the Project will not be affected;
- (IV) The income distribution method, investment scope and safety of the investment products;
- (V) The statements issued by independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s).

Article 15 Where the Company uses idle proceeds to temporarily replenish its working capital, it shall comply with the following requirements:

- (I) The Company shall not change the use of proceeds in disguise and shall not affect the normal implementation of the investment plan of proceeds;
- (II) The use of the replenishment shall be limited to production and operation related to the main business, and shall not be used through direct or indirect arrangements for the placing or subscriptions of new Shares, or for transactions in Shares and their derivatives, convertible corporate bonds, etc.;
- (III) The duration of a single working capital replenishment shall not exceed 12 months;
- (IV) The previous proceeds used for replenishing the working capital temporarily that are due have been repaid (if applicable).

Utilization of idle proceeds in working capital replenishment is subject to the approval of the Board of Directors of the Company, with the explicit consent from independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s). The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

Prior to the maturity date of the working capital replenishment, the Company shall repay such part of proceeds to the Special Account, and report to the Shanghai Stock Exchange and make an announcement within two trading days after all the funds have been repaid.

Article 16 The excess of the actual net proceeds of the Company over the planned proceeds (hereinafter referred to as the “Excess Fund”) may be used for permanent replenishment of working capital or repayment of bank loans, provided that the cumulative amount used within each 12-month period shall not exceed 30% of the total Excess Fund, the Company shall undertake not to make high-risk investments or provide financial assistance to entities other than its holding subsidiaries within 12 months after the replenishment.

In the case that the Company invests jointly with professional investment institutions in investment funds related to its main business, or in investment funds such as market-operated industrial investment funds for poverty-stricken areas and public welfare funds for poverty alleviation, the aforesaid provisions shall not apply.

Utilization of the Excess Fund in permanent replenishment of working capital or repayment of bank loans shall be subject to review and approval by the Board of Directors and general meeting of the Company and online voting shall be made available to Shareholders. The independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s) shall give an explicit consent. The Company shall report to the Shanghai Stock Exchange and make an announcement as follows within two trading days after the Board meeting:

- (I) The basic information of the fund-raising, including the time of raising, the amount of proceeds, the net amount of proceeds, the amount of Excess Fund and the investment plan etc.;
- (II) The undertaking not to make high-risk investments and provide financial assistance to others within 12 months after the replenishment of working capital;
- (III) The statements issued by independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s).

Article 17 Where the Company uses the Excess Fund for projects under construction and new projects (including acquisition of assets, etc.), it shall invest in the main business, conduct feasibility analysis of the investment projects in a scientific and prudent manner, submit them to the Board of Directors for review and approval, and have independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s) give an explicit consent, and fulfill the obligation of information disclosure in a timely manner.

If the Company plans to use the Excess Fund in a single transaction amounting to RMB50 million and reaching more than 10% of the total Excess Fund, it shall also be submitted to the general meetings for review and approval.

Article 18 After the completion of a single or all Project(s), the Company's utilization of the remaining proceeds of that project(s) (including interest income thereof) for other purposes shall be subject to the approval of the Board of Directors, with the consent from independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s). The Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after the Board meeting.

In the event that the remaining proceeds (including interest income thereof) is less than RMB10 million, the use of such proceeds may be exempted from the aforesaid procedures but shall be disclosed in the annual report.

Chapter 4 Change to Purposes of Use of Proceeds

Article 19 Proceeds raised by the Company shall be used pursuant to the purposes described in the prospectus or the fundraising introductions. Changes of the Company's Projects shall be subject to the review and approval by the Board of Directors and at the general meeting and subject to the explicit consent from independent non-executive Directors, sponsor(s) or independent financial advisor(s) and the Supervisory Committee.

If the Company only changes the place of implementation of the Project, it may be exempted from the aforesaid procedures, but such change shall be subject to the review and approval by the Board of Directors of the Company, and shall report to the Shanghai Stock Exchange and make an announcement regarding the reasons for the change and the opinions from the sponsor(s) or independent financial advisor(s) within two trading days.

Article 20 The Company shall be deemed to have changed the purpose of use of proceeds in the following circumstances:

- (I) Cancellation or termination of the original Project and implementation of a new project or working capital replenishment;
- (II) Change of the entity implementing the Project, except for the change between the Company and its wholly-owned or controlled subsidiaries;
- (III) Change in the implementation method of the Project;
- (IV) Other circumstances as determined by the Shanghai Stock Exchange.

Article 21 The Project after the change shall be invested in the main business.

The Board of Directors of the Company shall conduct the feasibility analysis of new Projects in a scientific and prudent manner to ensure that the Project has better market prospect and profitability, effective mitigation against investment risks and improvement in the efficiency of use of proceeds.

Article 22 Where the Company intends to change the Project, it shall report to the Shanghai Stock Exchange and make an announcement as follows within two trading days after submission to the Board of Directors for review:

- (I) The basic situation of the original Project and the specific reasons for the change;
- (II) The basic information and risk warning of the new Project;
- (III) The investment plan of the new Project;
- (IV) Statements that the new Project has been approved or is pending approval by the relevant authorities (if applicable);
- (V) Opinions from independent non-executive Directors, the Supervisory Committee, the sponsor(s) or independent financial advisor(s) on the change of the Project;
- (VI) Statements that the change of the Project has yet to be submitted to the general meetings for review;
- (VII) Other information required by the Shanghai Stock Exchange.

Where the new Projects involves related party transaction, asset purchase or outbound investment, disclosure shall be made in accordance with relevant rules.

Article 23 Where the Company changes the Project for acquiring assets (including equity) of the controlling Shareholder or actual controllers, it shall ensure that horizontal competition can be effectively avoided and related party transactions can be reduced after the acquisition.

Article 24 Where the Company intends to transfer or replace the Project (except where the Project that have been completely transferred or replaced in the implementation of a material asset restructuring by the Company), it shall report to the Shanghai Stock Exchange and make an announcement as follows within two trading days after submission to the Board of Directors for review:

- (I) The specific reasons for the transfer or replacement of the Project;
- (II) The amount invested in the project from proceeds;
- (III) The extent of completion of the project and the benefits achieved;
- (IV) The basic information and risk warning of the replacement Project (if applicable);
- (V) The pricing basis for the transfer or replacement and the related income;

- (VI) The opinions from independent non-executive Directors, the Supervisory Committee, the sponsor agency or independent financial advisor on the transfer or replacement of the Project;
- (VII) The statement that the transfer or replacement of the Project has yet to be submitted to the general meeting for review;
- (VIII) Other information required by the Shanghai Stock Exchange.

The Company shall pay due attention to the receipt and use of the transfer price, the change of ownership and the continuous operation of the replacement assets, and fulfill the necessary information disclosure obligations.

Chapter 5 Management and Supervision of Use of Proceeds

Article 25 The Company shall make true, accurate and complete disclosure of the actual use of proceeds.

Article 26 The Board of Directors of Company shall conduct a comprehensive inspection of the progress of the Projects every half year and issue the Special Report on the Deposit and Actual Use of Proceeds of the Company (hereinafter referred to as the “Special Report on Proceeds”) in respect of the deposit and actual use of proceeds.

If the actual progress of the Project deviates from the investment plan, the Company shall provide the specific reasons in the Special Report on Proceeds. Where there is the use of idle proceeds to invest in products during the current period, the Company shall disclose in the Special Report on Proceeds the income for the current reporting period as well as the Share of investments, contracting parties, product names and terms at the end of the period.

The Special Report on Proceeds shall be subject to the review and approval by the Board of Directors and the Supervisory Committee and shall report to the Shanghai Stock Exchange and make an announcement within two trading days after submission to the Board of Directors for review. At the time of annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit and use of proceeds, which shall be submitted to the Shanghai Stock Exchange when the annual report is disclosed, and shall also make available on the website of the Shanghai Stock Exchange.

Article 27 Independent non-executive Directors shall pay attention to the actual management and use of proceeds on an on-going basis. More than half of independent non-executive Directors can engage an accounting firm to issue assurance report regarding the deposit and use of proceeds. The Company shall actively cooperate and bear the necessary costs.

The Board of Directors of the Company shall report to the Shanghai Stock Exchange and make an announcement within two trading days after receiving the aforesaid assurance report. If the assurance report considers that there are irregularities in the management and use of the Company's proceeds, the Board of Directors shall also announce the irregularities in the deposit and use of proceeds, the consequences that have been or may be caused and the measures that have been or are to be taken.

Article 28 The sponsor(s) or independent financial advisor(s) shall conduct on-site investigation of the deposit and use of the Company's proceeds at least every half year.

After the end of each accounting year, the sponsor(s) or independent financial advisor(s) shall issue a special audit report on the deposit and use of proceeds of the Company for the year, which shall be submitted to the Shanghai Stock Exchange when the Company discloses its annual report, and shall also make available on the website of the Shanghai Stock Exchange. The special audit report shall include the following contents:

- (I) The deposit and use of proceeds and the balance of the special account;
- (II) The progress of the Project, including the deviation from the planned progress;
- (III) The replacement of self-owned capital pre-invested in the Project by proceeds (if applicable);
- (IV) The replenishment of working capital by idle proceeds and the effectiveness of such replenishment (if applicable);
- (V) The use of the Excess Fund (if applicable);
- (VI) The changes in the use of proceeds (if applicable);
- (VII) The conclusive opinion on the compliance of the deposit and use of proceeds;
- (VIII) Other information required by the CSRC and the Shanghai Stock Exchange.

After the end of each accounting year, the Board of Director of the Company shall disclose the conclusive opinion in the special audit report by the sponsor(s) and the assurance report by the accounting firm in the Special Report on Proceeds.

Chapter 6 Supplementary Provisions

Article 29 These Rules shall apply to the Projects that are carried out through subsidiaries of the Company or other enterprises controlled by the Company.

Article 30 Unless otherwise clearly specified, the terms “above” and “not more than” as stated herein shall include the given figure, and the terms “more than” shall exclude the given figure.

Article 31 In the event that these Rules do not provide, or are inconsistent with the provisions of relevant laws, administrative regulations, normative documents and the Articles of Association, the provisions of relevant laws, administrative regulations, normative documents and the Articles of Association shall prevail.

Article 32 The Board of Directors of the Company shall be responsible for the interpretation of these Rules.

Article 33 After these Rules have been reviewed and approved by the general meeting of the Company, they shall take effect from the date when the Shares of the Company are listed on the Sci-Tech Board.

**APPENDIX IX PROPOSED FORMULATION OF THE TERMS OF REFERENCE
FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

LEPU BIOPHARMA CO., LTD.

**TERMS OF REFERENCE FOR THE INDEPENDENT
NON-EXECUTIVE DIRECTORS**

Chapter 1 General Provisions

Article 1 In order to improve the corporate governance structure of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Company”), promote the standardized operations of the Company, safeguard the overall interests of the Company, and effectively protect the legitimate rights and interests of all shareholders of the Company (the “Shareholders”), especially the medium and small Shareholders, from damage, this system is hereby established according to the requirements of relevant laws, administrative regulations, normative documents such as the PRC Company Law and the Articles of Association of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “Articles of Association”), with reference to the “Rules for independent non-executive Directors of Listed Companies” (《上市公司獨立非執行董事規則》), the “Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, “The Stock Exchange of Hong Kong Limited” hereinafter referred to as the “Hong Kong Stock Exchange”) and other relevant regulations of the place where the Shares of the Company are listed.

Article 2 Independent non-executive Directors refer to the Directors who do not hold any other positions in the Company (other than as a Director of the Company), and are not related to the Company and its Shareholders in a way that may hinder their independent and objective judgment.

Article 3 Independent non-executive Directors bear the duty of integrity and fiduciary to the Company and all Shareholders. Independent non-executive Directors shall conscientiously perform their duties, safeguard the overall interests of the Company, and especially protect the legitimate interests of medium and small Shareholders from damage in accordance with the requirements of relevant laws, administrative regulations and the Articles of Association.

Independent non-executive Directors shall perform their duties independently, and shall not be affected by the Company’s major Shareholders, actual controllers or other units or individuals with a stake in the Company. Independent non-executive Directors shall declare to the Company and abstain from voting if they find that the matters under consideration may affect their independence. In the event that there is any obvious impact on the independence during his/her tenure, he/she shall notify the Company in a timely manner and resign.

Article 4 In principle, the independent non-executive Directors appointed by the Company can concurrently serve as independent non-executive Directors in up to five listed companies, and ensure that they have enough time and energy to effectively perform their duties.

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Article 5 The Company shall appoint (at least three) independent non-executive Directors representing at least one third of the Board of the Directors, including at least one accounting professional. Accounting professionals refer to persons holding senior titles or qualifications of certified public accountants, and meeting the relevant requirements of Hong Kong Listing Rules.

At least one of the Company's independent non-executive Directors shall be based in Hong Kong.

Article 6 independent non-executive Directors shall act as the chairman of the Remuneration Committee, the Nomination Committee and the Audit Committee established under the Board of Directors of the Company, and shall account for the majority of members of the committees. At least one of the independent non-executive Directors of the Audit Committee shall be an accounting professional.

Article 7 When independent non-executive Directors fail to meet the conditions for independence or are otherwise unsuitable for performing their duties as independent non-executive Directors, resulting in the number of independent non-executive Directors of the Company failing to meet the quorum, the Company shall make up for the number of independent non-executive Directors as required.

Article 8 Independent non-executive Directors and persons who intend to serve as independent non-executive Directors shall participate in the training recognized by them in accordance with requirements of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and other competent authorities, the securities regulatory rules of the place where the Shares of the Company are listed, and other laws and regulations.

Chapter 2 Appointment Conditions for Independent Non-Executive Directors

Article 9 independent non-executive Directors shall be qualified for the exercise of their powers, and shall comply with relevant requirements of the relevant laws, administrative regulations, departmental rules, normative documents and the stock exchanges of the place where the Shares of the Company are listed.

Article 10 Persons serving as independent non-executive Directors of the Company shall meet the following basic conditions:

- (I) being qualified to serve as a Director of the Company in accordance with laws, administrative regulations and other relevant provisions;
- (II) having the independence required by this system;
- (III) possessing the basic knowledge of the operation of the Company, and being familiar with relevant laws, administrative regulations, rules and regulations;

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- (IV) having work experience of more than five years in legal, economic or other aspects necessary to perform the duties of independent non-executive Directors;
- (V) other conditions stipulated in the Articles of Association.

Article 11 Independent non-executive Directors must be independent. The following persons shall not serve as independent non-executive Directors of the Company:

- (I) any persons who hold positions in the Company or its affiliates and their immediate family members and major social relations (immediate family members refer to spouses, parents, children, etc.; major social relations refer to siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouses, etc.);
- (II) any persons directly or indirectly holding more than one percent (1%) of the issued Shares of the Company or being natural person Shareholders and their immediate family members among the top ten Shareholders of the Company;
- (III) any persons who work in Shareholder units that directly or indirectly hold more than five percent (5%) of the issued Shares of the Company or in the top five Shareholder units of the Company and their immediate family members;
- (IV) any persons who hold positions in the controlling Shareholders, actual controllers of the Company and its affiliates and their immediate family members;
- (V) any persons who provide financial, legal, consulting and other services for the Company and its controlling Shareholders or their respective affiliates, including but not limited to all the project team personnel of the intermediaries providing services, reviewers at all levels, personnel who sign the reports, partners and principal responsible persons;
- (VI) any persons serving as a director, supervisor or senior executive in an entity that has material business dealings (material business dealings refer to matters that need to be submitted to the general meeting for consideration according to the rules governing the securities of the places where the Shares of the Company are listed and the provisions of the Articles of Association) with the Company and its controlling Shareholders, actual controllers or their respective affiliates, or serving as a director, supervisor or senior executive in the controlling Shareholder unit of the entity with material business dealings;
- (VII) any persons who have had one of the circumstances set out in the preceding six items in the past year;

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- (VIII) any persons receiving any interests in the securities of the Company as a gift or by means of other financial assistance from a core connected person or the Company itself;
- (IX) any persons who is or was a director, partner or principal of a professional adviser who provides, or has provided during the two years prior to the appointment, services to the following companies/persons, or is or was an employee of such professional adviser: (a) the Company, its holding company or any of their respective subsidiaries or core connected persons, or (b) any person who was a controlling Shareholder or, where there was no controlling Shareholder, any person who was the chief executive or a Director (other than an independent non-executive Director) of the Company within two years immediately prior to the proposed appointment of such Director, or any of their close associates;
- (X) any persons who is, or has at any time during the two years immediately prior to his proposed appointment been, an executive or a Director (other than an independent non-executive Director) of the Company, of its holding company or of any of their respective subsidiaries or of any core connected persons of the Company;
- (XI) any Director who is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the Shareholders as a whole;
- (XII) any Director who is financially dependent on the Company, its holding company or any of their respective subsidiaries or core connected persons of the Company;
- (XIII) any person whose independence was otherwise affected by the candidate of independent non-executive Director, the companies she/he works or worked with in the past year;
- (XIV) any other persons specified in the Articles of Association;
- (XV) any other persons recognized by the CSRC and stock exchanges in the place where the Shares of the Company are listed.

Article 12 The candidate for independent non-executive Director shall have none of the following adverse records:

- (I) being subject to market debarment measures by the CSRC and being still in the period of debarment;
- (II) being publicly identified by a stock exchange as inappropriate to act as director, supervisor and senior management of a listed company, the period of which has not yet expired;

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- (III) punishment imposed by the CSRC or criminal punishment by judicial organs in the past three years;
- (IV) open denunciation or over two circulated criticisms by stock exchanges in the past three years;
- (V) failure to attend Board meetings for two consecutive times, or failure to attend over one third of the Board meetings of the current year in person during his/her service as independent non-executive Director;
- (VI) obvious discrepancy of his/her independent opinions from the facts during his/her service as independent non-executive Director;
- (VII) being placed on file for investigation by the CSRC or judicial organs due to suspected violations or crimes on securities and futures dealing, with no definite conclusions made;
- (VIII) other persons recognized by the CSRC and stock exchanges in the locations where the Shares of the Company are listed.

**Chapter 3 Nomination, Election, Appointment and Replacement of
Independent Non-Executive Directors**

Article 13 The Board of Directors, the Supervisory Committee, and Shareholder(s) of the Company individually or jointly holding more than one percent of the Company's issued Shares may propose candidates for independent non-executive Directors, which will be decided by the general meeting.

Article 14 The nominator of an independent non-executive Director shall obtain the consent of the nominee before nomination.

Article 15 The nominator shall fully understand the nominee's occupation, education background, professional title, detailed work experience and all part-time jobs, and express his/her opinions on the nominee's qualification and independence as an independent non-executive Director. The nominee shall make a public statement that there is no relationship between himself/herself and the Company that affects his/her independent and objective judgment. Before the convening of the general meeting for electing independent non-executive Directors, if the Board of Directors of the Company has any objection to the relevant information of the nominees, it shall state the written opinion of the Board of Directors to the general meeting.

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Article 16 Independent non-executive Directors have the same term of office as other Directors of the Company. After the term expires, they can be re-elected, but the term of re-election shall not exceed six years. The independent non-executive Directors who have been serving with the Company as independent non-executive Directors for six consecutive years shall not be nominated as candidates of the independent non-executive Directors of the Company within one year thereafter.

Article 17 If an independent non-executive Director fails to attend the Board meeting in person for three consecutive times, he/she shall be regarded as having failed to fulfill his/her duties, and the Board of Directors may request the general meeting for replacement. Unless the occurrence of the above circumstances and a circumstance under which a person is prohibited from serving as a Director as stipulated in the PRC Company Law, an independent non-executive Director shall not be dismissed without reason before the term of office expires. In case of early dismissal, the Company shall disclose the dismissal of an independent non-executive Director as a special matter to the Shareholders. If the dismissed independent non-executive Director believes that the reason for the dismissal determined by the Company is inappropriate, he/she may make a public statement.

Article 18 An independent non-executive Director may resign before the expiration of his/her term of office. An independent non-executive Director who resigns shall tender in writing a letter of resignation to the Board of Directors, explaining the circumstances related to his/her resignation or that he/she deems necessary to bring to the attention of the Company's Shareholders and creditors. If at any time the Company's independent non-executive Director does not comply with the number, qualification or independence requirements as stipulated in the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange responsively, give relevant details and reasons in the form of public announcements, and appoint a sufficient number of independent non-executive Directors to meet the requirements of the Hong Kong Listing Rules within three months after it fails to meet the relevant requirements.

If the number of independent non-executive Directors falls short of one third of the members of the Board of Directors due to the resignation of an independent non-executive Director or there is no accounting professional among the independent non-executive Directors, the letter of resignation of such independent non-executive Director shall take effect after the succeeding independent non-executive Director fills his/her vacancy. The proposed resigning independent non-executive Director shall continue to perform his/her duties in accordance with the requirements of relevant laws, administrative regulations and the Articles of Association before the letter of resignation takes effect.

Save as provided in the preceding paragraph, the letter of resignation of an independent non-executive Director shall take effect at the time when the letter of resignation has been served on the Board of Directors.

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Chapter 4 Special Powers of Independent Non-Executive Directors

Article 19 In order to give full play to the role of independent non-executive Directors, independent non-executive Directors shall, in addition to the powers conferred on Directors by laws and regulations, normative documents and the Articles of Association, the Company shall also grant independent non-executive Directors the following special powers:

- (I) significant connected (related) transactions involving the Company (referring to connected transactions intended to be entered into between the listed company and its related parties with a total amount of more than RMB3 million or more than 5% of the latest audited net assets of the listed company) and non-exempt connected transactions under the Hong Kong Listing Rules shall be approved by the independent non-executive Directors and then submitted to the Board of Directors for discussion. Before making a judgment, the independent non-executive Directors can engage an intermediary to issue an independent financial advisory report as the basis for their judgment;
- (II) submitting a proposal to the Board of Directors on the appointment or dismissal of an accounting firm;
- (III) submitting a proposal to the Board of Directors on convening an extraordinary general meeting;
- (IV) proposing to convene a Board meeting;
- (V) voting rights may be publicly solicited from Shareholders before the general meeting, but the solicitation shall not be conducted on a paid basis or on a covertly paid basis;
- (VI) independently engaging external audit institutions and consulting institutions to audit and consult on specific matters of the Company;
- (VII) other powers conferred by the laws, administrative regulations, departmental rules, normative documents, the listing rules of the place where the Shares of the Company are listed, the Articles of Association and other provisions of this system.

To exercise the powers set out in item (VI) of the preceding paragraph, it shall be subject to the consent of all independent non-executive Directors; to exercise the other powers above by independent non-executive Directors, it shall obtain the consent of more than half of all independent non-executive Directors.

Matters in items (I) and (II) shall be submitted to the Board of Directors for discussion only after more than half of independent non-executive Directors agree.

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If the proposals set out in the first paragraph of this Article are not adopted or the above powers cannot be exercised normally, the Company shall disclose the relevant information.

Chapter 5 Independent Opinions of Independent Non-Executive Directors

Article 20 In addition to performing the above duties, independent non-executive Directors shall also express independent opinions to the Board of Directors or the general meeting on the following matters:

- (I) nomination, appointment and removal of Directors;
- (II) appointment or dismissal of the senior management;
- (III) remuneration of the Company's Directors and senior management;
- (IV) whether the formulation, adjustment, decision-making procedures, implementation and information disclosure of the Company's cash dividend policy, and the profit distribution policy prejudice the legitimate rights and interests of medium and small investors;
- (V) any existing or new borrowings or other capital transactions with a total amount of more than RMB3,000,000 and more than five percent (5%) of the latest audited net assets of the Company incurred by the Shareholders, actual controllers of the Company and their affiliates, and whether the Company has taken effective measures to recover the debts outstanding;
- (VI) significant matters that require disclosure, such as connected (related) transactions, external guarantees (excluding guarantees provided for subsidiaries within the scope of the consolidated statements), entrusted wealth management, external financial assistance, changes in the use of proceeds, the Company's voluntary changes in accounting policies, investment in stocks and their derivatives;
- (VII) major asset restructuring plan and equity incentive plan;
- (VIII) the Company's financial and accounting reports have been issued with non-standard unqualified audit opinions by certified public accountants;
- (IX) appointment and dismissal of accounting firm;
- (X) acquisition by the Company's management;
- (XI) major asset restructuring of the Company;
- (XII) repurchase of Shares through call auction by the Company;

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- (XIII) internal control evaluation report of the Company;
- (XIV) the effect of issuing preferred Shares by the listed company on the interests of various classes of Shareholders of the Company;
- (XV) other matters which, in the opinion of the independent non-executive Directors, may prejudice the interests of the Company and its medium and small Shareholders;
- (XVI) other matters prescribed by relevant laws and regulations, departmental rules, normative documents, the listing rules of the place where the Shares of the Company are listed and the Articles of Association or identified by the CSRC.

Opinions expressed by independent non-executive Directors should be set out in Board resolutions. The independent non-executive Directors shall express one of the following opinions on the above matters: consent; qualified opinion with reasons; objection with reasons; inability to express an opinion and the obstacles. If the relevant matters are those need to be disclosed, the Company shall announce the opinions of independent non-executive Directors. When the independent non-executive Directors have different opinions and cannot reach a consensus, the Board of Directors shall disclose the opinions of each independent non-executive Director separately.

Article 21 Independent opinions issued by the independent non-executive Directors on material matters shall at least include the following:

- (I) basic information of material matters;
- (II) the basis for expressing opinions, including the procedures performed, the documents audited and the contents of on-site inspection;
- (III) the legality and compliance of material matters;
- (IV) the impact on the interests of the Company and medium and small Shareholders, the possible risks and the effectiveness of the measures adopted by the Company;
- (V) conclusive opinions expressed. If a qualified opinion, dissenting opinion or disclaimer of opinion is raised on a material matter, relevant independent non-executive Directors shall clearly explain the reasons.

The independent non-executive Directors shall sign and confirm their independent opinions issued, and report the said opinions to the Board of Directors in a timely manner and disclose the same together with relevant announcements of the Company.

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Article 22 If independent non-executive Directors discover any one of the following circumstances, they shall actively perform their due diligence duties, and shall engage an intermediary to conduct special investigations when necessary:

- (I) material matters are not submitted to the Board of Directors for consideration as required;
- (II) information disclosure obligations are not performed in a timely manner;
- (III) there are misrepresentations, misleading statements or material omissions in public information;
- (IV) other circumstances in suspected violation of laws and regulations or prejudice the legitimate rights of medium and small Shareholders.

Article 23 In addition to participating in Board meetings, independent non-executive Directors shall, in principle, ensure to conduct on-site investigations on the Company's production and operation conditions, the construction and implementation of management and internal control systems, and the execution of resolutions of the Board of Directors for no less than ten (10) days each year. If any abnormal situation is found in the on-site inspections, it shall report to the Board of Directors of the Company in a timely manner.

Article 24 independent non-executive Directors shall submit their work report to the annual general meeting of the Company and make disclosure thereof. The work report shall include the following:

- (I) the methods and number of Board meetings attended and voting results and the number of general meeting present throughout the year;
- (II) independent opinions expressed;
- (III) on-site inspections;
- (IV) proposed convening of a Board meeting, proposed appointment or dismissal of accounting firms, separate engagement of external audit institutions and consulting institutions;
- (V) other work carried out to protect the legitimate rights of medium and small Shareholders.

Article 25 independent non-executive Directors of the Company shall attend the Board meetings on time, understand the production and operation of the Company, take the initiative to investigate and obtain necessary facts and information for making decisions. The independent non-executive Directors shall submit their annual work report to the general meeting of the Company and clarify their performance of duties.

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Article 26 If any independent non-executive Director of the Company falls under any one of the following circumstances, the Company may take effective measures to cancel or recover the allowances due and already received by the independent non-executive Director for the year when such incidents occurred:

- (1) subject to public criticism or public censure by the CSRC or above punishment;
- (2) serious dereliction of duty or abuse of authority;
- (3) causing major losses to the Company due to his/her misjudgment in making business decisions;
- (4) other circumstances prescribed by the Company.

Article 27 independent non-executive Directors shall keep written records of their performance of duties.

Chapter 6 Necessary Conditions Provided by the Company to Independent Non-Executive Directors

Article 28 In order to ensure the effective exercise of powers by the independent non-executive Directors, the Company shall provide them with necessary conditions.

Article 29 The Company shall ensure that independent non-executive Directors will enjoy the same right to information as other Directors. For any significant matters subject to decisions by the Board of Directors, the Company shall notify the independent non-executive Directors in advance according to the statutory time and provide them with adequate information. If the said information is considered as inadequate, the independent non-executive Directors may request for supplementary information. If two or more of the independent non-executive Directors consider that the information is insufficient or the argumentation is unclear, they can jointly propose in writing to adjourn the Board meeting or postpone the consideration of such matters, and the Board of Directors shall accept the proposal.

Article 30 The information provided by the Company to independent non-executive Directors shall be preserved by the Company and the independent non-executive Directors themselves for at least five years.

Article 31 The Company shall be obliged to provide the independent non-executive Directors with necessary working conditions to perform their duties. The Secretary of the Board shall actively assist the independent non-executive Directors in performing their duties, such as briefing of situations or furnishing materials, etc.

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Article 32 When the independent non-executive Directors are performing their powers, relevant personnel of the Company shall actively cooperate and shall not refuse, obstruct or conceal, or interfere with their independent exercise of powers.

Article 33 The expenditures of engaging intermediaries by the independent non-executive Directors or other expenditures required for performing their powers (such as travel expenses and communication expenses) shall be borne by the Company.

Article 34 The Company shall provide appropriate allowances to independent non-executive Directors. Their allowances standard shall be drawn up by the Board of Directors, reviewed and approved by the general meeting, and disclosed in the annual report of the Company.

In addition to the above allowances, the independent non-executive Directors shall not receive any additional and undisclosed other benefits from the Company or its substantial Shareholders or interested institutions and personnel.

Article 35 The Company shall maintain an insurance policy against the liability of independent non-executive Directors to mitigate the risks arising from their performance of normal duties.

Chapter 7 Miscellaneous

Article 36 Any matters not provided in this system shall be addressed in accordance with relevant requirements of the laws and regulations of the PRC and the place where the Shares of the Company are listed, the Articles of Association and other regulatory documents. If there is any conflict between this system and the laws and regulations to be promulgated in future in the PRC or the place where the Shares of the Company are listed and the Articles of Association as modified through legal procedures, the requirements of such laws and regulations in the PRC and the place where the Shares of the Company are listed as well as the Articles of Association shall prevail, a this system shall be amended immediately and submitted to the general meeting of the Company for consideration and approval.

Article 37 The term “or more” or “below”, as stated in this system shall all include the given figure; the term “exceeding” or “more than”, shall all exclude the given figure.

Article 38 This system shall be formulated by the Board of Directors of the Company, and will take effect from the date when it is deliberated and approved by the general meeting of the Company and the domestic RMB-denominated ordinary Shares (A Shares) publicly issued by the Company are listed and traded on the Sci-Tech Board.

Article 39 The Board of Directors shall be responsible for the interpretation of this system.

Article 40 The rules of reference is written in both Chinese and English, and the Chinese version shall prevail.

LEPU BIOPHARMA CO., LTD.

MANAGEMENT POLICY FOR RELATED (CONNECTED) TRANSACTIONS

Article 1 In order to enhance the management of the related (connected) transactions of Lepu Biopharma Co., Ltd. (hereinafter referred to as the “**Company**”, together with its subsidiaries, the “**Group**”), to clearly define management duties and the allocations thereof, to protect the legitimate interests of the shareholders of the Company (the “**Shareholders**”) and creditors, and to ensure that the related (connected) transaction contracts to be entered into between the Company and the related (connected) parties are in line with the principle of fairness, openness and impartiality, the Rules are formulated in accordance with state laws and administrative regulations on the regulating of related (connected) transactions, the regulations and rules of the securities regulatory authorities and stock exchanges where the Company’s Shares are listed, and the requirements of the Articles of Association of Lepu Biopharma Co., Ltd. (the “**Articles of Association**”).

Article 2 Identification of Related (Connected) Transaction

2.1 In accordance with the “Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange” (《上海證券交易所科創板股票上市規則》) (hereinafter referred to as the “**Sci-Tech Board**”), connected transactions mainly include the followings:

- (I) purchase or sale of assets;
- (II) external investments (except for purchasing bank wealth management products);
- (III) provision of financial assistance;
- (IV) provision of guarantees;
- (V) entrusting or being entrusted with the management of assets and business;
- (VI) restructuring debts or claims;
- (VII) donating or receiving assets;
- (VIII) signing license agreements;
- (IX) transferring or acquiring R&D projects;
- (X) purchase of raw materials, fuel and power;
- (XI) sale of products or goods;

- (XII) provision or acceptance of labour services;
- (XIII) entrusting or being entrusted with sales;
- (XIV) making deposits at or taking loans from a finance company of a related party;
- (XV) making an investment jointly with a related party;
- (XVI) waiver of any rights (including waiver of pre-emptive rights, pre-emptive subscription rights);
- (XVII) other matters that may result in the transfer of resources or obligations by agreement.

2.2 In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), connected transactions refer to transactions conducted between the Company and its subsidiaries with connected persons of the Company, including but not limited to the followings:

- (I) acquiring or disposing of assets;
- (II) the group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets, or to subscribe for securities; or the group deciding not to exercise an option to acquire or dispose assets, or to subscribe for securities;
- (III) entering into or terminating finance leases or operating leases or sub-leases;
- (IV) granting an indemnity or guarantee of indemnity; or providing or receiving financial assistance;
- (V) entering into any arrangement or agreement related to establishment of joint entities (whether formed as a partnership, company or any other joint venture);
- (VI) issuance of new securities by the group;
- (VII) providing, receiving or sharing services; or
- (VIII) providing or purchasing raw materials, semi-finished products and finished products; and
- (IX) any other matter which shall be identified as a connected transaction in accordance with provisions of the securities regulatory authority and stock exchange in the place where the Company’s Shares are listed.

A continuing related (connected) transaction is a related (connected) transaction involving goods, services or the provision of financial assistance that is expected to be carried out on a continuing or recurring basis over a period of time, usually in the ordinary course of the Company's business, including but not limited to:

- (I) selling products and goods;
- (II) providing or accepting labor services;
- (III) appointing others or being appointed for sales;
- (IV) signing license agreements;
- (V) transferring or acquiring R&D projects;
- (VI) appointing others or being appointed for management of assets or business;
- (VII) lease-in/lease-out of assets;
- (VIII) providing financial service; and
- (IX) any other matter which shall be identified as a related (connected) transaction in accordance with the provisions of the securities regulatory authority and stock exchange in the place where the Company's Shares are listed.

Article 3 Identification of Related (Connected) Party

3.1 In accordance with the provisions of the Sci-Tech Board, a related party of the Company refers to any of the following natural persons, legal persons, or other organizations:

- (i) any natural person, legal person, or other organization that directly or indirectly controls the Company;
- (ii) any natural person who directly or indirectly holds more than 5 percent of the Shares of the Company;
- (iii) the directors, supervisors or senior officers of the Company;
- (iv) close family members of the related natural persons referred to in Item (i), (ii) and (iii) of this Article, including their spouse, children aged 18 or above and their spouse, parents and parents-in-law, siblings and their spouse, spouse's siblings, and children's parents-in-law;

- (v) any legal person or other organization that directly holds more than 5 percent of the Shares of the Company;
- (vi) the directors, supervisors, senior officers, or other principal person-in-charge of any legal person or other organization that directly or indirectly controls the Company;
- (vii) any legal person or other organization, other than the Company or its controlled subsidiary, which is controlled either directly or indirectly by a related legal person or related natural person as enumerated in Subparagraphs (i) to (vi) of this Paragraph, or in which such related natural person other than an independent non-executive Directors serves as a director or senior officer;
- (viii) any legal person or other organization that indirectly holds more than 5% of the Shares of the Company;
- (ix) any other natural person or legal person or other organization, as determined by the CSRC, the Shanghai Stock Exchange or the Company in accordance with the principle of substance over form, that has a special relationship with the Company which may cause the Company to act in the favor of his or its interests.

Within 12 months before the date of the transaction, or within 12 months after the relevant transaction agreement takes effect or arranged for implementation, any legal person, other organization or natural person who fall into one of the above-mentioned situations shall be deemed to be a related party of the Company.

Article 3.2 In accordance with the provisions of the Hong Kong Listing Rules, a connected person of the Company includes:

- (i) a director (including any person who was a director of the Company or any of its subsidiaries in the last 12 months), supervisor, chief executive or substantial Shareholder of the Company or any of its subsidiaries (the “**Basic Connected Person(s)**”). A substantial Shareholder means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company or each of its subsidiaries;
- (ii) an associate of any of the above Basic Connected Person(s);
- (iii) a non-wholly-owned subsidiary of the Company where any Basic Connected Person(s) and their associates (other than the Basic Connected Person(s) and their associates of branch and subsidiary) are individually or jointly entitled to exercise or control the exercise of, 10% or more of the voting power at any general meeting of such non-wholly owned subsidiary;

- (iv) any subsidiary of such non-wholly-owned subsidiaries of the Company as mentioned in the above Subparagraph (iii);
 - (v) any director, supervisor, senior executive and major Shareholder of the Company's non-material subsidiaries does not constitute connected persons of the Company.
- 3.3 In addition to the above-mentioned persons, a connected person also include any natural and legal person identified as a connected person in accordance with the rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") effective from time to time thereafter.
- 3.4 An "associate" for the purpose of the Rules includes:
- an "associate" of a Basic Connected Person who is a natural person includes:
- (1) his spouse or a person cohabiting with him as a spouse;
 - (2) natural or adopted child of the person or his spouse specified in Item (1), under the age of 18 years;
- (any of the persons specified in Items (1) and (2) is hereinafter referred to as an "family right")
- (3) the trustees, acting in their capacity as trustees, of any trust of which he or any of his family right is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the "trustees");
 - (4) parent, step parent, brother, sister, step-brother or step-sister;
 - (5) any of the following family members who may be deemed to be an associate by the Hong Kong Stock Exchange: father-in-law, mother-in-law, son-in-law and daughter-in-law; grandparents; grandson (granddaughter); uncle and aunt and his/her spouse; brother-in-law and sister-in-law; and nephew and niece;
- (any of the persons specified in Items (4) and (5) is hereinafter referred to as a "relative")
- (6) any company in the equity capital of which he, his immediate family member and/or relative taken together are directly or indirectly interested so as to exercise or control the exercise of 50% or more of the voting power at general meetings, or to control the composition of a majority of the Board of Directors (in determining whether the majority control is held, the interests of the individual and the persons will be aggregated);

- (7) any company in the equity capital of which he, his immediate family member and/or any of the trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other amount specified from time to time in the Codes on Takeovers and Mergers and Share Buy-backs (hereinafter referred to as the “Takeovers Code”) as the level for triggering a mandatory general offer) or more of the voting power at general meetings of the issuer, or to control the composition of a majority of the Board of Directors of the issuer; and
- (8) all branches and subsidiaries of the Company specified in Item (7).

an “associate” of a basic connected person who is a legal person includes:

- (1) the controlling Shareholder, the branch or subsidiary of the controlling Shareholder, or the various branches and subsidiaries of the Company;
- (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the Company’s knowledge) a discretionary object (the “trustees”);
- (3) any other company in the equity capital of which the company, its subsidiary or holding company or a fellow subsidiary of its holding company referred to in items (1) and (2) above, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other amount specified from time to time in the Takeovers Code as the level for triggering a mandatory general offer) or more of the voting power at general meetings of the issuer, or to control the composition of a majority of the Board of Directors; and
- (4) all branches and subsidiaries of the Company specified in Item (4); and

Other natural and legal persons other than those specified above that are identified as an associate in accordance with the Hong Kong Listing Rules.

3.5 An “insignificant subsidiary” for the purpose of the Rules is a subsidiary whose:

- (i) the values of the ratio tests based on total assets, revenue and profits for each of the last three accounting years are all less than 10%;
- (ii) the values of the ratio tests based on total assets, revenue and profits for the last accounting year are all less than 5%.

Article 4 The related (connected) transaction of the Company shall follow the following basic principles:

- (I) Comply with the principle of good faith;
- (II) Comply with the principles of equality, voluntariness, equivalence and compensation;
- (III) Comply with the principles of fairness, openness, justice and impartiality;
- (IV) For any transaction between the Company and its connected persons, a written agreement shall be entered into, specifying the rights, obligations and legal responsibilities of both parties, and should be conducted in comply with relevant requirements including regulations of the securities regulatory authority in the place where the Company's stock is listed and the listing rules of the relevant stock exchange;
- (V) A related (connected) transaction shall be conducted on normal commercial terms (or, for the Company, the terms of the transaction shall be no less favourable than those available or provided by independent third parties), and the terms of the transaction shall be fair and reasonable and in the interests of the Shareholders as a whole;
- (VI) If a connected person has the right to vote on a related (connected) transaction proposed at the general meeting, he/she/it shall abstain from voting;
- (VII) Any director with any interest with related parties shall abstain from voting on the said matter when voting by the Board of Directors;
- (VIII) The Board of Directors of the Company shall objectively judge whether the related (connected) transaction is beneficial to the Company, and shall, if necessary, engage professional valuers or independent financial advisers to give opinions;
- (IX) Related (connected) transaction shall be beneficial to the Company's business development;
- (X) Comply with applicable laws, regulations and rules of relevant regulatory agencies.

Article 5 The relevant decision-making procedures stipulated in the Rules do not apply to the related (connected) transactions that are exempt from reporting, announcement and independent Shareholders' approval procedures according to the listing rules of the place where the Company's Shares are listed. If it is a related (connected) transaction that is exempt from reporting, announcement and independent Shareholders' approval procedures according to the listing rules of the place where the Company's Shares are listed, the transaction shall be conducted in comply with other relevant provisions of the applicable listing rules of the place where the Company's Shares are listed.

Article 6 Pricing principles and pricing methods for related (connected) transactions:

- (I) The pricing order of related (connected) transaction shall be subject to the principle of market pricing. If there is a national pricing, it will be determined according to the national pricing. If there is no national pricing and market price, it is determined by the cost plus reasonable profits. In case of the failure of the above, the fair price shall be determined through negotiation between both parties.
- (II) Both parties of the transaction shall determine the pricing method according to the specific circumstances of the related (connected) transaction, and make it clear in the relevant agreement in respect of the related (connected) transaction.
- (III) Market price: Determine the price and rate of assets, goods or services based on market prices.
- (IV) Cost-plus price: A transaction price and rate determined by adding a reasonable profit to the cost of the assets, goods or services involved in the transaction.
- (V) Agreement price: Price and rate being negotiated on arm's length basis based on general commercial terms.

Article 7 Management of related (connected) transaction prices

- (I) The parties to the transaction shall calculate the transaction price according to the price agreed in the related (connected) agreement and the actual transaction quantity, and make payment subject to the settlement term, payment method and time stipulated in the related (connected) agreement;
- (II) The financial department of the Company shall track the changes of the market price and cost of related (connected) transaction of the Company, and report the changes to the Board for filing.

Where the independent non-executive Directors have doubts about the price change of the related (connected) transaction, they may engage an independent financial advisor to give opinions on the fairness of the price change of the related (connected) transaction.

According to the Hong Kong Listing Rules, the Company must enter into a written agreement to conduct related (connected) transactions.

Article 8 The connected parties of the Company should adopt the following abstention measures as necessary when they enter into related (connected) transaction agreements with the Company:

- (I) any individual may only enter into a related (connected) transaction agreement on behalf of one of the parties;
- (II) connected parties should not, by any means, interfere with the decisions of the Company.

Article 9 During the consideration of a related (connected) transaction by the Board of Directors of the Company, connected directors shall abstain from voting thereon and shall not exercise voting rights on behalf of other directors. A board meeting may be held once a majority of non-connected directors are present thereat. Resolutions made at a board meeting shall be adopted by a majority of non-connected directors. If the number of non-connected directors attending the meeting is less than three, the Company should submit the transaction to general meeting for approval.

Connected directors referred to in the preceding paragraph shall include the following directors or the directors who are:

- (I) the counterparties;
- (II) the direct or indirect controllers of the counterparties;
- (III) taking office at the counterparties, or at the legal persons or other units which can directly or indirectly control the counterparties, or at the entities of legal persons directly or indirectly controlled by the counterparties;
- (IV) close family members of the counterparties or its direct or indirect controllers;
- (V) family members having a close relationship with the counterparties or the directors, supervisors or senior executives of their direct or indirect controllers;
- (VI) the directors whose independent business judgement may be affected, as required by the securities regulations applicable to the Company or as determined by the Company based on other grounds.

Article 10 Major related (connected) transactions of the Company under relevant domestic rules (if applicable) shall be approved by independent non-executive Directors before submissions to the Board of Directors for consideration. Prior to making any judgment, independent non-executive Directors may hire an intermediary institution to prepare an independent financial consultancy report as the basis of their judgment.

Except for related (connected) transactions exempted from reporting, announcement and independent Shareholders' approval requirements, independent non-executive Directors shall express their opinions and record them in the minutes of board meetings. For related (connected) transactions of the Company subject to the approval by independent Shareholders, the Company shall appoint an independent financial adviser to advise independent non-executive Directors and independent Shareholders on whether independent Shareholders shall vote in favor of the transaction.

Article 11 If a substantial Shareholder or director is considered by the Board of Directors to have material conflict of interest in the related (connected) transaction to be considered at the meeting of the Board of Directors, such matter shall not be handled by way of circulation or by a sub-committee (other than a committee resolved to be established for such matter at a meeting of the Board of Directors), and the Board of Directors shall hold a meeting of the Board of Directors for such matter. If a director and his associate is not material interested in a transaction, such director shall attend the relevant meeting of the Board of Directors.

Article 12 When related (connected) transactions are considered at a general meeting of the Company, connected Shareholders shall abstain from voting thereon and shall not exercise voting rights on behalf of other Shareholders. Their Shares held with voting rights will not be counted within the total number of valid votes.

Connected Shareholders referred to in the preceding paragraph shall include the following Shareholders or the Shareholders who are:

- (I) the counterparties; or
- (II) the direct or indirect controllers of the counterparties; or
- (III) under direct or indirect control of the counterparty of a transaction;
- (IV) under common control of the same legal person or natural person with the counterparty of a transaction, whether directly or indirectly;
- (V) being a Shareholder whose voting right is restricted or affected due to any outstanding equity transfer agreements or other agreements between such Shareholder and the counterparty of a transaction or such counterparty's connected persons;
- (VI) being a Shareholder who may, as considered by the securities regulatory requirements, receive preferential benefits from the Company.

Article 13 The voting at the general meeting on related (connected) transactions shall be valid only if it is passed by more than half (exclusive) of the voting rights held by Shareholders attending the general meeting other than the connected Shareholders.

Article 14 Decision-making on related (connected) transactions

14.1 According to the Sci-Tech Board, the decision-making authority for related party transactions is:

Related transactions of the Company that meet one of the following criteria shall be submitted to the Board of Directors for consideration:

- (i) transactions with related natural persons in the amount of more than RMB300,000;
- (ii) transactions with related legal persons in the amount that accounts for more than 0.1% of the Company's latest audited total assets or market value and exceeds RMB3 million.

Related transactions of the Company that meet one of the following criteria shall be submitted to the general meeting for consideration:

Transactions between the Company and related parties (other than the provision of guarantees) with a turnover that accounts for more than 1% of the Company's latest audited total assets or market value and exceeds RMB30 million.

For related transactions submitted to the general meeting for consideration, the subject matter of the transaction shall be evaluated or audited. Any related party transaction concerning the day-to-day operations of the Company may be exempted from audit or appraisal.

Provision of a guarantee by the Company for a connected person regardless of the amount shall be submitted to the general meeting for consideration, after consideration and approval by the Board of Directors.

The transactions with a single related party for a period of consecutive 12 months or transactions with different related parties the objects of which are related in category shall be aggregated. The above-mentioned single related party includes legal persons or other organizations which are under the common control of an actual controller with the related party, or have an equity control relationship with the related party, or have any director or senior officer also serving as a director or senior officer in the related party.

The related party transactions that shall be submitted to the general meeting for consideration in accordance with The Rules shall be implemented after being considered and approved by the general meeting. Other related party transactions other than the matters considered and approved by the general meeting and the Board of Directors shall be approved by the CEO.

- 14.2 The proposed connected transactions of the Company meeting the following criteria shall be disclosed in the form of announcement in a timely manner after the consideration and approval by the Board of Directors: The maximum percentage ratio under the Hong Kong Listing Rules with regard to the transaction: (1) ranges between 0.1% and 5%; or (2) is equal to or more than 5% but less than 25%, and the total transaction amount is less than HK\$10 million.
- 14.3 The proposed connected transactions of the Company other than transactions specified in Articles 14.1 and 14.2 above (namely transactions in respect of which the maximum percentage ratio exceeds 5%) shall be submitted to the general meeting of the Company for consideration and approval after the consideration and approval by the Board of Directors of the Company; and such connected transactions shall be disclosed in the form of announcement and circular in a timely manner after the consideration and approval by the Board of Directors.
- 14.4 The “percentage ratios” include:
- (i) total asset test: namely the total assets involved in relevant transactions divided by the latest audited or unaudited total assets of a company which are disclosed;
 - (ii) revenue test: namely the revenue attributable to assets involved in relevant transactions (excluding revenue or income generated occasionally) divided by the latest audited revenue of a company which is disclosed;
 - (iii) profit test: namely the profit attributable to assets involved in relevant transactions (after deducting all charges except taxation and before noncontrolling interests) divided by the latest audited revenue of a company which is disclosed;
 - (iv) consideration test: namely the transaction consideration divided by the total market capitalisation of a listed company (calculated as the average closing price of the Shares of the company as quoted on the Hong Kong Stock Exchange for 5 trading days prior to the date of the transaction agreement times the total number of the Shares of the company); and
 - (v) Share capital test: the nominal value of the consideration Shares in the transaction divided by the nominal value of the total issued Share capital of the company prior to the transaction if the consideration is in Shares.

Under the Hong Kong Listing Rules, if a series of connected transactions were entered into or completed within a 12-month period or are otherwise related, such transactions shall be aggregated and be treated as if they were one transaction by the Hong Kong Stock Exchange. The Company shall comply with the connected transaction requirements based on the classification of the connected transactions when aggregated.

The factors that the Hong Kong Stock Exchange shall consider for aggregation of a series of connected transactions include whether:

- (1) such transactions are entered into between the Company and the Group with the same party, or parties who are connected with one another;
- (2) such transactions involve the acquisition or disposal of parts of an asset or securities or interests in a company (or a company and group);
- (3) together lead to substantial involvement by the Company and the Group in a new business activity.

The Company shall set an annual cap for continuing connected transactions (the “annual cap”). The annual cap shall be:

- (1) expressed in monetary terms;
- (2) determined by reference to previous transactions and information in the published information of the Company and the Group. If there were no previous transactions, the annual cap shall be set based on reasonable assumptions; and
- (3) approved by Shareholders if the transaction requires Shareholders’ approval.

In accordance with the requirements of the Hong Kong Listing Rules, continuing connected transaction between the Company or any of its subsidiary and a connected person are subject to the decision-making procedures and the disclosure obligations which shall be performed in accordance with this Chapter:

- (I) With regard to a continuing connected transaction conducted for the first time, the Company shall enter into a written agreement with the connected person, and submit the transaction to the Board of Directors or the general meeting for consideration, according to the annual total transaction amount involved in the agreement, and disclose the details of the transaction in a timely manner; if the amount of the transaction exceeds the estimated total amount during the actual implementation by the Company, the Company shall re-submit the transaction to the Board of Directors or the general meeting for consideration and disclose the transaction, according to the excess;
- (II) With regard to a continuing connected transaction agreement which is considered and approved by the general meeting or the Board of Directors of the Company and is being performed, if no material changes in principal terms take place during the agreement term, the Company shall disclose the actual performance of the agreement as required and explain whether the agreement is complied with, in its annual reports; if there are material changes in the principal terms of the agreement during the agreement term or there is a need to renew the agreement upon the expiry

of the agreement, the Company shall re-submit to the Board of Directors or the general meeting of the Company for consideration, the continuing connected transaction agreement which is amended or renewed, according to the annual total transaction amount involved in the agreement;

- (III) For each continuing connected transaction, the relevant functional department in charge of the transaction and the Financial Management Department shall estimate the annual total transaction amount;
- (IV) At the beginning of each financial year, the Company shall carry out calculation for continuing connected transactions, so as to confirm the caps for various continuing connected transactions in the year, and notify relevant functional departments in a timely manner;
- (V) If after calculation, the Company expects that the annual amount of a continuing connected transaction will exceed the pre-approved annual cap, the Company shall carry out summarization rapidly, and organize corresponding decision-making procedures according to the new annual cap, and disclose the details of the transaction in a timely manner;
- (VI) Any connected transaction with the transaction amount exceeding the pre-approved cap in respect of which the decision-making procedures are not performed as required shall not be implemented.

A continuing connected transaction agreement between the Company and a connected person shall include:

- (I) pricing policy and basis;
- (II) transaction price;
- (III) total transaction volume for each year and determination basis;
- (IV) payment date and method;
- (V) principal terms which are required to be disclosed.

The term of a continuing connected transaction between the Company and a connected person is three years or less generally; with regard to the continuing connected transaction agreement with a term of three years or less, the Company shall re-perform relevant decision-making procedures and disclosure obligations as required, every three years, if the term exceeds three years, and the independent financial adviser appointed by the Company should explain the reasons for exceeding the three-year period and that such period is consistent with the general treatment of such agreements in the industry.

The independent non-executive Directors of the Company shall review continuing connected transactions every year and express their opinions on the continuing connected transactions of the Company and any of its subsidiaries in its annual report.

The external auditor of the Company shall issue a letter to the Board of Directors of the Company every year, expressing opinions on the continuing connected transactions of the Company and any of its subsidiaries. The Company shall allow the external auditor to audit relevant accounts so that the external auditor can express relevant opinions.

The Company shall disclose in its annual report, the details of continuing connected transactions for each year, including transaction dates, parties to the transactions, contents, purposes, amounts and principal terms of transactions, as well as the nature and extent of the interests of connected persons in the transactions.

Article 15 According to the Sci-Tech Board, the transactions (other than the provision of guarantees) between the Company and its related parties meeting one of the following criteria shall be disclosed on a timely basis:

- (I) transactions with related natural persons in the amount of more than RMB300,000;
- (II) transactions with related legal persons in the amount that accounts for more than 0.1% of the Company's latest audited total assets or market value and exceeds RMB3 million.

Article 16 The Rules will come into effect from the date when the Shares of the Company are listed on the Sci-Tech Board on the Shanghai Stock Exchange after it is considered and approved at the general meeting.

Article 17 The Board of Directors may revise and supplement the Rules when it deems necessary. Matters not covered by the Rules shall be handled in accordance with the current relevant laws, administrative regulations, departmental rules, normative documents, securities supervision requirements of the place where the Company's Shares are listed and the Articles of Association. In case of any inconsistency between the Rules and the laws, administrative regulations, departmental rules, normative documents, the securities regulatory requirements of the place where the Company's Shares are listed to be promulgated in the future or the revised Articles of Association, the latter shall prevail.

Article 18 The power of interpretation of the Rules shall be vested in the Board of Directors of the Company.

Article 19 The Rules are prepared in both Chinese and English, and the Chinese version shall prevail.

LEPU BIOPHARMA CO., LTD.

MANAGEMENT POLICY FOR EXTERNAL GUARANTEES

Chapter 1 General Provisions

Article 1 In order to standardize the provision external guarantees by Lepu Biopharma Co., Ltd. (hereinafter referred to as the “**Company**”), effectively control the risks on external guarantees of the Company and ensure the asset safety of the Company, and in accordance with the PRC Company Law, the PRC Securities Law, the Civil Code of the People’s Republic of China (《中華人民共和國民法典》), the listing rules and relevant guidelines of the place where the Company’s securities are listed and other laws, regulations and relevant normative documents as well as the provisions under the Articles of association of the Company of the Company, this management policy is hereby formulated.

Article 2 This policy applies to the Company and the controlled subsidiaries of the Company.

Article 3 “External guarantees” in this policy refer to guarantees provided by the Company for others, including guarantees provided by the Company for its controlled subsidiaries. The “total amount of external guarantees of the Company and its controlled subsidiaries” is the sum of the total amount of the Company’s external guarantees including the Company’s guarantees to its controlled subsidiaries and external guarantees of its controlled subsidiaries. Such guarantee includes guarantee in the form of a warranty, mortgage and pledge.

This policy is not applicable to the guarantees provided by the Company for its own debts.

Article 4 After the relevant resolutions on external guarantees are made by the Board of Directors or the general meeting, the controlled subsidiaries of the Company shall notify the Company promptly to perform its obligation of information disclosure.

Chapter 2 External Guarantees and Management

Section 1 Guarantee Objects

Article 5 The Company may provide guarantees to an entity with independent legal person status which meets one of the following criteria:

- (I) a mutually guaranteed entity due to business needs of the Company;
- (II) an entity with established important business relationship with the Company;
- (III) an entity with potential important business relationship with the Company;

(IV) the wholly-owned subsidiaries, the controlled subsidiaries of the Company and other entities in a control relationship with the Company.

The entities above shall also have relatively strong solvency and shall meet other relevant provisions of this policy.

If the Company provides guarantees for its controlling shareholder(s), actual controller(s) and their related parties, such controlling shareholder(s), actual controller(s) and their related parties shall provide counter-guarantee.

Article 6 If any of the following situations occurs to an entity applying for guarantee (except for the controlled subsidiaries of the Company), no guarantee shall be provided therefor:

- (I) Unclear property rights, unfinished restructuring or the establishment of which being inconsistent with national laws or the national industrial policy;
- (II) Provision of false financial statements and other information to cheat the Company out of its guarantee;
- (III) Occurrence of overdue debt and arrears of interest in the previous guarantee provided for such party by the Company;
- (IV) Being loss-making for two consecutive years;
- (V) Deterioration of operating conditions with a bad reputation;
- (VI) The Company considers that such guarantee could otherwise be harmful to the interests of the Company or the shareholders of the Company (the “Shareholders”).

Section 2 Review of Guarantee

Article 7 The guarantee applicant shall provide the following materials to the Company:

- (I) Guarantee application;
- (II) Basic conditions of the enterprise;
- (III) Audit reports for recent three years and the latest financial statements;
- (IV) Analysis report on operating conditions;
- (V) Master contract and relevant materials;

- (VI) Uses of the guarantee, expected economic benefits and analysis on solvency;
- (VII) Representation statement that there is no material lawsuit, arbitration or administrative penalty;
- (VIII) Counter guarantee plans and relevant proof materials on collaterals;
- (IX) Other materials that the Company deems necessary to provide.

Article 8 The Company shall carefully review the operating conditions and financial situations of the guarantee applicant (the guaranteed party) to acquaint itself with the credit conditions of the guarantee applicant. The Company's financial department, legal personnel of the admonition department or external lawyers shall conduct audit verification against the basic information provided by the guarantee applicant and the counter guarantor to perform comprehensive analysis on the financial conditions of the guarantee applicant and the counter guarantor, as well as the validity, benefits and risks of the guarantee, and provide a written report on whether or not to provide such guarantee to the Board of Directors after the review and approval of the same by the CEO.

Section 3 Approval of External Guarantees

Article 9 The following external guarantees of the Company shall be considered and approved at the general meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded fifty percent (50%) of the Company's latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company has exceeded thirty percent (30%) of the Company's latest audited total assets;
- (III) any guarantee provided after the amount of guarantees has exceeded 30% of the Company's latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;
- (IV) any guarantee provided to a party which has an asset-liability ratio in excess of seventy percent (70%);
- (V) a single guarantee for an amount in excess of ten percent (10%) of the latest audited net assets;
- (VI) guarantees to be provided to Shareholders, actual controllers and their related parties.

The above external guarantees that shall be approved at a general meeting shall be considered and approved by the Board of Directors before submission to the general meeting for approval. Matters of guarantee within the authority of the Board of Directors shall also be subject to the approval of at least two-thirds (2/3) of the directors present at a meeting of the Board of Directors, in addition to the approval by a majority of all directors. For the guarantee specified in item (III) above, it shall be approved by more than two-thirds (2/3) of voting rights held by the Shareholders attending the general meeting.

If the Company provides guarantee for a wholly-owned subsidiary, or provides guarantee for a controlled subsidiary and other Shareholders of the controlled subsidiary provide an equivalent guarantee in proportion to the interests enjoyed by them, which is not detrimental to the interests of the Company, it may be exempted from the provisions of items (I), (IV) and (V) above. The Company shall summarize and disclose the aforementioned guarantees in its annual and interim reports.

When the Company provides external guarantees, the guaranteed party shall submit complete materials to the financial department based on the requirements of guarantee procedures. The CEO of the Company shall arrange the financial department, legal personnel of the administrative department or external lawyers and other relevant departments to conduct review and verifications on the guarantee, specify the responsible person on the guarantee, issue the review report and submit it to the Board of Directors or the general meeting for review and approval after being reviewed by the CEO.

Article 10 The Board of Directors shall carefully analyze the financial condition, operation condition and creditworthiness of the guaranteed party and make a prudent decision in accordance with laws. The Company may, when necessary, engage an external professional institution to evaluate the risk of the external guarantee as a basis for decision-making by the Board of Directors or at the general meeting.

Article 11 The external guarantees considered and approved by the Board of Directors or at the general meeting shall be disclosed in a timely manner in accordance with securities regulatory requirements of the place where the Company's Shares are listed. The contents disclosed shall include but not be limited to the resolution of the Board of Directors and/or the general meeting, as well as the aggregate amount of external guarantees provided by the Company and its controlled subsidiaries and the aggregate amount of guarantees provided by the Company for its controlled subsidiaries as of the date of such information disclosure.

Article 12 When guarantees provided to Shareholders, actual controller(s) and their related (connected) parties are considered at the meeting of the Board of Directors or the general meeting, such related (connected) directors and related (connected) Shareholders shall abide by relevant policies on the management of related (connected) transactions of the Company and abstain from voting.

Article 13 For external guarantees, the Company shall request the counterparty to provide counter-guarantees or provide assets with guaranteed value and strong realization potential as collateral or pledge. The provider of counter-guarantees shall be proved to have the actual ability to bear relevant liabilities. The Company shall make prudent judgments on the actual guarantee capability of the provider of counter-guarantees and the enforceability of the counter-guarantees.

Section 4 Management of External Guarantee Contracts

Article 14 A written contract shall be entered into for guarantee projects considered and approved by the Board of Directors or at the general meeting. Guarantee contracts shall comply with the provisions of related laws and regulations and clearly stipulate the scope or limit of the debt, the scope of guaranteed liabilities, the mode and term of the guarantee in accordance with the Civil Code of the People's Republic of China.

Article 15 When a guarantee contract is entered into, the financial department shall carefully review the relevant contents of the guarantee contract. In the case of terms imposing compulsory obligations or the terms that are clearly unfavorable to the interests of the Company and the terms with possibility of unexpected risk, the other party shall be required to revise the terms or be refused to provide guarantee.

Article 16 The chairman of the Company or the authorized person of the Company shall enter into guarantee contracts on behalf of the Company pursuant to the resolutions of the Board of Directors or the general meeting. Without approval of the general meeting or the Board of Directors of the Company, the directors, the CEO or branches of the Company shall not sign guarantee contracts on behalf of the Company. The financial department shall not enter into guarantee contracts beyond its authority or sign or affix the common seal on the principal debt contract in the capacity of the guarantor.

Article 17 The independent non-executive Directors of the Company shall express independent opinions upon considering external guarantees at the meeting of the Board of Directors and, where necessary, may engage an accounting firm to review the Company's accumulated and current external guarantees. They shall promptly report any abnormality to the Board of Directors and regulatory departments and make an announcement.

Article 18 The financial department shall conduct guarantee registration with the relevant registration authority for those guarantees which must be registered as required under the laws.

Article 19 For external guarantees having obtained approval within the authority under this policy but failing to enter into relevant guarantee contracts within 30 days after obtaining the approval, it shall be deemed as a new guarantee for the purpose of handling guarantee procedures after the prescribed time limit and shall complete approval procedures again in accordance with this policy.

Section 5 Risk Management

Article 20 The financial department of the Company is the responsible department for the management of the Company's external guarantees, which are in charge of the supervision on the performance of external guarantee contracts and the unified registration and record management of all external guarantees of the Company and its controlled subsidiaries.

Article 21 The Company shall assign a personnel to continuously monitor the circumstances of the guaranteed party, investigate and understand the usage of the loan proceeds by the enterprise receiving the loans, the changes in funds on bank accounts and the progress in the implementation of projects, collect the latest financial information and audit report of the guaranteed party, regularly analyze its financial status and solvency, monitor its production and operation, assets and liabilities, external guarantees, as well as separation and merger and changes in legal representatives, establish related financial records and report to the Board of Directors on a regular basis.

Article 22 The Company shall adopt counter-guarantees and other necessary preventive measures. The counter-guarantees or other effective risk prevention measures provided by the guarantee applicant shall match the amount to be guaranteed. The legal personnel of the administrative department or external lawyers shall complete relevant legal procedures with the financial department and handle the registration of mortgage or pledge in a timely manner when accepting counter-guarantee mortgage and pledge.

Article 23 Upon the maturity of the debt guaranteed by the Company, the Company shall urge the guaranteed party to fulfill the debt repayment obligations within a limited period of time. If the guaranteed party fails to perform its obligations on time, the Company shall report to the Board of Directors and take necessary remedial measures in a timely manner.

Article 24 If the debt guaranteed by the Company needs to be extended after maturity and the guarantee needs to be continued, it should be regarded as a new external guarantee and the guarantee approval procedure should be performed again.

In case of any change in the principal debt contract guaranteed by the Company, the Board of Directors of the Company shall resolve whether to continue bearing the guarantee liability.

Article 25 The Company, as a general guarantor, shall not perform its guarantee obligation for the debtor prior to obtaining the judgment or concluding the arbitration of the disputes relating to the principal contract and where the debtor's property still fails to fulfill its debt repayment obligation even after compulsory legal enforcement.

Article 26 When the Company fulfils its guarantee obligation for the debtor, the financial department shall adopt effective measures to demand compensation from the debtor and disclose the recovery status on a timely basis.

In the annual reports, independent non-executive Directors of the Company shall make specific statements on the outstanding external guarantees of the listed company as at the end of the reporting period and those incurred in the current period, as well as the implementation of the provisions of this policy and express independent opinions.

Chapter 4 Investigation of Responsibilities

Article 27 All directors of the Company shall examine external guarantees of the Company in strict compliance with this policy and relevant laws, regulations and normative documents, and shall bear joint and several liabilities for losses arising from illegal or inappropriate external guarantees according to laws.

Article 28 The directors, managers and other management members of the Company shall be accountable to indemnify the Company against any losses incurred by the Company as a result of unauthorized signing of a financing contract, external guarantee contract or neglect of duty by them due to their failure to comply with the prescribed procedures. Where criminal actions are suspected, legal responsibilities shall be investigated in accordance with laws.

If the abovementioned personnel violates this policy, but does not result in any actual loss to the Company, the Company shall enforce penalty against the relevant responsible personnel according to the rules of the Company.

Chapter 5 Supplementary Provisions

Article 29 In case of any matters not covered in this policy, the provisions of relevant laws, administrative regulations, departmental rules, normative documents, securities regulatory requirements of the place where the Company's Shares are listed and the Articles of association of the Company shall prevail. Where this policy conflicts with laws, administrative regulations, departmental rules, normative documents, securities regulatory requirements of the place where the Company's Shares are listed and the Articles of association of the Company, relevant national laws, administrative regulations, departmental rules, normative documents, securities regulatory requirements of the place where the Company's Shares are listed and the Articles of association of the Company shall prevail and this policy shall be amended in time and submitted to the general meeting of the Company for consideration and approval.

Article 30 Upon approval at the general meeting, this policy shall take effect from the date on which the Shares of the Company are listed on the Sci-Tech Board. Since the effective date of this policy, the Financing and External Guarantees Management Policies formulated by the Company before this system comes into effect shall be abolished simultaneously.

Article 31 This system shall be interpreted by the Board of Directors.

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING



LEPU BIOPHARMA CO., LTD.

樂普生物科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2157)

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2022 first extraordinary general meeting (the “EGM”) of Lepu Biopharma Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Conference Room, Building 7, No. 37 Chaoqian Road, Changping District, Beijing, PRC on Friday, September 16, 2022 at 10:00 a.m. or at any adjustment thereof for the purpose of considering and, if thought fit, passing the following resolutions (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated September 1, 2022 issued by the Company (the “**Circular**”).

SPECIAL RESOLUTIONS

1. To consider and approve the proposed Issue of A Shares as follows (each and every item as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iii. Issue size: The Company proposes to issue not more than 414,861,209 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 25% of the issued Shares of the Company as of the Latest Practicable Date, which shall be not less than 10% of the enlarged Share capital upon completion of the Issue of A Shares and not more than 20% of the enlarged issued Shares upon completion of the Issue of A Shares. The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings) and be subject to final number of A Shares registered by the CSRC.
 - iv. Target subscribers: Qualified price consultation participants, PRC natural persons, legal persons, securities investment funds and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

- v. Pricing methodology: The issue price for the A Shares will be determined by the Company (on the basis of Shareholders' authorization) and the lead underwriter on the basis of the results of the enquiry from the price consultation participants who meet the conditions stipulated by the CSRC in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Based on the PRC Company Law, the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at June 30, 2022, the net asset value per Share of the Company was RMB0.75. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per Share prior to the proposed Issue of A Shares.

As at the Latest Practicable Date, the closing price per H Share as quoted on the Stock Exchange is HK\$7.07 per H Share.

- vi. Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line capital subscription pricing offering to public investors at fixed price, or any other offering methods approved by the CSRC or Shanghai Stock Exchange (including but not limited to placing of Shares to strategic investors). The Issue of A Shares shall be conducted within 12 months after the CSRC agrees to register the issuance. The amount of A Shares offered in off-line placement and on-line offering respectively would be determined by the Board of Directors (as authorized by the Shareholders) in accordance with actual circumstances of the offering.
 - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Use of Proceeds: It is proposed that the proceeds raised from the Issue of A Shares will be used for R&D of our new drug products funding, production base establishment, sales network establishment and working capital.
 - ix. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
 - x. Validity period of the resolutions: The resolutions will be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors and persons authorized by it to fully handle the relevant matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board.

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

The authorization proposed to be granted to the Board and persons authorized by it shall include without limitation:

- i. The formulation, implementation, and adjustment of the specific proposals for the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to specific matters such as the decision on whether any placing is made to strategic investors or the adoption of the over-allotment option, in accordance with laws and regulations, the relevant requirements of securities regulatory authorities, and the resolutions passed by the Shareholders at the EGM and Class Meetings.
- ii. The filing of application for the Issue of A Shares and listing on the Sci-Tech Board to the CSRC and the Shanghai Stock Exchange, and the response to comments from the CSRC and the Shanghai Stock Exchange.
- iii. The determination of the specific details of the Issue of A Shares and listing on the Sci-Tech Board including the schedule of issuance, issue size, method of issuance, issue price and pricing methodology, target subscribers, and method of subscription in accordance with the requirements of securities regulatory authorities and the actual circumstances of the securities market.
- iv. The appropriate adjustments to be made to the investment projects to be funded by the proceeds raised and the investment amount according to the implementation process of the Issue of A Shares, market conditions, relevant policies and requirements of the relevant securities regulatory authorities. The determination of the progress of investment projects to be funded by the proceeds raised, the allocation of funds when applying the proceeds raised, and entering into material contracts relating to the operational process of the investment projects.
- v. The appropriate adjustment to the specific matters relating to the Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances, and unless such change involves matters that would necessitate authorization at another general meeting pursuant to relevant laws, regulations and the Articles.
- vi. Undertaking reporting and procedural work to the relevant government authorities in relation to the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to the application for approval, registration, filing, or consent to the relevant government authorities, regulatory authorities, stock exchanges, securities registration and settlement organizations, as well as the signing, execution, amendment, and completion of all necessary documents in relation to the Issue of A Shares.

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, in accordance with the undertakings of each Shareholder, handling matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of Shares.
- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations, requirements of relevant securities regulatory authorities and resolutions of the EGM and Class Meetings, the handling of other matters considered to be necessary for the Issue of A Shares and listing on the Sci-Tech Board.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

3. To consider and approve the projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis. The net proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects:

No.	Project Name	Proposed investment amount from proceeds raised (RMB)
1	R&D of our new drug products funding	1,500,000,000
2	Production base establishment	180,000,000
3	Sales network establishment	150,000,000
4	Working capital	670,000,000
Total		2,500,000,000

The Company will strictly comply with the relevant regulations to manage and use the proceeds raised from the Issue of A Shares. Before the completion of the Issue of A Shares, the Company may make an initial investment with self-financing according to its actual operational needs, and after the proceeds raised are in place, the Company can replace the self-financing with the proceeds raised from the Issue of A Shares.

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

If the net proceeds actually raised (after deducting the issuance expenses) cannot satisfy the funding needs for the projects, the Company will obtain funds from other financing channels, such as bank loans. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be used to supplement the Company's working capital needed in its principal business operation.

4. To consider and approve the Company's Share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the Sci-Tech Board.
5. To consider and approve the Company's three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board.
6. To consider and approve the analysis on dilution on immediate return by the initial public offering of A Shares and recovery measures.
7. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the proposal for the vesting of accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall Share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

9. To consider and approve the use of proceeds raised in previous offering.
10. To consider and approve the proposed amendments to the Articles in respect of the Issue of A Shares.
11. To consider and confirm the related party transactions from January 1, 2019 to June 30, 2022.

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTIONS

12. To consider and approve the engagement of intermediaries, including but not limited to Haitong Securities Co., Ltd. (海通證券股份有限公司) as the sponsor/lead underwriter, Zhong Lun Law Firm (北京市中倫律師事務所) as the legal adviser to the Company as to PRC laws, and PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) as the auditor, for the proposed Issue of A Shares and listing on the Sci-Tech Board, and further authorizes the Board of Directors to determine the remunerations of such intermediaries.
13. To consider and approve the amendments to the “Rules of Procedures for the Meeting of Shareholders”;
14. To consider and approve the amendments to the “Rules of Procedures for the Meeting of Board of Directors”;
15. To consider and approve the amendments to the “Rules of Procedures for the Meeting of Supervisory Committee”;
16. To consider and approve the amendments to or adoption of the following internal governance policies:
 - (a) the “Management Policy for Raised Proceeds”;
 - (b) the “Terms of Reference for the independent non-executive Directors”;
 - (c) the “Management Policy for Related (Connected) Transactions”; and
 - (d) the “Management Policy for External Guarantees”.
17. To consider and approve the uncovered deficit of the Company amounting to more than one-third of the total Share capital of the Company:

As at December 31, 2021, the accumulated loss of the Company was RMB1,642,437,852.85 and the total Share capital of the Company was RMB1,531,669,838.

By order of the Board
Lepu Biopharma Co., Ltd.
Dr. Pu Zhongjie

Chairman of the Board and Executive Director

Shanghai, the PRC
September 1, 2022

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Company at www.lepubiopharma.com and Stock Exchange at www.hkexnews.hk after the EGM.
2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. **In view of the ongoing COVID-19 pandemic, the Company strongly recommends Shareholders of the Company to exercise your voting rights by appointing the chairman of the EGM as your proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.**
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's headquarters and registered office in the PRC (for Domestic Shareholders) or the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), at least 24 hours before the EGM (i.e. not later than 10:00 a.m. on Thursday, September 15, 2022) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish and in such event the forms of proxy shall be deemed to be revoked.
5. As disclosed in the announcement of the Company dated August 1, 2022, for the purpose of determining the list of H Shareholders who are entitled to attend the EGM, the H Share register of members of the Company closed from Wednesday, August 17, 2022 to Friday, September 16, 2022 (both days inclusive), during which period no transfer of H Shares will be registered.
6. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Shares shall alone be entitled to vote in respect thereof.
7. A Shareholder or his/her proxy should produce proof of identity when attending the EGM.
8. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Dr. Pu Zhongjie (Chairman), Dr. Sui Ziye (Chief Executive Officer) and Dr. Hu Chaohong (Co-Chief Executive Officer) as executive Directors; Ms. Pu Jue, Mr. Yang Hongbing and Mr. Lin Xianghong as non-executive Directors; and Mr. Zhou Demin, Mr. Yang Haifeng and Mr. Fengmao Hua as independent non-executive Directors.



LEPU BIOPHARMA CO., LTD.

樂普生物科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2157)

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 2022 first class meeting of H Shareholders (the “**Class Meeting of H Shareholders**”) of Lepu Biopharma Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Conference Room, Building 7, No. 37 Chaoqian Road, Changping District, Beijing, the PRC immediately after the conclusion of the 2022 first extraordinary general meeting of the Company to be held at the same location on Friday, September 16, 2022 or at any adjustment thereof for the purpose of considering and, if thought fit, passing the following resolutions (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated September 1, 2022 issued by the Company (the “**Circular**”).

SPECIAL RESOLUTIONS

1. To consider and approve the proposed Issue of A Shares as follows (each and every item as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iii. Issue size: The Company proposes to issue not more than 414,861,209 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 25% of the issued Shares of the Company as of the Latest Practicable Date, which shall be not less than 10% of the enlarged Share capital upon completion of the Issue of A Shares and not more than 20% of the enlarged issued Shares upon completion of the Issue of A Shares. The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings) and be subject to final number of A Shares registered by the CSRC.
 - iv. Target subscribers: Qualified price consultation participants, PRC natural persons, legal persons, securities investment funds and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

- v. Pricing methodology: The issue price for the A Shares will be determined by the Company (on the basis of Shareholders' authorization) and the lead underwriter on the basis of the results of the enquiry from the price consultation participants who meet the conditions stipulated by the CSRC in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Based on the PRC Company Law, the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at June 30, 2022, the net asset value per Share of the Company was RMB0.75. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per Share prior to the proposed Issue of A Shares.

As at the Latest Practicable Date, the closing price per H Share as quoted on the Stock Exchange is HK\$7.07 per H Share.

- vi. Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line capital subscription pricing offering to public investors at fixed price, or any other offering methods approved by the CSRC or Shanghai Stock Exchange (including but not limited to placing of Shares to strategic investors). The Issue of A Shares shall be conducted within 12 months after the CSRC agrees to register the issuance. The amount of A Shares offered in off-line placement and on-line offering respectively would be determined by the Board of Directors (as authorized by the Shareholders) in accordance with actual circumstances of the offering.
 - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Use of Proceeds: It is proposed that the proceeds raised from the Issue of A Shares will be used for R&D of our new drug products funding, production base establishment, sales network establishment and working capital.
 - ix. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
 - x. Validity period of the resolutions: The resolutions will be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors and persons authorized by it to fully handle the relevant matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board.

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

The authorization proposed to be granted to the Board and persons authorized by it shall include without limitation:

- i. The formulation, implementation, and adjustment of the specific proposals for the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to specific matters such as the decision on whether any placing is made to strategic investors or the adoption of the over-allotment option, in accordance with laws and regulations, the relevant requirements of securities regulatory authorities, and the resolutions passed by the Shareholders at the EGM and Class Meetings.
- ii. The filing of application for the Issue of A Shares and listing on the Sci-Tech Board to the CSRC and the Shanghai Stock Exchange, and the response to comments from the CSRC and the Shanghai Stock Exchange.
- iii. The determination of the specific details of the Issue of A Shares and listing on the Sci-Tech Board including the schedule of issuance, issue size, method of issuance, issue price and pricing methodology, target subscribers, and method of subscription in accordance with the requirements of securities regulatory authorities and the actual circumstances of the securities market.
- iv. The appropriate adjustments to be made to the investment projects to be funded by the proceeds raised and the investment amount according to the implementation process of the Issue of A Shares, market conditions, relevant policies and requirements of the relevant securities regulatory authorities. The determination of the progress of investment projects to be funded by the proceeds raised, the allocation of funds when applying the proceeds raised, and entering into material contracts relating to the operational process of the investment projects.
- v. The appropriate adjustment to the specific matters relating to the Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances, and unless such change involves matters that would necessitate authorization at another general meeting pursuant to relevant laws, regulations and the Articles.
- vi. Undertaking reporting and procedural work to the relevant government authorities in relation to the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to the application for approval, registration, filing, or consent to the relevant government authorities, regulatory authorities, stock exchanges, securities registration and settlement organizations, as well as the signing, execution, amendment, and completion of all necessary documents in relation to the Issue of A Shares.

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, in accordance with the undertakings of each Shareholder, handling matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of Shares.
- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations, requirements of relevant securities regulatory authorities and resolutions of the EGM and Class Meetings, the handling of other matters considered to be necessary for the Issue of A Shares and listing on the Sci-Tech Board.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

3. To consider and approve the projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis. The net proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects:

No.	Project Name	Proposed investment amount from proceeds raised (RMB)
1	R&D of our new drug products funding	1,500,000,000
2	Production base establishment	180,000,000
3	Sales network establishment	150,000,000
4	Working capital	670,000,000
Total		2,500,000,000

The Company will strictly comply with the relevant regulations to manage and use the proceeds raised from the Issue of A Shares. Before the completion of the Issue of A Shares, the Company may make an initial investment with self-financing according to its actual operational needs, and after the proceeds raised are in place, the Company can replace the self-financing with the proceeds raised from the Issue of A Shares.

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

If the net proceeds actually raised (after deducting the issuance expenses) cannot satisfy the funding needs for the projects, the Company will obtain funds from other financing channels, such as bank loans. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be used to supplement the Company's working capital needed in its principal business operation.

4. To consider and approve the Company's Share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the Sci-Tech Board.
5. To consider and approve the Company's three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board.
6. To consider and approve the analysis on dilution on immediate return by the initial public offering of A Shares and recovery measures.
7. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the proposal for the vesting of accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall Share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

9. To consider and approve the use of proceeds raised in previous offering.
10. To consider and approve the proposed amendments to the Articles in respect of the Issue of A Shares.
11. To consider and confirm the related party transactions from January 1, 2019 to June 30, 2022.

By order of the Board
Lepu Biopharma Co., Ltd.
Dr. Pu Zhongjie

Chairman of the Board and Executive Director

Shanghai, the PRC
September 1, 2022

NOTICE OF THE 2022 FIRST CLASS MEETING OF H SHAREHOLDERS

Notes:

1. All resolutions at the Class Meeting of H Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Company at www.lepubiopharma.com and Stock Exchange at www.hkexnews.hk after the Class Meeting of H Shareholders.
2. Any Shareholder entitled to attend and vote at the Class Meeting of H Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. **In view of the ongoing COVID-19 pandemic, the Company strongly recommends Shareholders of the Company to exercise your voting rights by appointing the chairman of the Class Meeting of H Shareholders as your proxy to vote on the relevant resolution(s) at the Class Meeting of H Shareholders as an alternative to attending the Class Meeting of H Shareholders in person.**
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), at least 24 hours before the Class Meeting of H Shareholders (i.e. not later than 10:00 a.m. on Thursday, September 15, 2022) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of H Shareholders or any adjourned meeting thereof should he/she so wish.
5. As disclosed in the announcement of the Company dated August 1, 2022, for the purpose of determining the list of H Shareholders who are entitled to attend the Class Meeting of H Shareholders, the H Share register of members of the Company closed from Wednesday, August 17, 2022 to Friday, September 16, 2022 (both days inclusive), during which period no transfer of H Shares will be registered.
6. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting of H Shareholders, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Shares shall alone be entitled to vote in respect thereof.
7. A Shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of H Shareholders.
8. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Dr. Pu Zhongjie (Chairman), Dr. Sui Ziyi (Chief Executive Officer) and Dr. Hu Chaohong (Co-Chief Executive Officer) as executive Directors; Ms. Pu Jue, Mr. Yang Hongbing and Mr. Lin Xianghong as non-executive Directors; and Mr. Zhou Demin, Mr. Yang Haifeng and Mr. Fengmao Hua as independent non-executive Directors.



LEPU BIOPHARMA CO., LTD.

樂普生物科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2157)

NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 2022 first class meeting of Domestic Shareholders (the “**Class Meeting of Domestic Shareholders**”) of Lepu Biopharma Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Conference Room, Building 7, No. 37 Chaoqian Road, Changping District, Beijing, the PRC immediately after the conclusion of the 2022 first class meeting of H Shareholders of the Company to be held at the same location on Friday, September 16, 2022 or at any adjustment thereof for the purpose of considering and, if thought fit, passing the following resolutions (with or without amendments). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated September 1, 2022 issued by the Company (the “**Circular**”).

SPECIAL RESOLUTIONS

1. To consider and approve the proposed Issue of A Shares as follows (each and every item as a separate resolution):
 - i. Class of new Shares to be issued: RMB Ordinary Shares (A Shares).
 - ii. Nominal value of new Shares to be issued: RMB1.00 each.
 - iii. Issue size: The Company proposes to issue not more than 414,861,209 new A Shares (excluding the number of A Shares to be issued pursuant to the over-allotment option), representing approximately 25% of the issued Shares of the Company as of the Latest Practicable Date, which shall be not less than 10% of the enlarged Share capital upon completion of the Issue of A Shares and not more than 20% of the enlarged issued Shares upon completion of the Issue of A Shares. The Issue of A Shares only involves issue of new Shares, and will not involve sale of Shares by existing Shareholders. The final issue size will be determined by the Board after consultation with the lead underwriter according to the authorization (if granted at the EGM and the Class Meetings) and be subject to final number of A Shares registered by the CSRC.
 - iv. Target subscribers: Qualified price consultation participants, PRC natural persons, legal persons, securities investment funds and other investors who fulfill the relevant rules and requirements relating to the Sci-Tech Board published by the Shanghai Stock Exchange and the CSRC (excluding those in respect of which subscription has been prohibited by laws, regulations and regulatory documents of the PRC).

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- v. Pricing methodology: The issue price for the A Shares will be determined by the Company (on the basis of Shareholders' authorization) and the lead underwriter on the basis of the results of the enquiry from the price consultation participants who meet the conditions stipulated by the CSRC in accordance with applicable laws and regulations, or by other pricing methods recognized by the CSRC and the Shanghai Stock Exchange.

Based on the PRC Company Law, the issue price of the A Shares shall not be lower than the nominal value of the Shares of the Company, i.e. RMB1.00 per Share. There is no other legal or regulatory requirements stipulating the price floor in the Issue of A Shares. As at June 30, 2022, the net asset value per Share of the Company was RMB0.75. The Company does not intend to issue the A Shares at a price lower than the latest audited net asset value per Share prior to the proposed Issue of A Shares.

As at the Latest Practicable Date, the closing price per H Share as quoted on the Stock Exchange is HK\$7.07 per H Share.

- vi. Method and schedule of issuance: The Issue of A Shares will be conducted through a combination of off-line placement to the price consultation participants and offering by way of on-line capital subscription pricing offering to public investors at fixed price, or any other offering methods approved by the CSRC or Shanghai Stock Exchange (including but not limited to placing of Shares to strategic investors). The Issue of A Shares shall be conducted within 12 months after the CSRC agrees to register the issuance. The amount of A Shares offered in off-line placement and on-line offering respectively would be determined by the Board of Directors (as authorized by the Shareholders) in accordance with actual circumstances of the offering.
 - vii. Method of underwriting: The Issue of A Shares will be underwritten by the lead underwriter by way of standby commitment.
 - viii. Use of Proceeds: It is proposed that the proceeds raised from the Issue of A Shares will be used for R&D of our new drug products funding, production base establishment, sales network establishment and working capital.
 - ix. Place of listing: All A Shares will be listed and traded on the Sci-Tech Board.
 - x. Validity period of the resolutions: The resolutions will be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.
2. To consider and approve the authorization to the Board of Directors and persons authorized by it to fully handle the relevant matters in connection with the Issue of A Shares and the listing on the Sci-Tech Board.

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The authorization proposed to be granted to the Board and persons authorized by it shall include without limitation:

- i. The formulation, implementation, and adjustment of the specific proposals for the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to specific matters such as the decision on whether any placing is made to strategic investors or the adoption of the over-allotment option, in accordance with laws and regulations, the relevant requirements of securities regulatory authorities, and the resolutions passed by the Shareholders at the EGM and Class Meetings.
- ii. The filing of application for the Issue of A Shares and listing on the Sci-Tech Board to the CSRC and the Shanghai Stock Exchange, and the response to comments from the CSRC and the Shanghai Stock Exchange.
- iii. The determination of the specific details of the Issue of A Shares and listing on the Sci-Tech Board including the schedule of issuance, issue size, method of issuance, issue price and pricing methodology, target subscribers, and method of subscription in accordance with the requirements of securities regulatory authorities and the actual circumstances of the securities market.
- iv. The appropriate adjustments to be made to the investment projects to be funded by the proceeds raised and the investment amount according to the implementation process of the Issue of A Shares, market conditions, relevant policies and requirements of the relevant securities regulatory authorities. The determination of the progress of investment projects to be funded by the proceeds raised, the allocation of funds when applying the proceeds raised, and entering into material contracts relating to the operational process of the investment projects.
- v. The appropriate adjustment to the specific matters relating to the Issue of A Shares and listing on the Sci-Tech Board within the effective period for the Issue of A Shares, including the amendment and submission of listing application materials as required by a change of policies or market circumstances, and unless such change involves matters that would necessitate authorization at another general meeting pursuant to relevant laws, regulations and the Articles.
- vi. Undertaking reporting and procedural work to the relevant government authorities in relation to the Issue of A Shares and listing on the Sci-Tech Board, including but not limited to the application for approval, registration, filing, or consent to the relevant government authorities, regulatory authorities, stock exchanges, securities registration and settlement organizations, as well as the signing, execution, amendment, and completion of all necessary documents in relation to the Issue of A Shares.

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- vii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, the amendments of the Articles, capital verification, commercial registration changes and relevant approvals, registrations and filings.
- viii. After the completion of the Issue of A Shares and listing on the Sci-Tech Board, in accordance with the undertakings of each Shareholder, handling matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of Shares.
- ix. The authorization to handle matters in relation to the opening of the depository account for the funds raised.
- x. To the extent permitted by relevant laws, regulations, requirements of relevant securities regulatory authorities and resolutions of the EGM and Class Meetings, the handling of other matters considered to be necessary for the Issue of A Shares and listing on the Sci-Tech Board.

The above authorization, if approved, shall be valid for a period of 24 months from the date of approval at the EGM and the Class Meetings.

3. To consider and approve the projects to be funded by the proceeds raised from the Issue of A Shares and feasibility analysis. The net proceeds raised by the Company from the proposed Issue of A Shares will be used for the following projects:

No.	Project Name	Proposed investment amount from proceeds raised (RMB)
1	R&D of our new drug products funding	1,500,000,000
2	Production base establishment	180,000,000
3	Sales network establishment	150,000,000
4	Working capital	670,000,000
Total		2,500,000,000

The Company will strictly comply with the relevant regulations to manage and use the proceeds raised from the Issue of A Shares. Before the completion of the Issue of A Shares, the Company may make an initial investment with self-financing according to its actual operational needs, and after the proceeds raised are in place, the Company can replace the self-financing with the proceeds raised from the Issue of A Shares.

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If the net proceeds actually raised (after deducting the issuance expenses) cannot satisfy the funding needs for the projects, the Company will obtain funds from other financing channels, such as bank loans. If the proceeds raised from this issuance exceeds the capital requirements of the projects, the surplus amount will be used to supplement the Company's working capital needed in its principal business operation.

4. To consider and approve the Company's Share price stabilization plan and restraining measures within three years after the initial public offering of A Shares and listing on the Sci-Tech Board.
5. To consider and approve the Company's three-year dividend distribution plan for Shareholders after the initial public offering of A Shares and listing on the Sci-Tech Board.
6. To consider and approve the analysis on dilution on immediate return by the initial public offering of A Shares and recovery measures.
7. To consider and approve the undertakings and restraining measures relating to the Issue of A Shares and listing on the Sci-Tech Board.
8. To consider and approve the proposal for the vesting of accumulated profit distribution and the plan for undertaking unrecovered losses prior to the Issue of A Shares:

As of the Latest Practicable Date, the Company has no undistributed accumulated profit. If the Company has undistributed accumulated profit or unrecovered losses before the Issue of A Shares and listing on the Sci-Tech Board, then it is proposed that the new and existing Shareholders shall Share such profit or bear such losses in proportion to their respective shareholdings after the Issue of A Shares and listing on the Sci-Tech Board.

9. To consider and approve the use of proceeds raised in previous offering.
10. To consider and approve the proposed amendments to the Articles in respect of the Issue of A Shares.
11. To consider and confirm the related party transactions from January 1, 2019 to June 30, 2022.

By order of the Board
Lepu Biopharma Co., Ltd.
Dr. Pu Zhongjie

Chairman of the Board and Executive Director

Shanghai, the PRC,
September 1, 2022

NOTICE OF THE 2022 FIRST CLASS MEETING OF DOMESTIC SHAREHOLDERS

Notes:

1. All resolutions at the Class Meeting of Domestic Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Company at www.lepubiopharma.com and the Stock Exchange at www.hkexnews.hk after the Class Meeting of Domestic Shareholders.
2. Any Shareholder entitled to attend and vote at the Class Meeting of Domestic Shareholders convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. **In view of the ongoing COVID-19 pandemic, the Company strongly recommends Shareholders of the Company to exercise your voting rights by appointing the chairman of the Class Meeting of Domestic Shareholders as your proxy to vote on the relevant resolution(s) at the Class Meeting of Domestic Shareholders as an alternative to attending the Class Meeting of Domestic Shareholders in person.**
4. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's headquarters and registered office in the PRC (for Domestic Shareholders), at least 24 hours before the Class Meeting of Domestic Shareholders (i.e. not later than 10:00 a.m. on Thursday, September 15, 2022) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of Domestic Shareholders or any adjourned meeting thereof should he/she so wish.
5. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Class Meeting of Domestic Shareholders, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Shares shall alone be entitled to vote in respect thereof.
6. A Shareholder or his/her proxy should produce proof of identity when attending the Class Meeting of Domestic Shareholders.
7. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Dr. Pu Zhongjie (Chairman), Dr. Sui Ziyi (Chief Executive Officer) and Dr. Hu Chaohong (Co-Chief Executive Officer) as executive Directors; Ms. Pu Jue, Mr. Yang Hongbing and Mr. Lin Xianghong as non-executive Directors; and Mr. Zhou Demin, Mr. Yang Haifeng and Mr. Fengmao Hua as independent non-executive Directors.